



## COLUMBIA COUNTY BOARD OF COUNTY COMMISSIONERS AGENDA ITEM REQUEST FORM

The Board of County Commissioners meets the 1st and 3rd Thursday of each month at 5:30 p.m. in the Columbia County School Board Administrative Complex Auditorium, 372 West Duval Street, Lake City, Florida 32055. All agenda items are due in the Board's office one week prior to the meeting date.

Today's Date: 7/30/2020 Meeting Date: 8/6/2020

Name: Ben Scott Department: BCC Administration

Division Manager's Signature:

A handwritten signature in blue ink that reads "Ben Scott".

### 1. Nature and purpose of agenda item:

Conduct Public Hearing for Resolution No. 2020R-25 approving the issuance of Columbia County, Florida Educational Facilities Revenue Bonds (Belmont Academy Charter School Project) in an aggregate amount not to exceed \$15,000,000 (the "Bonds")

### 2. Recommended Motion/Action:

Approve Resolution 2020R-25 approving the issuance of Columbia County, Florida Educational Facilities Revenue Bonds in an aggregate amount not to exceed \$15,000,000

### 3. Fiscal impact on current budget.

This item has no effect on the current budget.

**BOARD OF COUNTY COMMISSIONERS  
COLUMBIA COUNTY, FLORIDA  
AGENDA ITEM COVER SHEET**

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**MEETING DATE:** August 6, 2020

**SUBJECT:** TEFRA Public Hearing and Resolution approving the Issuance of Educational Facilities Revenue Bonds (Belmont Academy Charter School Project) in aggregate amount not to exceed \$15,000,000 for Belmont Academy, Inc.

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**RECOMMENDATION/REQUIRED ACTION:**

Request approval:

1. To hold a TEFRA Public Hearing concerning Belmont Academy, Inc. (the "Borrower").
  2. Of Resolution No. 2020R-25 approving the issuance of Columbia County, Florida Educational Facilities Revenue Bonds (Belmont Academy Charter School Project) in an aggregate amount not to exceed \$15,000,000 (the "Bonds").
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**BACKGROUND SUMMARY:** The Borrower operates Belmont Academy Charter School (the "School"), a tuition free, public charter school serving students in pre-kindergarten through twelfth grade that has been an "A" rated high performing charter school since its inception in 2014. The School is operated pursuant to a charter with The School Board of Columbia County running through July 31, 2032.

The proceeds of the Bonds will be applied by the Borrower to: (1) finance, refinance and reimburse the costs of certain capital expenditures for the School hereinafter referred to as the "Project," including the refinancing of certain outstanding indebtedness of the Borrower previously incurred to finance a portion of such Project, (2) fund capitalized interest on a portion of the Bonds; and (3) pay certain costs of issuance of the Bonds.

The Project to be financed, refinanced and reimbursed with the proceeds of the Bonds is and will continue to be owned and operated by the Borrower as a charter school, and generally includes the acquisition, construction, improvement, installation and/or equipping of the following land and educational facilities:

(i) the School's existing campus including an approximately 24.56-acre site at 1476 Southwest Walter Avenue, Lake City, Columbia County, Florida 32024 and the buildings and facilities located thereon along with related facilities, fixtures, furnishings and equipment; and

(ii) certain capital improvements to or for the existing facilities comprising an approximately 15,000 square foot second floor build-out of the main School building to include approximately 12 new classrooms accommodating students in grades Pre-K through 6, along with related facilities, fixtures, furnishings and equipment; and

(iii) an approximately 3.51-acre site located adjacent to the existing campus, and a new approximately 29,136 square foot building to be constructed thereon to accommodate students in grades 7-12 comprising approximately 18 classrooms, a multipurpose room and approximately 13 offices/work spaces, along with related facilities, fixtures, furnishings and equipment.

The attached Resolution No. 2020R-25 provides final approval of the issuance of the Bonds and authorizes the Chair, Clerk and other appropriate County officials to execute any necessary documents regarding the issuance of the Bonds. The Resolution has been prepared on behalf of the County by its Bond Counsel and reviewed and approved by the County Attorney. This Public Hearing is required to comply with TEFRA (Tax Equity and Fiscal Responsibility Act) requirements for the issuance of tax-exempt conduit bonds.

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**FISCAL IMPACT:** The Bonds will be secured solely by and from payments made by the Borrower derived from the School pursuant to a financing agreement and other financing documents to be executed prior to or contemporaneously with the issuance of the Bonds. Neither the Bonds nor the interest thereon shall be an indebtedness of, or a pledge of, the taxing power or any other revenues of the County, the School District of Columbia County, Florida, the State of Florida, or any political subdivision or agency thereof but will be special and limited obligations of the County payable solely from loan payments made by the Borrower.

The Bonds will not have any impact on the credit rating or financial status of the County. Issuance of the Bonds will have no fiscal impact to the County. All costs and expenses associated with the Bonds, including, but not limited to, the fees and expenses of the County Attorney, shall be paid by the Borrower. The Borrower has fully indemnified the County from all liability related to the Bonds and the Project.

**COLUMBIA COUNTY, FLORIDA**

**RESOLUTION NO. 2020R-25**

**A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF COLUMBIA COUNTY, FLORIDA PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED \$15,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF EDUCATIONAL FACILITIES REVENUE BONDS IN ONE OR MORE TAX-EXEMPT AND TAXABLE SERIES FOR THE PRINCIPAL PURPOSE OF LOANING THE PROCEEDS THEREOF TO BELMONT ACADEMY, INC. TO FINANCE, REFINANCE AND REIMBURSE THE ACQUISITION, CONSTRUCTION, IMPROVEMENT, INSTALLATION AND EQUIPPING OF CERTAIN CHARTER SCHOOL FACILITIES; PROVIDING FOR CERTAIN RIGHTS OF THE OWNERS OF SUCH BONDS AND FOR THE PAYMENT THEREOF; MAKING CERTAIN OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS; AUTHORIZING A DELEGATED NEGOTIATED SALE AND PRIVATE PLACEMENT OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A FINANCING AGREEMENT, BONDS, AND ALL OTHER RELATED AGREEMENTS AND INSTRUMENTS INCLUDING, WITHOUT LIMITATION, A TAX AGREEMENT; PROVIDING FOR OTHER MISCELLANEOUS MATTERS IN CONNECTION WITH THE FOREGOING; AND PROVIDING FOR AN EFFECTIVE DATE FOR THIS RESOLUTION.**

**BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF COLUMBIA COUNTY, FLORIDA, THAT:**

**SECTION 1. AUTHORITY FOR THIS RESOLUTION.** This Resolution is adopted pursuant to the provisions of Chapter 125, Florida Statutes, Chapter 159, Part II, Florida Statutes, and other applicable provisions of law.

**SECTION 2. DEFINITIONS.** Unless the context otherwise requires, the terms used in this Resolution shall have the meanings specified in this section. Any capitalized terms used but not otherwise defined herein shall have the meanings assigned such terms in the Financing Agreement (defined herein). Words importing the singular shall include the plural, words importing the plural shall include the singular, and words importing persons shall include corporations and other entities or associations.

**"Act"** means the Constitution and laws of the State of Florida, particularly Chapter 125, Florida Statutes, Chapter 159, Part II, Florida Statutes, and other applicable provisions of law.

**"Board"** shall mean the Board of County Commissioners of Columbia County, Florida, the governing body of the County.

**"Bond Counsel"** means the law firm of Nabors, Giblin & Nickerson, P.A., Tampa, Florida.

**"Borrower"** means Belmont Academy, Inc., a Florida not-for-profit corporation, and any surviving, resulting, or transferee entity as provided in the Financing Agreement.

**"Chairman"** shall mean the Chairman or Vice-Chairman of the Board and such other person as may be duly authorized to act on his or her behalf.

**"Clerk"** shall mean the Clerk of the Circuit Court and such other person as may be duly authorized to act on his or her behalf.

**"Code"** shall mean the Internal Revenue Code of 1986, as amended, and the applicable regulations and rules thereunder in effect or proposed.

**"County"** means Columbia County, Florida, a political subdivision of the State.

**"Facilities"** means the charter school facilities currently owned and operated by the Borrower as Belmont Academy Charter School located at 1476 Southwest Walter Avenue, Lake City, Florida 32024, along with the additional land and facilities expected to be acquired, constructed, improved, installed and/or equipped in the County by or on behalf of the Borrower with the proceeds of the Series 2020 Bonds.

**"Financing Agreement"** means the Financing Agreement, to be executed among the County, the Borrower and the Purchaser, substantially in the form attached hereto as EXHIBIT C and incorporated herein by reference.

**"Project"** means (i) the acquisition, construction, improvement, installation and/or equipping of the Facilities as more particularly described in Exhibit F to the Financing Agreement attached as EXHIBIT C hereto.

**"Purchaser"** means Sunflower Public Finance, LLC, a Colorado limited liability company and a wholly-owned subsidiary of Sunflower Bank, N.A., and its successors, and assigns.

**"Series 2020 Bonds"** means the County's Educational Facilities Revenue Bonds (Belmont Academy Charter School Project), Series 2020 (with such designations as the County may hereafter determine to distinguish between separate series of Series 2020

Bonds and between tax-exempt and taxable Series 2020 Bonds) issued under the Financing Agreement in the aggregate principal amount of not to exceed \$15,000,000, substantially in the form and with the rates of interest, maturity dates and other details provided for in the Financing Agreement or otherwise established in accordance with the terms hereof and thereof.

**"State"** means the State of Florida.

**"Tax Agreement"** means the Tax Exemption Agreement and Certificate to be executed by the County and the Borrower in connection with the issuance of the Series 2020 Bonds.

**SECTION 3. FINDINGS.** It is hereby ascertained, determined and declared as follows:

A. The Board is a political subdivision of the State and a local agency pursuant to the Act, and is duly authorized and empowered by the Act to finance and refinance the acquisition, construction, reconstruction, improvement, rehabilitation, renovation, expansion and enlargement, or additions to, furnishing and equipping of any capital project, including any private non-profit "educational facilities" (as the quoted term is described in the Act), including land, rights in land, buildings and other structures, machinery, equipment, appurtenances and facilities incidental thereto, and other improvements necessary or convenient therefor.

B. The Borrower has heretofore requested the County to assist the Borrower by (i) financing, refinancing and reimbursing the costs of the Project (including the refinancing of certain related outstanding indebtedness of the Borrower previously incurred to pay costs of such Project) (ii) funding capitalized interest, and (iii) paying costs of issuance related to the Series 2020 Bonds through the issuance by the County of not exceeding \$15,000,000 in aggregate principal amount of Series 2020 Bonds in one or more series of tax-exempt and taxable Series 2020 Bonds.

C. On the date hereof, in accordance with all requirements of law, upon reasonable public notice setting forth the location and nature of the Project and the proposed issuance of the Series 2020 Bonds by the County, which notice was published on July 28, 2020 in the *Lake City Reporter*, a newspaper of general circulation in the County, a copy of said notice being attached hereto as EXHIBIT A, the County held a public hearing at which hearing members of the public were afforded reasonable opportunity to be heard on all matters pertaining to the issuance of the Series 2020 Bonds for the benefit of the Borrower and the location and nature of the Project, in accordance with Section 147(f) of the Code.

D. The Borrower has, after consulting with the Purchaser, determined that market and other conditions are now conducive to proceed with the financing and refinancing of the costs of the Project with the proceeds of the Series 2020 Bonds.

E. Upon consideration of the documents described herein and the information presented to the County at or prior to the adoption of this Resolution, including but not limited to the Expense and Indemnity Agreement attached as EXHIBIT B hereto, the County has made and does hereby make the following findings and determinations:

(1) The Project and the Facilities consist of certain capital costs related to the acquisition and development of "educational facilities" within the meaning of the Act, said Project and the Facilities being or to be owned and operated by the Borrower in its business of providing educational services in the County and the State.

(2) The Borrower has represented that the Project and the Facilities will foster the economic growth and development and the industrial and business development of the County and the State, and will serve other predominantly public purposes as set forth in the Act. It is desirable and will further the public purposes of the Act, and it will most effectively serve the purposes of the Act, for the Borrower to finance and refinance (including through reimbursement) the costs of the Project and for the County to issue and sell the Series 2020 Bonds for the purpose of providing funds to finance the costs of the Project, all as provided in the Financing Agreement, which contains or shall contain such provisions as are necessary or convenient to effectuate the purposes of the Act.

(3) The Project is appropriate to the needs and circumstances of and will make a significant contribution to the economic growth of the County; will provide or preserve gainful employment; and will serve a public purpose by advancing the economic prosperity, public education, and the health and general welfare of the County, the State and its people in accordance with Section 159.26, Florida Statutes.

(4) Taking into consideration representations made to the County by the Borrower and based on other criteria established by the Act, the Borrower is financially responsible and fully capable and willing (a) to fulfill its obligations under the Financing Agreement and any other agreements to be made in connection with the issuance of the Series 2020 Bonds and the use of the Series 2020 Bond proceeds to finance, refinance and reimburse the costs of the Project, including the obligation to make payments due under the Financing Agreement in an amount sufficient in the aggregate to pay all of the principal of, purchase price, interest and redemption premiums, if any, on the Series 2020 Bonds, in the amounts and at the times required, (b) to operate, repair and maintain at its own expense the Project and the Facilities, and (c) to serve the purposes of the Act and such other responsibilities as may be imposed under such agreements.

(5) Based on the representations of the Borrower, the County and other local agencies have been or will be able to cope satisfactorily with the impact of the Project and the Facilities and will be able to provide, or cause to be provided when needed, the public facilities, including utilities and public services necessary for the operation, repair and maintenance of the Project and the Facilities on account of any increase in population or other circumstances resulting therefrom.

(6) Adequate provision is made under the Financing Agreement for the operation, repair and maintenance of the Facilities at the expense of the Borrower, for the payment of the principal of, purchase price, premium, if any, and interest on the Series 2020 Bonds when and as the same become due, and payment by the Borrower of all other costs in connection with the financing, refinancing, operation, maintenance and administration of the Facilities which are not being paid out of the proceeds of the Series 2020 Bonds or otherwise, it being understood by all of the parties involved in this transaction that the primary source of repayment of the Series 2020 Bonds is expected to be the revenues generated in the operation of the facilities.

(7) The costs of the Project being financed and refinanced with the proceeds of the Series 2020 Bonds constitute "costs" of a "project" within the meaning of the Act.

(8) The principal of, premium, if any, and interest on the Series 2020 Bonds and all other pecuniary obligations of the County under the Financing Agreement, or otherwise, in connection with the financing and refinancing of the Project, or the issuance of the Series 2020 Bonds, shall be payable solely from (a) the loan payments and other revenues and proceeds received by the County under the Financing Agreement, (b) the sale, lease or other disposition of the Project and the Facilities, including proceeds from insurance or condemnation awards and proceeds of any foreclosure or other realization upon the liens or security interests under the Financing Agreement and collateral pledged by the Borrower, and (c) the proceeds of the Series 2020 Bonds and income from the temporary investment of the proceeds of the Series 2020 Bonds or of such other revenues and proceeds, as pledged for such payment under and as provided in the Financing Agreement. Neither the faith and credit nor the taxing power of the County, the School District of Columbia County, Florida (the "District"), the State or of any political subdivision or agency thereof is pledged to the payment of the Series 2020 Bonds or of such other pecuniary obligations of the County, and neither the County, the District, the State nor any political subdivision or agency thereof shall ever be required or obligated to levy ad valorem taxes on any property within their territorial limits to pay the principal of, purchase price, premium, if any, or interest on such Series 2020 Bonds or other pecuniary obligations or to pay the same from any funds thereof other than such revenues, receipts and proceeds so pledged, and the Series



2020 Bonds shall not constitute a lien upon any property owned by the County, the District or the State or any political subdivision or agency thereof, other than the County's interest in the Financing Agreement and the property rights, receipts, revenues and proceeds pledged therefor under and as provided in the Financing Agreement and any other agreements securing the Series 2020 Bonds.

(9) A negotiated sale and direct placement of the Series 2020 Bonds with the Purchaser is required and necessary, and is in the best interest of the County, for the following reasons: the Series 2020 Bonds will be special and limited obligations of the County payable solely out of revenues and proceeds derived by the County pursuant to the Financing Agreement, and the Borrower will be obligated for the payment of all costs of the County in connection with the financing and refinancing of the Project which are not paid out of the Series 2020 Bond proceeds or otherwise; the costs of issuance of the Series 2020 Bonds, which will be borne directly or indirectly by the Borrower, could be greater if the Series 2020 Bonds are sold at public sale by competitive bids than if the Series 2020 Bonds are sold at negotiated sale and direct placement, and a public sale by competitive bids would cause undue delay in the financing and refinancing of the Project; private activity revenue bonds having the characteristics of the Series 2020 Bonds are typically and usually sold at negotiated sale and/or privately placed; the Borrower has indicated that it may be unable or unwilling to proceed with the issuance of the Series 2020 Bonds and the financing and refinancing of the Project unless a negotiated sale and direct placement of the Series 2020 Bonds is authorized by the County; and authorization of a negotiated sale and direct placement of the Series 2020 Bonds is desirable in order to serve the purposes of the Act.

(10) All requirements precedent to the adoption of this Resolution, of the Constitution and other laws of the State, including the Act, have been complied with.

F. The County, the Borrower and the Purchaser, will negotiate a sale of the Series 2020 Bonds in accordance with the terms of the Financing Agreement, said Financing Agreement to be executed in accordance with the terms and provisions hereof. Upon execution of the Financing Agreement and in accordance with Section 218.385, Florida Statutes, the Purchaser will submit to the County a disclosure statement and a truth-in-bonding statement dated the date thereof setting forth any fee, bonus or gratuity paid in connection with the placement of the Series 2020 Bonds, along with an executed investor letter to be substantially in the form attached to the Financing Agreement.

**SECTION 4. FINANCING AND REFINANCING OF COSTS OF THE PROJECT AUTHORIZED.** The financing, refinancing and reimbursement by the County of the costs of the Project with the proceeds of the Series 2020 Bonds in the manner provided herein and in the Financing Agreement is hereby authorized. The County is not

authorizing the issuance of any obligations at this time to finance, refinance or reimburse costs related to the Facilities other than the costs of the Project.

**SECTION 5. AUTHORIZATION AND DESCRIPTION OF THE SERIES 2020 BONDS.** For the purpose of providing for the financing and refinancing (including through reimbursement) of the costs of the Project, obligations of the County to be known as "Columbia County, Florida Educational Facilities Revenue Bonds (Belmont Academy Charter School Project), Series 2020" (and such other series or other designations as the County may hereafter determine to distinguish between separate series of Series 2020 Bonds and between tax-exempt and taxable Series 2020 Bonds) are hereby authorized to be issued in an aggregate principal amount not exceeding FIFTEEN MILLION AND 00/100 DOLLARS (\$15,000,000), in the form and manner described in the Financing Agreement. The Series 2020 Bonds shall be dated as of the date of their issuance, shall be issued in the form of fully-registered bonds, without coupons, shall bear interest from their dated date(s) at the interest rates and shall mature in such amounts and on such dates set forth in the Financing Agreement.

**SECTION 6. OPTIONAL AND EXTRAORDINARY REDEMPTION.** The Series 2020 Bonds will be subject to optional and extraordinary redemption in the manner, to the extent, in the amounts and at the times set forth in the Financing Agreement.

**SECTION 7. DELEGATED NEGOTIATED SALE OF THE SERIES 2020 BONDS.** A delegated negotiated sale and direct placement of the Series 2020 Bonds with the Purchaser in accordance with the terms hereof and of the Financing Agreement is hereby in all respects authorized subject to the following requirements: (A) the issuance of not exceeding \$15,000,000 aggregate principal amount of Series 2020 Bonds; (B) the Series 2020 Bonds shall mature on such dates and in such amounts as provided in the Financing Agreement with the final maturity no later than December 31, 2030; and (C) in accordance with Section 218.385, Florida Statutes, the Purchaser must submit to the County a disclosure statement and truth-in-bonding statement setting forth the information required by said Section 218.385, Florida Statutes, along with an executed investor letter to be substantially in the form attached to the Financing Agreement and incorporated herein by reference.

**SECTION 8. AUTHORIZATION OF EXECUTION AND DELIVERY OF THE FINANCING AGREEMENT.** The Financing Agreement, substantially in the form attached hereto as EXHIBIT C with such corrections, insertions and deletions as may be approved by the Chairman and Clerk, such approval to be evidenced conclusively by their execution thereof, is hereby approved and authorized; the County hereby authorizes and directs the Chairman to date and execute and the Clerk to attest, under the official seal of the County, the Financing Agreement, and to deliver the Financing Agreement to the Borrower; and all of the provisions of the Financing Agreement, when executed and delivered by the County as authorized herein and by the Borrower, shall be deemed to be a part of this Resolution as fully and to the same extent as if incorporated verbatim herein.

**SECTION 9. AUTHORIZATION OF EXECUTION OF TAX AGREEMENT, OTHER CERTIFICATES AND OTHER INSTRUMENTS.** The Chairman and the Clerk are hereby authorized and directed, either alone or jointly, under the official seal of the County, to execute and deliver certificates of the County certifying such facts as the Bond Counsel shall require in connection with the issuance, sale and delivery of the Series 2020 Bonds, and to execute and deliver such other instruments, including but not limited to, a Tax Agreement relating to certain requirements set forth in Section 148 of the Code related to tax-exempt Series 2020 Bonds, and such other assignments, bills of sale, financing statements and escrow agreements, as shall be necessary or desirable to perform the County's obligations, or assist in the performance of the Borrower's obligations, under the Financing Agreement and the Tax Agreement and to consummate all of the transactions hereby and thereby authorized.

**SECTION 10. APPOINTMENT OF BOND COUNSEL.** The firm of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, is hereby approved and appointed by the County to act as Bond Counsel in connection with the issuance by the County of the Series 2020 Bonds.

**SECTION 11. NO PERSONAL LIABILITY.** No representation, statement, covenant, warranty, stipulation, obligation or agreement herein contained, or contained in the Series 2020 Bonds, the Financing Agreement, the Tax Agreement, or any certificate or other instrument to be executed on behalf of the County in connection with the issuance of the Series 2020 Bonds, shall be deemed to be a representation, statement, covenant, warranty, stipulation, obligation or agreement of any member, officer, employee or agent of the County in his or her individual capacity, and none of the foregoing persons nor any member or officer of the County executing the Series 2020 Bonds, the Financing Agreement, the Tax Agreement, or any certificate or other instrument to be executed in connection with the issuance of the Series 2020 Bonds shall be liable personally thereon or be subject to any personal liability of or accountability by reason of the execution or delivery thereof.

**SECTION 12. NO THIRD-PARTY BENEFICIARIES.** Except as otherwise expressly provided herein or in the Series 2020 Bonds, the Financing Agreement or the Tax Agreement, nothing in this Resolution, or in the Series 2020 Bonds, the Financing Agreement or the Tax Agreement, express or implied, is intended or shall be construed to confer upon any person, firm, corporation or other organization, other than the County, the Borrower, the Purchaser and any other owners from time to time of the Series 2020 Bonds any right, remedy or claim, legal or equitable, under and by reason of this Resolution or any provision hereof, or of the Series 2020 Bonds, the Financing Agreement or the Tax Agreement, all provisions hereof and thereof being intended to be and being for the sole and exclusive benefit of the County, the Borrower, the Purchaser and the owners from time to time of the Series 2020 Bonds.

**SECTION 13. PREREQUISITES PERFORMED.** All acts, conditions and things relating to the passage of this Resolution, to the issuance, sale and delivery of the Series 2020 Bonds, to the execution and delivery of the Financing Agreement, the Tax Agreement and the other documents referred to herein or authorized hereby required by the Constitution or other laws of the State, to happen, exist and be performed precedent to the passage hereof, and precedent to the issuance, sale and delivery of the Series 2020 Bonds, to the execution and delivery of the Financing Agreement and the Tax Agreement, have either happened, exist and have been performed as so required or will have happened, will exist and will have been performed prior to such execution and delivery thereof.

**SECTION 14. COMPLIANCE WITH CHAPTER 218, PART III, FLORIDA STATUTES.** The County hereby approves and authorizes the completion, execution and filing with the Division of Bond Finance, Department of General Services of the State of Florida, at the expense of the Borrower, of advance notice of the sale of the Series 2020 Bonds and of Bond Information Form BF 2003, and any other acts as may be necessary to comply with Chapter 218, Part III, Florida Statutes and any other applicable laws.

**SECTION 15. GENERAL AUTHORITY.** The officers, attorneys, engineers or other agents or employees of the County are hereby authorized to do all acts and things required of them by this Resolution, the Series 2020 Bonds, the Financing Agreement, and the Tax Agreement, and to do all acts and things which are desirable and consistent with the requirements hereof or of the Series 2020 Bonds, the Financing Agreement and the Tax Agreement, for the full, punctual and complete performance of all the terms, covenants and agreements contained herein and in the Series 2020 Bonds, the Financing Agreement and the Tax Agreement.

**SECTION 16. THIS RESOLUTION CONSTITUTES A CONTRACT.** The County covenants and agrees that this Resolution shall constitute a contract between the County, the Purchaser and any other owners from time to time of the Series 2020 Bonds then outstanding and that all covenants and agreements set forth herein and in the Series 2020 Bonds, the Financing Agreement and the Tax Agreement, to be performed by the County shall be for the equal and ratable benefit and security of the Purchaser and any other owners of outstanding Series 2020 Bonds, without privilege, priority or distinction as to lien or otherwise of any of the Series 2020 Bonds over any other of the Series 2020 Bonds.

**SECTION 17. LIMITED OBLIGATION.** THE ISSUANCE OF THE SERIES 2020 BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE COUNTY, THE DISTRICT, THE STATE NOR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER, OR TO LEVY AD VALOREM TAXES ON ANY PROPERTY WITHIN THEIR TERRITORIAL LIMITS TO PAY THE PRINCIPAL OF, PURCHASE PRICE, PREMIUM, IF ANY, OR INTEREST ON SUCH

SERIES 2020 BONDS OR OTHER PECUNIARY OBLIGATIONS OR TO PAY THE SAME FROM ANY FUNDS THEREOF OTHER THAN SUCH REVENUES, RECEIPTS AND PROCEEDS SO PLEDGED, AND THE SERIES 2020 BONDS SHALL NOT CONSTITUTE A LIEN UPON ANY PROPERTY OWNED BY THE COUNTY, THE DISTRICT OR THE STATE OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF, OTHER THAN THE COUNTY'S INTEREST IN THE FINANCING AGREEMENT AND THE PROPERTY RIGHTS, RECEIPTS, REVENUES AND PROCEEDS PLEDGED THEREFOR UNDER AND AS PROVIDED IN THE FINANCING AGREEMENT AND ANY OTHER AGREEMENTS SECURING THE SERIES 2020 BONDS.

**SECTION 18. LIMITED APPROVAL.** The approval given herein shall not be construed as an approval of any necessary rezoning applications nor for any other regulatory permits relating to the Project or the Facilities and the County shall not be construed by reason of its adoption of this resolution to (A) attest to the Borrower's ability to repay the indebtedness represented by the Series 2020 Bonds, (B) a recommendation to prospective purchasers of the Series 2020 Bonds to purchase the same, or (C) have waived any right of the County or stopping the County from asserting any rights or responsibilities it may have in that regard.

**SECTION 19. SEVERABILITY OF INVALID PROVISIONS.** If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions, and shall in no way affect the validity of any of the other provisions hereof or of the Series 2020 Bonds issued under the Financing Agreement.

**SECTION 20. REPEALING CLAUSE.** All resolutions or parts thereof in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

**SECTION 21. EFFECTIVE DATE.** This Resolution shall take effect immediately upon its adoption.

[SIGNATURE PAGE FOLLOWS]

**PASSED AND DULY ADOPTED** at this regular meeting of the Board of County Commissioners of Columbia County, Florida this 6th day of August, 2020.

**BOARD OF COUNTY COMMISSIONERS  
COLUMBIA COUNTY, FLORIDA**, as Issuer

[SEAL]

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Toby Witt, Chairman

**ATTEST:**

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P. Dewitt Cason, Clerk of the Circuit Court

Approved as to form and correctness:

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Joel F. Foreman, County Attorney

[SIGNATURE PAGE TO RESOLUTION NO. 2020R-25]

**EXHIBIT A**

**AFFIDAVIT OF PUBLICATION OF PUBLIC HEARING NOTICE**

## **EXHIBIT B**

### **BORROWER'S EXPENSE AND INDEMNITY AGREEMENT**



**EXHIBIT C**  
**FORM OF FINANCING AGREEMENT**

# THE LAKE CITY REPORTER

Lake City, Columbia County, Florida

STATE OF FLORIDA,  
COUNTY OF COLUMBIA,

Before the undersigned authority personally appeared Todd Wilson who on oath says that he is Publisher of the Lake City Reporter, a newspaper published at Lake City, Columbia County, Florida; that the attached copy of advertisement, being a

in the matter of

in the Court, was published  
in said newspaper in the issues of July 28, 2020

Affiant further says that The Lake City Reporter is a newspaper published at Lake City in said Columbia County, Florida, and that the said newspaper has heretofore been continuously published in said Columbia County, Florida, and has been entered as second class mail matter at the post office in Lake City, in said Columbia County, Florida, for a period of one year next preceding the first publication of the attached copy of advertisement; and affiant further says that he has neither paid nor promised any person, firm or corporation any discount, rebate, commission or refund for the purpose of securing this advertisement for publication in the said newspaper.

Sworn to and subscribed before me this 28 day of July  
A.D., 2020



KATHLEEN A RIOTTO  
Commission # GG 229945  
Expires August 20, 2022  
Bonded Thru Budget Notary Services

Notary Public

Legal Copy  
As Published

COLUMBIA COUNTY BOARD  
OF COUNTY COMMISSIONERS

NOTICE OF MEETING AND  
PUBLIC HEARING

For the purposes of Section 147(f) of the Internal Revenue Code, notice is hereby given that the Board of County Commissioners (the "Board") of Columbia County, Florida (the "County") will hold a public hearing on August 6, 2020, at 5:30 P.M., or as soon thereafter as the matter can be heard, in the Auditorium of the Columbia County School Board Administrative Complex, 372 West Duval Street, Lake City, Florida 32055, receiving public comments and hearing discussion concerning the proposed issuance by the County of not exceeding \$15,000,000 aggregate principal amount of Columbia County, Florida Educational Facilities Revenue Bonds (Belmont Academy Charter School Project), Series 2020 (the "Bonds"), to make a loan or loans to Belmont Academy, Inc., a Florida not-for-profit corporation (the "Borrower"), for the purpose of providing funds to (1) finance, refinance and reimburse the costs of certain capital expenditures related to the public charter school operated by the Borrower as Belmont Academy Charter School (the "School") described below (the "Project"), including the refinancing of certain related outstanding indebtedness of the Borrower previously incurred to pay costs of such Project, (2) fund capitalized interest on the Bonds; and (3) pay all or a portion of certain costs of issuance of the Bonds. The Bonds will be issued in one or more tax-exempt and taxable series.

The Project to be financed, refinanced and reimbursed with the proceeds of the Bonds is and will continue to be owned and operated by the Borrower as a charter school (with related uses), and generally includes the acquisition, construction, improvement, installation and/or equipping of the following land and educational facilities:

(i) an approximately 24.56-acre site at 1476 Southwest Walter Avenue, Lake City, Columbia County, Florida 32024 and the existing educational facilities comprising the School located thereon and currently accommodating approximately 610 students in grades Pre-K through 12, along with related facilities, fixtures, furnishings and equipment (collectively, the "Existing Facilities"); and  
(ii) certain capital improvements to or for the Existing Facilities comprising an approximately 15,000 square foot second floor build-out of the main School building to include approximately 12 new classrooms accommodating students in grades Pre-K through 6, along with related facilities, fixtures, furnishings and equipment; and  
(iii) an approximately 3.51-acre site located adjacent to the Existing Facilities and a new approximately 29,136 square foot building to be constructed thereon to accommodate students in grades 7-12 comprising approximately 18 classrooms, a multipurpose room and approximately 13 offices/work spaces, along with related facilities, fixtures, furnishings and equipment.

The Bonds shall be payable solely from the revenues derived from a loan agreement and other financing documents

to be executed between the County and the Borrower (and, where applicable, the purchaser of the Bonds) prior to or contemporaneously with the issuance of the Bonds. Neither the Bonds nor the interest thereon shall be an indebtedness of, or a pledge of, the taxing power or any other revenues of the County, the School District of Columbia County, Florida (the "District"), the State of Florida, or any political subdivision or agency thereof but will be special and limited obligations of the County payable solely from the sources identified above. Issuance of the Bonds shall be subject to several conditions including satisfactory documentation, the approval by bond counsel as to the tax-exempt status of the interest on all or a portion of the Bonds and receipt of necessary approvals for the financing. The aforementioned meeting shall be a public meeting and all persons who may be interested will be given an opportunity to be heard concerning the same. Written comments to be presented at the hearing may be submitted to the Board of County Commissioners of Columbia County, Attention: County Manager, at 135 N.E. Hernando Avenue, Suite 203, Lake City, Florida 32055. Comments made at the hearing are for the consideration of the Board.

In accordance with the Americans with Disabilities Act persons needing a special accommodation to participate in this proceeding should contact the Columbia County ADA Coordinator at (386) 758-1006 no later than 48 hours prior to the proceeding.

588324  
July 28, 2020

## EXPENSE AND INDEMNITY AGREEMENT

Columbia County, Florida

Ladies and Gentlemen:

The undersigned (the "Applicant") has requested Columbia County, Florida (the "County"), to consider its application for the issuance of the Bonds referred to below (the "Bonds") for the benefit of the Applicant and as an inducement to such consideration hereby agrees with the County as follows:

Section 1. Payment of Expenses. Whether or not the Bonds are offered, sold or issued, the Applicant agrees to pay and be liable for, and to hold the County harmless against the payment of any and all expenses relating to the Bond issue, including, without limitation, administrative charges and out-of-pocket expenses, recording charges, expenses of printing offering circulars or official statements, and the cost of printing the Bonds and advertising the sale thereof and expenses of registering the Bonds with the securities commission of any state. The fees of the County's administrative staff and legal advisor shall be payable only if the Bonds are issued and delivered, but the Applicant shall in all events be liable for the payment of the disbursements and out-of-pocket expenses of such personnel. [It is further agreed that the applicant fee is a separate fee, which shall not be used for the payment of the expenses delineated herein.]

Section 2. Indemnity. Whether or not the Bonds are offered, sold or issued, the Applicant agrees to indemnify the County, and each of its members, officers, agents, attorneys or employees against any and all claims and liability of whatsoever nature arising out of the Bond issue, including without limitation, claims based upon actual or alleged misrepresentation, fraud or other tortuous conduct or breach of contractual relationships, whether predicated upon federal or state statutes, common law, principles of equity or otherwise, excepting only claims based upon willful misfeasance or nonfeasance by the County, or its members, officers, agents, attorneys or employees. In furtherance of the foregoing the Applicant agrees to pay any and all attorney's fees and court costs incurred in the defense of any of the claims here above enumerated upon the County's written demand thereof. It is further understood and agreed that the County or any of the persons here above indemnified shall be entitled to retain counsel acceptable to the County or them to defend any claim, but that neither the County nor any such person will enter into any settlement of the same without the prior written approval of the Applicant. It is further understood that the County will give reasonable notice to the Applicant of the pendency of any such claims or liability and the Applicant shall have the opportunity to recommend counsel for selection by the County or its members. The actual selection of counsel, however, will be solely within the discretion of the County or its members.

Section 3. Survival of Agreement. This Agreement shall survive the closing of the Bond issue and shall not merge into or be superseded by any other agreement other than by a written amendment hereto specifically denominated as such and executed by the County and the Applicant.

Date: Jul 7, 2020

Name of Applicant: Belmont Academy, Inc.

By:  Luke Sparks [Jul 7, 2020 09:45 EDT]

Title: Governing Board Chairman

Luke Sparks

# 214-00012.J1 Indemnity Agreement 07072020

Final Audit Report

2020-07-07

Created:	2020-07-07
By:	Lawton Unrau (lawton.unrau@belmontacademy.com)
Status:	Signed
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## "214-00012.J1 Indemnity Agreement 07072020" History



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Signed document emailed to Lawton Unrau (lawton.unrau@belmontacademy.com) and Luke Sparks (luke.sparks@belmontacademy.com)

2020-07-07 - 1:45:48 PM GMT



Adobe Sign

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**FINANCING AGREEMENT**

Among

**COLUMBIA COUNTY, FLORIDA,**  
as Issuer

and

**SUNFLOWER PUBLIC FINANCE, LLC,**  
as Purchaser

and

**BELMONT ACADEMY, INC.,**  
as Borrower

Dated as of August 1, 2020

Relating to:

**NOT TO EXCEED  
\$[PAR A]  
COLUMBIA COUNTY, FLORIDA  
EDUCATIONAL FACILITIES REVENUE BOND  
(BELMONT ACADEMY CHARTER SCHOOL PROJECT),  
SERIES 2020A**

and

**\$[PAR B]  
COLUMBIA COUNTY, FLORIDA  
TAXABLE EDUCATIONAL FACILITIES REVENUE BOND  
(BELMONT ACADEMY CHARTER SCHOOL PROJECT),  
SERIES 2020B**

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EXHIBIT H	-	FORM OF COMPLIANCE CERTIFICATE

## **FINANCING AGREEMENT**

This FINANCING AGREEMENT (the "Agreement") dated as of August 1, 2020, is entered into by and among COLUMBIA COUNTY, FLORIDA (the "Issuer"), a political subdivision of the State of Florida (the "State"), SUNFLOWER PUBLIC FINANCE, LLC (the "Purchaser"), a Colorado limited liability company and a wholly-owned subsidiary of Sunflower Bank, N.A. and BELMONT ACADEMY, INC. (the "Borrower"), a not-for-profit corporation duly created and validly existing under the laws of the State. Certain of the capitalized terms used in the preambles hereto are defined in Article I of this Agreement.

### **BACKGROUND**

**WHEREAS**, the Issuer is a political subdivision of the State of Florida and is empowered by the provisions of the Florida Constitution, Chapter 125 and Chapter 159 of the Florida Statutes, as amended and other applicable provisions of law (collectively, the "Act"), to improve education for the benefit of the people of the State of Florida by financing and refinancing the cost of acquisition, construction and equipping of, one or more "projects" (as defined in the Act), including an "educational facility" (as defined in the Act) through the issuance of revenue bonds in accordance with the Act and to make loans for the purpose of providing permanent financing or refinancing of all or part of the costs of any project; and

**WHEREAS**, by Resolution No. 2020R-25 adopted by the Board of County Commissioners of the Issuer on August 6, 2020 (the "Resolution"), approval have been validly provided pursuant to the Act to issue revenue bonds for the purpose of providing funds to finance and refinance all or any part of the cost of the Project (as hereinafter defined) which constitutes a "project" as defined in the Act and to refund debt as described below; and

**WHEREAS**, the Borrower operates a charter school known as Belmont Academy Charter School (the "School") located in Columbia County, Florida, operated exclusively for charitable and educational purposes as a charter school under Section 1002.33, Florida Statutes, and has requested that the Issuer issue its revenue bonds to provide funds to (i) finance, refinance, and reimburse certain costs related to the acquisition, construction, improvement and equipping of certain land and educational facilities related to the School and more particularly described herein (the "Project"), including refinancing certain outstanding indebtedness of the Borrower (the "Refunded Loans") originally incurred in connection therewith; (iii) fund capitalized interest; and (iv) pay certain costs of issuance of the Bonds (hereinafter defined); and

**WHEREAS**, the financing, refinancing and reimbursement of the Project will continue provide and preserve gainful employment, will continue to promote commerce and economic development within Columbia County, Florida, and the State, and will

continue to serve a public purpose by providing educational facilities within the meaning of the Act and advancing the economic prosperity and the general welfare of the State and its people; and

**WHEREAS**, in order to finance, refinance and reimburse the costs of the Project, refund the Refunded Loans, fund capitalized interest and pay certain costs of issuance related to the Series 2020A Bond, the Issuer is issuing its Educational Facilities Revenue Bond (Belmont Academy Charter School Project), Series 2020A, in a not to exceed \$[PAR A] tax-exempt series (the "Series 2020A Bond") to be substantially in the form thereof set forth in EXHIBIT A-1 hereto, with such necessary or appropriate variations, omissions and insertions as permitted or required by this Agreement; and

**WHEREAS**, in order to finance remaining costs of issuance related to the Bonds, the Issuer is issuing its Taxable Educational Facilities Revenue Bond (Belmont Academy Charter School Project), Series 2020B, in a \$[PAR B] taxable series (the "Series 2020B Bond" and together with the Series 2020A Bond, the "Bonds") to be substantially in the form thereof set forth in EXHIBIT A-2 hereto, with such necessary or appropriate variations, omissions and insertions as permitted or required by this Agreement; and

**WHEREAS**, to evidence the obligation of the Borrower to make payments sufficient to pay the principal of and interest on the Bonds and all other amounts payable by Borrower hereunder to the Purchaser and the Issuer and to secure such obligations, the Borrower will issue a promissory note to be dated August 12, 2020, in the principal amount of not to exceed \$[PAR] (the "Borrower Note"), to the Issuer which the Issuer will simultaneously assign to the Purchaser; and

**NOW THEREFORE**, in consideration of the foregoing and the mutual covenants contained herein, and intending to be legally bound, the parties agree as follows:

[Remainder of page intentionally left blank]

## **ARTICLE I DEFINITIONS**

The following terms, except where the context indicates otherwise, shall have the respective meanings set forth below:

**"Act"** shall have the meaning set forth in the Background of this Agreement.

**"Advance"** shall mean an Advance of Bond proceeds pursuant to Article V hereof, which shall be deemed to be an advance by the Purchaser to the Issuer of proceeds of the Bonds to fund the Loan and, in turn, an advance by the Issuer of a portion of the Loan to the Borrower.

**"Affiliate"** shall mean any Subsidiary of the Borrower or an Indemnified Party and any Person or entity that, now or hereafter, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common ownership or control with the Borrower or such Indemnified Party. For purposes of this definition, the terms "control," "controls" and "controlled" shall refer to the power to determine the management or policies of a Person, whether resulting from an official position or capacity with such Person, direct or indirect beneficial ownership of at least twenty percent (20%) of the voting securities or other equity interests of such Person, or otherwise.

**"Agreement"** shall mean this Financing Agreement.

**"Architect"** shall have the meaning assigned to such term in the Assignment of Plans and Specifications and Architect's Contract.

**"Assignment"** shall mean the assignment by the Issuer of the Borrower Note and substantially all of the Issuer's rights under this Agreement to the Purchaser as described in Article IV hereof subject to the Issuer's Reserved Rights.

**"Assignment of Construction Contract"** shall mean, collectively, any Assignment of Construction Contract between the Borrower and the Purchaser in substantially the same form as set forth in EXHIBIT D.

**"Assignment of Plans and Specifications and Architect's Contract"** shall mean the Assignment of Plans and Specifications and Architect's Contract between the Borrower and the Purchaser in substantially the same form as set forth in EXHIBIT E.

**"Audited Financial Statements"** means the audited financial statements of the Borrower for a Fiscal Year, or for such other period for which an audit has been performed, which such audit shall have been performed by an independent certified public accountant pursuant to Section 6.26(a) hereof.

**"Authorized Denominations"** shall mean \$100,000 denominations and any integral multiple of \$1,000 in excess thereof.

**"Authorized Representative"** shall mean, in the case of the Issuer, the Chairman or Vice Chairman, and thereafter any officer of the Issuer or any other person at the time designated to act on behalf of the Issuer by written certificate furnished to Purchaser containing the specimen signature of such person and signed on behalf of the Issuer by one of its authorized signatories, which certificate may designate an alternate or alternates, and, when used with reference to the performance of any act, the discharge of any duty or the execution of any certificate or other document, any officer, employee or other person authorized to perform such act, discharge such duty or execute such certificate or other document; or, in the case of the Borrower, the Chairman, Chief Executive Officer or the Secretary thereof or any other officer or board member authorized by a resolution of the Borrower's Board of Directors, and, when used with reference to the performance of any act, the discharge of any duty or the execution of any certificate or other document, any officer, employee or other person designated by the Chairman or the Treasurer authorized to perform such act, discharge such duty or execute such certificate or other document.

**"Bond Counsel"** shall mean Nabors, Giblin & Nickerson, P.A., Tampa, Florida, or such other firm of nationally recognized attorneys with a proven reputation in the field of municipal finance and experienced in the financing of facilities for non-exempt persons through the issuance of tax-exempt revenue bonds under the exemption provided under Section 103 of the Code, and approved by the Issuer and the Borrower.

**"Bonds"** shall have the meaning set forth in the Background of this Agreement.

**"Borrower"** shall have the meaning set forth in the preamble of this Agreement, and shall include its respective successors and permitted assigns.

**"Borrower Documents"** shall mean collectively, this Agreement, the Borrower Note, the Mortgage, the Tax Agreement, the Assignment of Contract Documents, the Environmental Indemnity Agreement, the Control Agreement, and all agreements, amendments, renewals, certificates, schedules, reports, notices, and exhibits now or hereafter executed or delivered in connection with any of the foregoing, as may be in effect from time to time.

**"Borrower Note"** shall have the meaning set forth in the Background of this Agreement.

**"Business Day"** shall mean any day other than a Saturday, Sunday, or a day on which banks in the State are authorized or obligated by law or required by executive order to be closed.

**"Capital Improvements"** shall mean the acquisition of land, easements, facilities, and equipment (other than ordinary repairs and replacements), and the construction or reconstruction of improvements, betterments, and extensions which, under GAAP as prescribed by the Financial Accounting Standards Board, are properly chargeable as capital items.

**"Capital Leases"** shall mean capital leases for the acquisition of furniture, fixtures or equipment of the Borrower.

**"Charter"** shall mean the charter by and between the Borrower and the School Board, dated August 1, 2017, as amended, modified and renewed from time to time, pursuant to which the Borrower operates the School and receives School Board Payments.

**"Charter School Act"** shall mean Section 1002.33, Florida Statutes, as amended, and other applicable provisions of State law.

**"Closing"** shall mean the execution and delivery to the Purchaser of all the documents and instruments required by the terms of this Agreement and the closing of the transactions contemplated by this Agreement.

**"Closing Date"** shall mean the date on which the Closing takes place.

**"Closing Memorandum"** shall mean a written closing memorandum or similar instrument prepared by the Placement Agent, signed by an Authorized Representative of the Borrower and approved in writing by the Purchaser prior to the issuance of the Bonds.

**"Code"** shall mean the Internal Revenue Code of 1986, as amended from time to time and the regulations promulgated pursuant thereto.

**"Collateral"** shall have the meaning assigned to such term in the Mortgage.

**"Completion Date"** shall mean the date of completion of the Improvement Project as that date shall be certified as provided in Section 5.3 hereof.

**"Compliance Certificate"** shall have the meaning set forth in Section 6.26(d).

**"Construction Draw Account"** shall mean the account created and held by the Purchaser for the purpose of disbursing moneys for the Costs of the Improvement Project pursuant to the Advance procedures set forth in Section 5.5 hereof.

**"Contractor"** shall have the meaning assigned to such term in the Assignment of Construction Contract.

**"Control Agreement"** shall mean the that certain Deposit Account Control Agreement, dated August 12, 2020, between the Borrower, as "Debtor," the Primary

Depository Bank and the Purchaser, as "Secured Party," pursuant to which the Borrower will agree, if and when required hereunder to grant the Purchaser a security interest in one or more of the Borrower's depository accounts related to the School in order to additionally secure the Borrower's repayment obligations under this Agreement.

**"Cost" or "Costs"** shall mean all costs which are allocable to the Project and properly capitalized under GAAP and all other costs (whether or not properly capitalized) which are incidental thereto and reasonably necessary or desirable in connection therewith (or incidental to and reasonably necessary or desirable in connection with the financing thereof, including capitalized interest on the Bonds).

**"Date of Taxability"** shall mean the earliest date as of which interest on the Series 2020A Bond shall have been determined to be includable in the gross income of the Purchaser as a result of a Determination of Taxability.

**"Debt Service Coverage Ratio"** shall mean, for any reporting date, the ratio obtained by dividing Total Recurring Cash Flow by total debt service (interest and principal payments for the year).

**"Default"** shall mean any Event of Default or any event which would constitute an Event of Default but for the requirement that notice be given or time elapse or both.

**"Default Rate"** shall mean the then current Interest Rate on the Bonds plus 3.0%.

**"Determination of Taxability"** shall mean, with respect to the Series 2020A Bond, (i) subject to the following sentence, the enactment of legislation or the adoption of final regulations or a final decision, ruling or technical advice by any federal judicial or administrative authority which has the effect of requiring interest on the Series 2020A Bond to be included in the gross income of the Purchaser for federal income tax purposes or (ii) the receipt by the Issuer and Purchaser of a written opinion of Bond Counsel selected by the Borrower and approved by the Issuer to the effect that the interest on the Series 2020A Bond must be included in the gross income of the Purchaser for federal income tax purposes. A Determination of Taxability will not result from the inclusion of interest on the Series 2020A Bond in the computation of the alternative minimum tax imposed by Section 55 of the Code, the branch profits tax on foreign corporations imposed by Section 884 of the Code or the tax imposed on the net passive income of certain S corporations under Section 1375 of the Code.

**"Electronic Means"** means a facsimile transmission, e-mail transmission or any other electronic means of communication providing evidence of transmission.

**"Environmental Indemnity Agreement"** shall mean the Environmental Indemnity Agreement dated as of August 1, 2020 made by the Borrower for the benefit of the Issuer and the Purchaser.

**"Environmental Laws"** shall mean the Federal Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601, et seq., the Federal Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., the Hazardous Materials Transportation Act, 49 U.S.C. § 5101, et seq., and all other federal, state and local environmental laws applicable to the Borrower or its business, operations or assets now or hereafter enacted, and all rules, regulations, orders and publications adopted or promulgated pursuant thereto from time to time.

**"Event of Default"** shall mean an event of default as defined in Section 7.1 hereof.

**"Facilities"** shall mean the Land (as defined in the Mortgage) and all buildings and equipment thereon from which the Borrower operates the School, and all additional land, buildings and equipment owned by the Borrower in connection with the School at any time and pledged to secure the Bonds.

**"Fiscal Year"** shall mean the Borrower's fiscal year, which currently begins on July 1 and ends on June 30 of each calendar year.

**"Final Advance Date"** shall mean (i) with respect to the Series 2020A Bond, August 12, 2021; provided, such date may be extended by the Purchaser in its sole discretion and, provided further that there may be no extension beyond three years from the date of the Closing Date unless the Purchaser first obtains (at Borrower's expense) a written opinion of Bond Counsel to the effect that such extension, in and of itself, will not adversely affect any exclusion from gross income of interest on the Series 2020A Bond for federal income tax purposes, and (ii) with respect to the Series 2020B Bond, the Closing Date.

**"GAAP"** shall mean generally accepted accounting principles, as in effect from time to time, and consistently applied. The parties acknowledge that calculations under this Agreement of such matters as Unrestricted Liquidity, the Debt Service Coverage Ratio and other financial tests ("Financial Covenants") are to be made in accordance with GAAP. The parties further acknowledge that from time to time there may be changes to GAAP which could affect the calculation of such Financial Covenants. The parties agree that, to the extent any such changes in GAAP would have any such effect, such calculations are to be made either: (1) consistent with GAAP as of the date of this Agreement; or (2) through a further agreement of the parties which preserves the intention of the parties as to such calculations at time they entered into this Agreement.

**"Governmental Issuer"** or **"Governmental Authorities"** shall mean the government of the United States of America or any other nation or any political subdivision thereof or any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, central bank, service, district or other instrumentality of any governmental entity or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative



powers or functions of or pertaining to government, or any arbitrator, mediator or other Person with authority to bind a party at law.

**"Hazardous Materials"** shall mean all materials of any kind which are flammable, explosive, toxic, radioactive or otherwise hazardous to animal or plant life or the environment, including, without limitation, "hazardous wastes," "hazardous substances" and "contaminants," as such terms are defined by Environmental Laws.

**"Improvement Project"** shall mean the acquisition, construction, improvement, installation and equipping of the additional land and Improvements more particularly described as such in EXHIBIT F.

**"Improvements"** shall mean the Capital Improvements to the Facilities.

**"Indebtedness"** shall mean, with respect to the Borrower, all indebtedness of the Borrower for borrowed moneys, including that which has been incurred or assumed in connection with the acquisition, construction, improvement, operation and/or equipping of the Facilities, and all indebtedness, no matter how created, including that secured by any of the Collateral, whether or not such indebtedness is assumed by the Borrower, including but not limited to, any leases required to be capitalized in accordance with GAAP, installment purchase obligations and guaranties.

**"Indemnified Party"** shall have the meaning ascribed to such term in Section 6.10 hereof.

**"Initial Advances"** shall mean, collectively, the Series 2020A Initial Advance and the Series 2020B Advance.

**"Interest Payment Date"** shall mean the 1st day of each calendar month, commencing on September 1, 2020.

**"Interest Rate"** shall mean, (i) with respect to the Series 2020A Bond, a per annum rate equal to 4.00%, and (ii) with respect to the Series 2020B Bond, a per annum rate equal to 5.00%, in either case subject to adjustment as provided in such Bond.

**"Issuer"** shall mean Columbia County, Florida, a political subdivision of the State.

**"Legal Requirements"** shall mean all present and future laws, statutes, codes, ordinances, orders, judgments, decrees, injunctions, rules, regulations, restrictions and requirements of any Governmental Issuer having jurisdiction over the Borrower or the Project.

**"Lender Letter"** shall mean the letter provided to the Issuer by each lender upon becoming a Purchaser as required by Section 2.05 hereof and in the form attached hereto EXHIBIT G.

**"Liens"** shall mean the lien of this Agreement, the Mortgage, Control Agreement, and any mortgage or pledge of, security interest in, or lien or encumbrance on, any Property which secures any Indebtedness or other obligation of the Borrower or which secures any obligation of any Person other than an obligation to the Borrower, excluding liens applicable to Property in which the Borrower has only a leasehold interest, unless the lien secures Indebtedness.

**"Loan"** shall have the meaning ascribed to such term in Section 4.1 hereof.

**"Mortgage"** shall mean that certain Mortgage, Assignment of Rents, and Security Agreement, dated as of August 1, 2020, by the Borrower, as Mortgagor, in favor of the Purchaser, as Mortgagee.

**"Operating Expenses"** shall mean fees and expenses of the Borrower, including maintenance, repair expenses, utility expenses, administrative and legal expenses, miscellaneous operating expenses, advertising costs, payroll expenses (including taxes), the cost of material and supplies used for current operations of the Borrower, the cost of vehicles, equipment leases and service contracts, taxes upon the operations of the Borrower not otherwise mentioned herein, charges for the accumulation of appropriate reserves for current expenses not annually recurrent, but which are such as may reasonably be expected to be incurred in accordance with GAAP, all in such amounts as reasonably determined by the Borrower; provided, however, "Operating Expenses" shall not include (i) depreciation, amortization or other non-cash expenses nor those expenses which are actually paid from any revenues which are not Pledged Revenues, and (ii) solely when calculating Debt Service Coverage Ratio, interest paid on Indebtedness.

**"Permitted Encumbrances"** shall mean, as of any particular time, those items described on EXHIBIT B attached to the Mortgage and any of the following:

- (a) liens for taxes and special assessments on the Facilities not then delinquent;
- (b) this Agreement and the Tax Agreement;
- (c) purchase money security interests with respect to any item of equipment related to the Facilities;
- (d) any leases of the Facilities permitted pursuant to the terms hereof;
- (e) utility, access, and other easements and rights-of-way, mineral rights and reservations, restrictions and exceptions which would not in the aggregate (i) materially interfere with or impair any present use of the Facilities or any reasonably probable future use of the Facilities, or (ii) materially reduce the value which would be reasonably expected to be received for the Facilities upon any sale (including any foreclosure on the Mortgage);

(f) Liens arising by reason of good faith deposits with the Borrower in connection with leases of real estate, bids or contracts (other than contracts for the payment of money), deposits by the Borrower to secure public or statutory obligations, or to secure, or in lieu of, surety, stay or appeal bonds, and deposits as security for the payment of taxes or assessments or other similar charges;

(g) Liens arising by reason of deposits with, or the giving of any form of security to, any governmental agency as required by law or governmental regulation as a condition to any transaction or any business or the exercise of any privilege or license, or to enable the Borrower to maintain self-insurance or to participate in any funds established to cover any insurance risks or in connection with workmen's compensation, unemployment insurance, pension or profit sharing plans or other similar social security plans, or to share in the privileges or benefits required for companies participating in such arrangements;

(h) Liens and any other restrictions, exceptions, leases, easements or encumbrances which are existing on the date of initial issuance and delivery of the Bonds or listed on the Title Policy for the Facilities insuring the Purchaser, provided that no such Lien (or the amount of Indebtedness secured thereby), restriction, exception, lease, easement or encumbrance may be increased, extended, renewed or modified to apply to the Facilities not subject to such Lien on such date.

(i) Liens on the Pledged Revenues (subordinate to any Control Agreement) or any Collateral securing the Bonds or any additional Indebtedness permitted by Section 6.23 hereof;

(j) such minor defects, irregularities, encumbrances, easements, rights-of-way and clouds on title as normally exist with respect to properties similar in character to the Facilities and which would not in the aggregate (i) materially interfere with or impair any present use of the Facilities or any reasonably probable future use of the Facilities, or (ii) materially reduce the value which would be reasonably expected to be received for the Facilities upon any sale (including any foreclosure of the Lien granted by the Mortgage);

(k) the Lien of the Mortgage; and

(l) the Lien of the Control Agreement.

**"Person"** shall mean an individual, corporation, partnership, association, joint stock company, joint venture, trust or other entity or a government or any agency or political subdivision thereof.

**"Placement Agent"** shall mean B.C. Ziegler & Company, Sarasota Florida.

**"Pledged Revenues"** shall mean, to the extent permitted by law, all revenues, rentals, fees, third-party payments, receipts, donations, contributions or other income of the Borrower, relating to the School, including the rights to receive such revenues (each

subject to Permitted Encumbrances), all as calculated in accordance with GAAP, including, without limitation, School Board Payments, proceeds derived from insurance, condemnation proceeds, accounts, contract rights and other rights and assets, whether now or hereafter owned, held or possessed by the Borrower; and all gifts, grants, bequests and contributions (including income and profits therefrom) to the extent permitted by the terms thereof and by law.

**"Plans and Specifications"** shall mean the plans and specifications used in the completion of the Improvement Project, as the same may be revised from time to time by the Borrower in accordance with Section 5.5 hereof.

**"Primary Depository Bank"** shall mean the financial institution where the Borrower maintains its depository accounts related to the School, such financial institution being the same financial institution identified by the Borrower to the School Board as the financial institution with which to deposit the School Board Payments; which, as of the date hereof, is Ameris Bank, Lake City, Florida.

**"Principal Payment Date"** shall mean the 1st day of each calendar month, commencing on September 1, 2021.

**"Project"** shall have the meaning set forth in the Background of this Agreement.

**"Project Budget"** shall mean the final budget for the Improvement Project.

**"Property"** shall mean, to the extent permitted by law, any and all rights, titles and interests in and to any and all property of the Borrower whether real (including the Facilities) or personal, tangible or intangible, and wherever situated whether currently owned or acquired in the future.

**"Purchaser"** shall have the meaning set forth in the preamble of this Agreement, and shall include its successors and assigns.

**"Qualified Tax-exempt Obligation"** shall mean a "qualified tax-exempt obligation" within the meaning of, and for purposes of, Section 265(b)(3) of the Code for purposes of determining the deductibility of interest expense of banks and other financial institutions holding the Bonds.

**"Refunded Loans"** shall mean, (i) that certain Promissory Note in the original principal amount of \$2,970,000, dated November 1, 2016 from the Borrower to Florida Capital Bank, N.A., (ii) that certain Promissory Note in the original principal amount of \$230,000, dated May 25, 2018 from the Borrower to Florida Capital Bank, N.A., and (iii) that certain [Promissory Note] in the original principal amount of \$\_\_\_\_\_, dated \_\_\_\_\_, 2020 from the Borrower to [Building Hope Finance].

**"Registered Owner"** shall mean the Purchaser and any future owner of the Bond registered as the owner pursuant to Section 3.3 hereof.

**"Request for Advance"** shall mean the form attached hereto as EXHIBIT C.

**"Reserved Rights"** shall mean the following rights of the Issuer hereunder which are reserved by the Issuer but (unless specified to the contrary) are also assigned to, and may be enforced by, the Purchaser: (a) the right to the payment of its administrative and other expenses and attorneys' fees under Section 3.6 hereof, which right is not assigned to the Purchaser; (b) the right to indemnification of the Issuer under Section 6.10, hereof, which right is not assigned to the Purchaser; (c) the right to agree or not to agree to any amendments, modifications or supplements to this Agreement of the Issuer's rights reserved under this definition of Reserved Rights, which right is not assigned to the Purchaser; (d) all costs, indemnities and rebate liability pursuant to the Tax Agreement, and (e) the rights to enforce the Borrower's covenants under Sections 3.6, 6.1, 6.2, 6.3, 6.5, 6.6, 6.8, 6.9, 6.13, 6.14 and 7.4 hereof.

**"Resolution"** shall have the meaning set forth in the Background of this Agreement.

**"Revenues"** shall mean the monies payable to the Issuer under this Agreement and the Borrower Bond, but exclusive of monies payable to the Issuer under its Reserved Rights.

**"School"** shall mean the charter school known as "Belmont Academy" operated by the Borrower pursuant to the Charter and more particularly described in EXHIBIT F hereto.

**"School Board"** shall mean The School Board of Columbia County, Florida, the governing body of the School District.

**"School Board Payments"** shall mean any and all payments made by the School Board relating to the School which are permitted by law to be used as Pledged Revenues, as the same may be amended, modified or replaced, including, without limitation, charter school capital outlay funds distributed to the Borrower pursuant to Section 1013.62, Florida Statutes, and charter school operating funds distributed to the Borrower pursuant to the Charter School Act.

**"School District"** shall mean the School District of Columbia County, Florida.

**"Series 2020A Bond"** shall have the meaning set forth in the Background of this Agreement.

**"Series 2020A Initial Advance"** shall mean the initial Advance made under the Series 2020A Bond on the Closing Date in the amount of \$[2020A INITIAL ADVANCE].

**"Series 2020B Bond"** shall have the meaning set forth in the Background of this Agreement.

**"Series 2020B Advance"** shall mean the sole Advance made under the Series 2020B Bond on the Closing Date in the amount of \$[PAR B].

**"Short-Term Indebtedness"** shall mean all Indebtedness which (a) has an original maturity of one (1) year or less and (b) is not renewable at the option of the Borrower beyond the original one (1) year maturity. Short-Term Indebtedness shall not include Indebtedness which has a maturity of one (1) year or less which is attributable to a temporary delay in the receipt of funds due from third party payers.

**"State"** shall mean the State of Florida.

**"Subsidiary"** shall mean, as to any designated corporation, any corporation, the outstanding shares of which having sufficient voting power (not depending on the happening of a contingency) to elect at least a majority of the members of its board of directors, are at the time owned by the designated corporation.

**"Tax Agreement"** shall mean the Tax Exemption Agreement and Certificate, dated as of the date of issuance of the Bonds, by and between the Issuer and the Borrower.

**"Taxable Rate"** shall mean, with respect to the Series 2020A Bond, a rate of interest of 6.1538% per annum.

**"Title Company"** shall mean Old Republic National Title Insurance Company, or its successors, affiliates or assigns.

**"Title Policy"** shall mean an ALTA Loan Policy of Title Insurance (2006 version) for the Facilities from the Title Company insuring the Purchaser.

**"Total Recurring Cash Flow"** shall mean total revenues less total expenditures (as set forth on the Borrower's Audited Financial Statements calculated in accordance with GAAP), adjusted to (i) eliminate lease income/payments between the funds and any other transfers between funds, (ii) add back interest, depreciation, and amortization, (iii) eliminate any financing of capital assets included in the expenses and (iv) eliminate any one-time non-recurring expenses.

**"Unrestricted Liquidity"** shall mean the amount of cumulative unrestricted cash obtained when multiplying the total Operating Expenses of the "Governmental Funds" (as set forth on the Borrower's Audited Financial Statements calculated in accordance with GAAP) of the Borrower for the prior Fiscal Year from its most recent audited financing statements by 80/365 for the June 30, 2021 testing date, 90/365 for the June 30, 2022 testing date, and 100/365 for the June 30, 2023 testing date and each testing date thereafter.

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## **ARTICLE II REPRESENTATIONS, WARRANTIES AND COVENANTS**

**SECTION 2.1 REPRESENTATIONS OF THE ISSUER.** The Issuer hereby represents and warrants that:

(a) The Issuer is a political subdivision organized and existing under the laws of the State and the Act. Under the provisions of the Act, the Issuer is authorized to enter into the transactions contemplated by this Agreement and to carry out its obligations hereunder. The Issuer has been duly authorized to execute and deliver this Agreement.

(b) The Issuer has found and hereby declares that the issuance of the Bonds to assist the financing, refinancing and reimbursement of the Project is in furtherance of the public purposes set forth in the Act.

(c) By the Resolution duly adopted and still in full force and effect and in order to finance, refinance and reimburse the Project, in an amount estimated by the Borrower, the Issuer has duly authorized the execution, delivery, and performance on its part of this Agreement and the Tax Agreement with respect to the Series 2020A Bond.

(d) To accomplish the foregoing, the Issuer proposes to issue not to exceed \$[PAR A] in aggregate principal amount of its Series 2020A Bond and \$[PAR B] in aggregate principal amount of its Series 2020B Bond immediately following the execution and delivery of this Agreement. The date, denomination or denominations, interest rate or rates, maturity schedule, redemption provisions and other pertinent provisions with respect to the Bonds are set forth herein and therein.

(e) The Issuer makes no representation or warranty that the proceeds of the Bonds will be adequate or sufficient to finance and refinance the Project or any portion thereof or that the Project will be adequate or sufficient for the purposes of the Borrower.

(f) The Issuer has not pledged, assigned, or granted, and will not pledge, assign, or grant any of its rights or interest in or under this Agreement for any purpose other than as provided for in the Agreement.

(g) When delivered to and paid for by the Purchaser in accordance with the terms of this Agreement, the Bonds will have been duly authorized, executed, issued and delivered, and this Agreement and the Assignment will have been duly authorized, executed and delivered.

(h) The execution and delivery of this Agreement, the Bonds and the Assignment, and the Issuer's compliance with the provisions hereof and thereof, do not and will not conflict with or constitute on the part of the Issuer a violation of, breach of or default under any constitutional provision, statute, agreement, mortgage, deed of trust, resolution, bonds or other agreement or instrument to which the Issuer is a party or by



which the Issuer is bound, or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Issuer or any of its activities and property.

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

(j) The issuance of the Bonds and the loan of the proceeds thereof to the Borrower to finance, refinance and reimburse the Project is permitted under the Act.

(k) The Issuer will not knowingly take any action which would cause interest on the Series 2020A Bond to become includable in gross income for federal income tax purposes. The Issuer will take any reasonable action at the request of the Purchaser or the Borrower to maintain the tax-exempt status of the Series 2020A Bond, provided that it is satisfactorily indemnified as to any costs.

**SECTION 2.2 REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE PURCHASER.** The Purchaser represents, warrants and covenants that:

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

(b) Except as provided in Section 8.4 hereof, it is purchasing the Bonds for its own account and not with a view to distribution or resale thereof although it retains the exclusive right to do so.

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

to any false, misleading or untrue statement made by the Borrower in this Agreement or in any document executed on behalf of the Borrower relating hereto or to the Project.

(d) It will not hold the Issuer responsible for the filing or recording of any financing or continuation statements or mortgages with respect to any security interests which may be granted by the Borrower or the Issuer in connection with the Project.

(e) It will not hold the Issuer responsible with respect to any reporting, registration or other requirement under the Code or under the Securities Act of 1933 or the Securities and Exchange Act of 1934.

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

(g) It has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the purchase of the Borrower Note. The Purchaser has made its own inquiry and analysis with respect to the Issuer, the Borrower, the use of proceeds of the Bonds, the Bonds, and the security therefor, and other material factors affecting the security for and payment of the Bonds and has not relied upon the Issuer, or Placement Agent in making its purchasing decision.

(h) The Purchaser is either a "qualified institutional buyer" as defined in Rule 144A promulgated under the Securities Act of 1933, as amended (the "1933 Act"), or an "accredited investor" as defined in Rule 501 of Regulation D under the 1933 Act and is able to bear the economic risks of investment in the Borrower Note. On or prior to the Closing Date the Purchaser shall deliver to the Issuer an executed copy of its Lender Letter substantially in the form attached hereto as EXHIBIT G.

(i) It understands that the Bonds are not a Qualified Tax-exempt Obligation.

(j) On or prior to the Closing Date, the Purchaser will deliver to the Issuer a signed disclosure letter and truth-in-bonding statement setting forth the information required by Section 218.385, Florida Statutes, in a form satisfactory to Bond Counsel.

**SECTION 2.3 REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE BORROWER.** The Borrower represents, warrants and covenants to the Issuer and to the Purchaser that:

(a) Organization, Powers, etc. The Borrower is duly organized and validly existing as a Florida not-for-profit corporation and an educational institution or organization established under the Charter School Act and is in good standing under the laws of the State, it will maintain, extend and renew its corporate existence under the laws

of the State, and it will not do, suffer or permit any act or thing to be done whereby its right to transact its functions might or could be terminated or its activities restricted. The Borrower is organized and operated for the purpose and with the specific power to acquire, develop, construct, rehabilitate, operate, improve, equip, and maintain the Facilities. The Borrower has received from the Internal Revenue Service of the United States of America a determination letter recognizing its qualifications as an organization described in Section 501(c)(3) of the Code exempt from tax under Code Section 501(a). The Borrower has all requisite power and authority to enter into, execute and deliver this Agreement and the other Borrower Documents, and to consummate the transactions contemplated of it hereunder and thereunder. The Borrower has by proper corporate action duly authorized the execution, delivery and performance of this Agreement and the other Borrower Documents. This Agreement and the other Borrower Documents have been delivered by the Borrower in accordance with the terms hereof and thereof.

(b) Execution of Documents. The execution, delivery and performance of this Agreement and all other Borrower Documents required pursuant to this Agreement by the Borrower (a) do not and will not violate or conflict with any provisions of law, rule or regulation, or the Borrower's Articles of Incorporation or By-Laws, or any order of any court or other agency of government, (b) are not prohibited or limited by or in conflict with, and will not result in a breach of or default under, any indenture, agreement or other instrument to which the Borrower is a party or by which it or any of its property is bound, and (c) do not and will not result in the creation or imposition of any lien or encumbrance of any nature, except for Permitted Encumbrances. No authorization, permit, consent or approval of or other action by, and no filing, registration or declaration with, any Governmental Issuer or regulatory body is required to be obtained or made by the Borrower for the due execution, delivery and performance of this Agreement or any of the other Borrower Documents, except such as have been duly obtained or made prior to the Closing Date and are in full force and effect as of the Closing Date (copies of which have been delivered to the Purchaser on or before the Closing Date).

(c) Cost of the Project. The Project will be the type authorized and permitted to be financed and refinanced with the proceeds of the Bonds pursuant to the Act and is an "educational facility" within the meaning of Section 159.27(22), Florida Statutes, and a "project" within the meaning of Section 159.27(5), Florida Statutes. All proceeds of the Bonds will be used to finance, refinance or reimburse a "cost" (within the meaning of Section 159.27(2), Florida Statutes) of the Project, and the estimated cost of financing and refinancing the Project (including refunding the Refunded Loans, funding capitalized interest and paying Bond issuance costs) is not less than the amount of the proceeds of the Bonds, together with other available funds of the Borrower, available therefor. The Project employs and serves both residents and taxpayers of Columbia County, Florida. The Borrower covenants that any proceeds of the Bonds transferred to the Borrower and intended to be applied toward the payment capitalized interest on the Bonds shall be used solely for such purpose.

The amounts due under this Agreement are in an amount sufficient to pay the principal of and premium, if any, and interest on the Bonds; and this Agreement requires the Borrower to pay or provide for the payment of all costs of maintenance, repair, taxes, payments in lieu of taxes, assessments, insurance premiums, and all other expenses relating to the Facilities, so that the Issuer will not incur any expenses on account of the Facilities, other than those that are covered by the payments by the Borrower provided for herein.

(d) Litigation. There are no actions, suits, proceedings or investigations pending, or, to the knowledge of the Borrower, threatened in writing against or affecting the Borrower, before any court, arbitrator or administrative or governmental body which, in the aggregate, are reasonably likely to materially adversely affect any action taken or to be taken by the Borrower under this Agreement and the other Borrower Documents or which, in the aggregate, are reasonably likely to materially adversely affect the business, operations, properties or financial position of the Borrower, or the ability of the Borrower to perform its obligations under this Agreement and the other Borrower Documents.

(e) Compliance with Laws and Other Agreements. The Borrower is in compliance with the Charter, all laws, rules, regulations, judgments, decrees, orders, agreements and requirements which affect in any material adverse way the Borrower, its assets or the operation of its business and the Borrower has not received, and has no knowledge of, any order or notice of any governmental investigation or of any violation or claim of violation of any law, regulation, judgment, decree, order, agreement, or other governmental requirement which, in the aggregate, are reasonably likely to materially adversely affect any action taken or to be taken by the Borrower under this Agreement and the other Borrower Documents or which, in the aggregate, might materially adversely affect the business, operations, properties or financial position of the Borrower, or the ability of the Borrower to perform its obligations under this Agreement and the other Borrower Documents.

The Borrower is currently in compliance with and in the future will comply with all applicable federal and state nondiscrimination laws.

(f) Completion of Improvement Project; Operation of the Property. The completion of the Improvement Project and the intended operation of the Property will not conflict with any zoning, water or air pollution or other ordinance, order, law or regulation applicable thereto in any material respect. The Property will be operated in accordance with all material Legal Requirements relating to zoning, building, safety, and environmental quality. All authorizations, consents and approvals of governmental bodies or agencies required in connection with the execution and delivery of this Agreement and the other Borrower Documents or the operation or improvement of the Property and the performance of the Borrower's obligations hereunder or thereunder have been obtained or will be obtained when required.

(g) Concerning Information to the Issuer and the Purchaser. All information provided to the Issuer or the Purchaser, including, without limitation, any information supplied in connection with Code Section 148, was correct in all material respects when made and is correct and accurate on the date hereof in all material respects, and no information has been omitted from such information which would make such information misleading in any material respect. The provisions of such information are incorporated in this Agreement as if fully set forth herein.

(h) No Material Adverse Change. Since June 30, 2019 there has not been any material adverse change in the business, operations, properties or financial position of the Borrower. The Borrower does not know of any fact (other than matters of a general economic or political nature) which materially adversely affects, or, so far as the Borrower can now reasonably foresee, will materially adversely affect, the business, operations, properties or financial position of the Borrower or the performance by the Borrower of its obligations under this Agreement and the other Borrower Documents.

(i) No Untrue Statements. Neither this Agreement, nor any other document, certificate or statement furnished to the Purchaser or the Issuer by the Borrower or any other party on behalf of the Borrower contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein not materially misleading or materially incomplete. It is specifically understood by the Borrower that all such statements, representations and warranties have been relied upon by the Purchaser and the Issuer as continuing representations up to the date hereof as an inducement to issue the Bonds and to loan the proceeds thereof to the Borrower to finance a portion of the Costs of the Project, and by the Purchaser as an inducement to purchase the Bonds.

(j) Enforceability. This Agreement and the other Borrower Documents have been duly and validly executed and delivered by the Borrower and constitute the legal, valid and binding obligations of the Borrower and are enforceable against the Borrower in accordance with their respective terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally or general principles of equity applied by a court of law or equity.

(k) Taxes. The Borrower is not delinquent in the payment of any income, property or other tax, except for any delinquency in the payment of a tax which is contested in good faith by the Borrower and for which reserves have been established in accordance with GAAP.

(l) Environmental Matters.

(i) The Borrower has performed all of its material obligations under applicable Environmental Laws. The Borrower has obtained all necessary

approvals, permits, authorizations and other consents required by, and is not in material violation of, any Environmental Laws;

(ii) The Borrower has not received any notice, citation, summons, directive, order or other communication, written or oral, from, and the Borrower has no knowledge of the filing or giving of any such notice, citation, summons, directive, order or other communication by, any governmental or quasi-Governmental Issuer or agency concerning any alleged material violation of or liability under any applicable Environmental Law relating to the presence, generation, treatment, storage, transportation, transfer, disposal, release or other handling of any Hazardous Materials within, on, from, related to, or affecting any real property owned or occupied by the Borrower;

(iii) To the best of the Borrower's knowledge, and except to the extent described in the environmental survey delivered to the Purchaser in connection with the Bonds, no real property owned or occupied by the Borrower has ever been used, either by the Borrower or any of its predecessors in interest, to generate, treat, store, transport, transfer, dispose of, release or otherwise handle any Hazardous Material in material violation of any applicable Environmental Laws; and

(iv) To the best of the Borrower's knowledge, there are no Hazardous Materials within, on or under any real property owned or occupied by the Borrower in material violation of any applicable Environmental Laws.

(m) Financial and Other Information Regarding Borrower.

(i) The Borrower has delivered to the Purchaser true, correct and complete copies of its Audited Financial Statements for the Fiscal Year ended June 30, 2019. Such Audited Financial Statements present fairly the financial position of the Borrower as of June 30, 2019 and the results of the operations of the Borrower for the period then ended in conformity with GAAP; and

(ii) The Borrower has no long-term indebtedness other than as shown in the Audited Financial Statements described in (i) above.

(n) Federal Tax Matters.

(i) The Borrower will not take any action that would cause interest on the Series 2020A Bond to become includable in gross income of the holder thereof for federal income tax purposes under the Code, and the Borrower will take and will cause its officers, employees and agents to take all affirmative actions legally within its power necessary to ensure that such interest does not become includable in gross income of the recipient for federal income tax purposes under the Code (including, without limitation, the calculation and payment of any arbitrage rebate required to

preserve such exclusion). The Borrower will comply fully at all times with the Tax Agreement, and the Borrower will not take any action, or omit to take any action, which, if taken or omitted, respectively, would violate the Tax Agreement. Upon its execution, the terms and provisions of the Tax Agreement shall be incorporated herein.

(ii) No changes shall be made in the Project and no actions will be taken by the Borrower that shall in any way cause interest on the Series 2020A Bond to be included in gross income of the holder thereof for federal income tax purposes.

(iii) Based on current facts, estimates and circumstances, the Borrower currently expects:

(1) that the net proceeds of the Bonds are needed for the purpose of financing, refinancing and reimbursing all or a part of Costs of the Project (including refunding the Refunded Loans); and

(2) the Facilities, or any material portion thereof, will not be sold or disposed of without a written opinion of Bond Counsel with respect to such sale or disposition.

(iv) The combined average maturity of the Series 2020A Bond does not exceed one hundred twenty percent (120%) of the average reasonably expected economic life of the assets being financed and refinanced with the proceeds of the Series 2020A Bond with the average reasonably expected economic life of each asset being measured from the later of the Closing Date or the date such asset was, or is reasonably expected to be, placed in service and by taking into account the respective cost of each asset being financed and refinanced. The information furnished by the Borrower and used by the Issuer and Bond Counsel to verify the average reasonably expected economic life of each asset of the Project to be financed with the proceeds of the Series 2020A Bond is true, accurate and complete.

(v) (1) The payment of principal or interest with respect to the Series 2020A Bond will not be guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof); (2) less than five percent (5%) of the proceeds of the Series 2020A Bond will be (A) used in making loans the payment of principal and interest with respect to which are to be guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof), or (B) invested (directly or indirectly) in federally insured deposits or accounts as defined in Section 149(b) of the Code; and (3) the payment of principal or interest on the Series 2020A Bond will not otherwise be indirectly guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof).

The foregoing provisions of this subsection shall not apply to proceeds of the Series 2020A Bond being (u) invested for an initial temporary period until such proceeds are needed for the purpose for which such issue was issued; (v) held in a bona fide debt service fund; (w) held in a debt service reserve fund that meets the requirements of Section 148(d) of the Code with respect to reasonably required reserve or replacement funds; (x) invested in obligations issued by the United States Treasury; or (y) held in a refunding escrow (i.e., a fund containing proceeds of a refunding bond issue established to provide for the payment of principal or interest on one or more prior bond issues); or (z) invested in other investments permitted under regulations promulgated pursuant to Section 149(b)(3)(B) of the Code.

(vi) Any information that has been or will be supplied by the Borrower that has been or will be relied upon by the Issuer and Bond Counsel with respect to the eligibility of the Project and the exclusion from gross income for federal income tax purposes of interest on the Series 2020A Bond is true and correct on the date hereof and the Closing Date.

(vii) The Project consists entirely of property that is owned, or is to be owned, by the Borrower. The Project will not be used in an "unrelated trade or business" (as such term is used in Section 513(a) of the Code) of the Borrower (or any other organization that is exempt from federal income tax under Section 501(c)(3) of the Code that may rent or use any portion of the Project) or for any private business use (other than by an organization that is exempt from federal income tax under Section 501(c)(3) of the Code) within the meaning and contemplation of Section 141(b) of the Code, except as otherwise contemplated by the Tax Agreement.

(viii) As of the date of delivery hereof, the Borrower (1) is an organization described in Section 501(c)(3) of the Code, exempt from federal income taxes under Section 501(a) of the Code, and is not a "private foundation" as described in Section 509(a) of the Code, (2) has received a letter or other notification or is covered by a group ruling from the Internal Revenue Service to that effect, which letter, notification or ruling has not been modified, limited or revoked, (3) is in compliance with all terms, conditions and limitations (if any) contained in such letter, notification or ruling, it being specifically represented by the Borrower hereby that the facts and circumstances which form the basis of such letter, notification or ruling continue to exist, and (4) is therefore exempt from federal income taxes under Section 501(a) of the Code.

(ix) As of the date of delivery hereof, the Borrower is an organization (1) organized and operated exclusively for charitable purposes and not for pecuniary profit, and (2) no part of the net earnings of which inures to the benefit of any Person, private stockholder or individual, all within the meaning of the 1933 Act and the Securities Exchange Act of 1934, as amended, respectively.



(x) The Tax Agreement executed and delivered by the Borrower concurrently with the issuance and delivery of the Series 2020A Bond is true, accurate and complete in all material respects as of the date on which executed and delivered.

(xi) The Borrower has not entered into, and will not enter into, any arrangement with any Person (other than a state or local governmental unit or another Section 501(c)(3) organization, provided such arrangement with the state or local governmental unit or another Section 501(c)(3) organization will not result in an "unrelated trade or business" of the Borrower or of the Section 501(c)(3) organization) which provides for such Person to manage, operate or provide services with respect to more than 5% of the property financed with the proceeds of the Series 2020A Bond (a "Service Contract") or lease more than 5% of the property financed with the proceeds of the Series 2020A Bond, unless, with respect to Service Contracts, the guidelines set forth in Revenue Procedure 2017-13 (or any new, revised or additional guidelines applicable to Service Contracts) (the "Guidelines"), are satisfied, except to the extent it obtains a private letter ruling from the Internal Revenue Service or a written opinion of Bond Counsel which allows for a variation from the Guidelines and except as otherwise contemplated by the Tax Agreement. In determining whether the 5% amount in the preceding sentence has been exceeded, such 5% shall be reduced by the percent of the proceeds of the Series 2020A Bond that are used for costs of issuance (2%).

(xii) The Borrower will not use or invest the proceeds of the Series 2020A Bond in a manner that will violate the provisions of Section 149(d)(3) or (4) of the Code.

(xiii) The Borrower will assist the Issuer in complying with the information reporting requirements of Section 149(e)(2) of the Code.

(xiv) Other than the Series 2020B Bond, no other governmental obligations shall be sold within fifteen (15) days of the Series 2020A Bond pursuant to the same plan of finance as the Series 2020A Bond that are reasonably expected to be paid from the same source of funds as the Series 2020A Bond.

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## **ARTICLE III THE BONDS**

**SECTION 3.1      ISSUANCE OF THE BONDS.** (a) This Agreement provides for an issue of revenue bonds of the Issuer to be designated as the (i) "Columbia County, Florida Educational Facilities Revenue Bond (Belmont Academy Charter School Project), Series 2020A" to be issued in the principal amount of not to exceed \$[PAR A] and (ii) "Columbia County, Florida Taxable Educational Facilities Revenue Bond (Belmont Academy Charter School Project), Series 2020B" to be issued in the principal amount of \$[PAR B]. The Series 2020A Bond is being issued for the purposes of financing, refinancing and reimbursing the Costs of the Project (including refunding the Refunded Loans), funding capitalized interest and paying certain costs of issuance of the Series 2020A Bond; provided, however, no more than two percent (2%) of the total proceeds of the Series 2020A Bond may be used to pay issuance costs in accordance with the Code. The Series 2020B Bond is being issued for the purpose of paying remaining costs of issuance of the Bonds.

(b) Upon satisfaction of the conditions of Section 3.4 hereof, the Purchaser agrees to purchase the Bonds from the Issuer, and the Issuer agrees to sell the Bonds to the Purchaser, for a purchase price equal to 100% of the aggregate principal amount of Advances under the Bonds. By acceptance of the Bonds the Purchaser agrees to make Advances solely pursuant to the terms of Article V hereof. The outstanding principal amount of the Bonds shall be increased by the amount of each Advance made by the Purchaser to the Borrower under the terms hereof, but (i) the total aggregate amount of all Advances with respect to the Series 2020A Bond made hereunder (and, therefore, the principal amount of the Series 2020A Bond) shall not exceed \$[PAR A] and (ii) the Series 2020B Advance made on the Closing Date (which shall be the sole Advance permitted thereunder and therefore, the total principal amount of the Series 2020B Bond) shall not exceed \$[PAR B]. The disbursement of each Advance by the Purchaser shall be deemed to be a purchase at par by the Purchaser of an equivalent principal amount of the applicable Bond.

(c) The Bonds shall not be deemed to constitute a debt or liability of the State, the Issuer, or any political subdivision or agency thereof, or a pledge of the faith and credit or taxing power of the State, the Issuer or any political subdivision or agency thereof, but shall be a special obligation payable solely from the Revenues received hereunder from the Borrower and by other security granted by the Borrower to the Purchaser as holder of the Bonds and as assignee of the Issuer.

**SECTION 3.2      TERMS OF THE BONDS.** (a) The Series 2020A Bond shall be dated as of the Closing Date, shall be initially issued via physical delivery as a single fully registered bond, shall be numbered RA-1, shall be in a single denomination of the total outstanding principal amount Advanced under the Series 2020A Bond and shall bear interest at the applicable Interest Rate (computed on the basis of a 360-day year, consisting

of twelve 30-day months), subject to adjustment as provided under Sections 3.3(a) and (b) hereof.

(b) The Series 2020B Bond shall be dated as of the Closing Date, shall be initially issued via physical delivery as a single fully registered bond, shall be numbered RB-1, shall be in a single denomination of the Series 2020B Advance (\$[PAR B]) and shall bear interest at the applicable Interest Rate (computed on the basis of a 360-day year, consisting of twelve 30-day months), subject to adjustment as provided under Section 3.3(b) hereof.

(c) Interest on the Bonds shall accrue from and including the Closing Date to the date of payment in full and retirement of the Bonds; provided, however, that interest shall accrue only with respect to the amount Advanced and outstanding under each of the Bonds in accordance with the terms hereof. Interest on the Bonds shall be payable monthly on each Interest Payment Date, commencing September 1, 2020.

(d) The Bonds shall have a final maturity of September 1, 2030 with respect to the Series 2020A Bond and July 1, 2025 with respect to the Series 2020B Bond. The principal of the Bonds shall be payable in monthly installments on each Principal Payment Date, commencing September 1, 2021, as set forth in the respective Schedule 1 attached thereto, subject to adjustment to reflect the actual amount of all Advances made under the Series 2020A Bond through the Final Advance Date. The Bonds shall be subject to prepayment prior to maturity at any time, and from time to time, upon 10 days written notice to the Purchaser; provided, that any prepayment of the Series 2020A Bond (but not the Series 2020B Bond) is accompanied by the indemnification payment required as follows: (i) in the event the prepayment occurs within one year after the Closing Date, the indemnification payment shall be equal to five percent (5%) of the amount so prepaid; (ii) in the event the prepayment occurs within two years after the Closing Date, the indemnification payment shall be equal to four percent (4%) of the amount so prepaid; (iii) in the event the prepayment occurs in within three years after the Closing Date, the indemnification amount shall be equal to three percent (3%) of the amount so prepaid; (iv) in the event the prepayment occurs in within four years after the Closing Date, the indemnification amount shall be equal to two percent (2%) of the amount so prepaid; (v) in the event the prepayment occurs in within five years after the Closing Date, the indemnification amount shall be equal to one percent (1%) of the amount so prepaid; and (vi) in the event the prepayment occurs after the fifth year following the Closing Date, there will be no indemnification amount payable in connection with such prepayment; and provided, further, however, that no such indemnification payment shall be required if the payment from the Borrower is from legally available monies from excess liquidity and/or excess cash flow in a principal amount less than or equal to 20% of the outstanding principal of the Series 2020A Bond being prepaid at such time of prepayment.

### **SECTION 3.3          ADJUSTMENTS TO INTEREST RATE.**

(a) Taxable Rate. The Series 2020A Bond is subject to an increase in the applicable Interest Rate to the Taxable Rate), or will bear interest at the maximum rate permitted by law if less than such Taxable Rate, as a whole on the aggregate principal amount thereof, upon the occurrence of a Determination of Taxability, until such Bond is redeemed, paid in full or cancelled; provided, however, that the applicable Interest Rate on the Series 2020A Bond shall not increase unless and until the Borrower and the Issuer shall receive written notice from the Purchaser directing such increase, from the Date of Taxability.

(b) Default Rate. Upon the occurrence of an Event of Default described in Section 7.1 of this Agreement, the rate of interest on the Bonds shall be adjusted so that at all times on and after the occurrence and continuation of the Event of Default, the Bonds shall bear interest at a rate equal to the Default Rate until such Event of Default has been cured.

**SECTION 3.4          REGISTRATION AND TRANSFER PROVISIONS.** The Purchaser shall serve as registrar and transfer agent (the "Transfer Agent") and in such capacity shall keep books and shall be responsible for the registration and for the transfer of the Bonds at all times while the Bonds remain outstanding. The Bonds shall be transferable only upon such books by the Registered Owner thereof or by his or its attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Transfer Agent duly executed by the Registered Owner or its or his duly authorized attorney. Upon the transfer of the Bonds, the Transfer Agent shall acknowledge on the Bonds the transfer and registration thereof. Thereafter, the Issuer (upon notice in writing received from the Transfer Agent, along with the surrendered Bonds) shall issue in the name of the transferee new registered Bonds in the same principal amount to replace the surrendered Bonds, provided however that such transferee receiving the new Bond shall first file its executed Lender Letter with the Issuer.

The person in whose name the Bonds shall be registered on the books of the Transfer Agent shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of the Bonds and the interest on the Bonds shall be made only to or upon the order of the Registered Owner thereof or his legal representative. All such payments shall be valid and effective to satisfy and discharge the liability upon the Bonds, including the interest thereon, to the extent of the sum or sums so paid.

The Transfer Agent (a) may resign and be discharged from its duties hereunder by written resignation filed with the Issuer, the Borrower and the Registered Owners of the Bonds not less than sixty (60) days before such resignation is to take effect, and (b) may be removed by an instrument appointing a successor to the Transfer Agent so removed executed by either (i) the owners of a majority in the principal amount of the Bonds then

outstanding or (ii) the Issuer, and, in either case, filed with the Borrower, the Transfer Agent, the owners of the Bonds and the Issuer not less than sixty (60) days before such removal and replacement is to take effect. Anything to the contrary herein notwithstanding, no removal or resignation of the Transfer Agent shall be effective until a successor transfer agent reasonably acceptable to the Issuer has been appointed and has accepted such appointment to serve as Transfer Agent.

Notwithstanding any other provision hereof but subject to subsection (a) above, the Bonds may only be transferred, in whole, in connection with a sale to or through a broker/dealer only (i) in Authorized Denominations and (ii) to any Accredited Investor (within the meaning of Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended) or Qualified Institutional Buyer (within the meaning of Rule 144A promulgated under the Securities Act of 1933, as amended), which has filed its Lender Letter as required by this Section 3.4.

**SECTION 3.5 CONDITIONS PRECEDENT TO THE OBLIGATIONS OF THE PURCHASER.** As a condition precedent to the Purchaser executing this Agreement, the Purchaser shall have received the following documents, certificates, evidence and opinions, in form and substance satisfactory to it:

- (a) certified copies of the Resolution of the Issuer;
- (b) original executed Bonds;
- (c) the original duly executed Borrower Note;
- (d) duly executed counterparts of this Agreement and the Borrower Documents;
- (e) a certificate of the Secretary or an Assistant Secretary of the Borrower dated the Closing Date including (i) resolutions duly adopted by the Borrower authorizing the transactions under the Borrower Documents; (ii) a copy of the By-Laws of the Borrower; (iii) evidence of the incumbency and signature of the officers executing on its behalf any of the Borrower Documents and any other document to be delivered pursuant to any such documents, together with evidence of the incumbency of such Secretary or Assistant Secretary; (iv) a copy of the Borrower's Articles or Certificate of Incorporation, together with the certification of the Secretary or Assistant Secretary of the Borrower as of the Closing Date that such Articles or Certificate of Incorporation are in full force and effect in the form delivered as of the Closing Date; (v) a certificate of good standing for the Borrower from the Secretary of State of the State and (vi) a copy of the United States Internal Revenue Service's determination letter recognizing the Borrower's qualifications as an organization described in Section 501(c)(3) of the Code exempt from tax under Code Section 501(a);

(f) a certificate of the Issuer dated the Closing Date including (i) the Resolution duly adopted by the Issuer authorizing the transactions contemplated hereunder; and (ii) evidence of the incumbency and signature of the officers executing this Agreement, the Bonds, the Assignment and any other documents required to be executed on its behalf;

(g) a copy of Form 8038 "Information Return for Private Activity Bond Issues" with respect to the Series 2020A Bond;

(h) an opinion of counsel to the Borrower in form reasonably satisfactory to the Purchaser;

(i) an opinion of counsel to the Issuer to the effect that the approving resolution of the Issuer has been duly adopted by the Issuer's Board of Directors, the Bonds have been duly executed and delivered by authorized officials on behalf of the Issuer and in form reasonably satisfactory to the Purchaser;

(j) an opinion of Bond Counsel to the effect that, under existing law, the Bonds are legal, valid and binding special limited obligations of the Issuer, and that interest on the Series 2020A Bonds is excludable from gross income of the owners thereof for federal and State income tax purposes;

(k) the Tax Agreement of the Issuer and the Borrower, and such related documents or certificates as the Purchaser, the Issuer or Bond Counsel shall reasonably request;

(l) receipt by the Purchaser of an origination fee from the Borrower in the amount of \$[ORIGINATION] for the Bonds, to the extent not already paid;

(m) evidence in such form as the Purchaser may require (including the actual policies and evidence of payment of premiums) that all types of insurance covering such risks as are reasonably satisfactory to the Purchaser and its counsel, including, without limitation, hazard and builders risk insurance (including, without limitation, flood insurance if in a federal flood prone area), public liability and property damage insurance with respect to the Property and contractor's liability and workmen's compensation insurance are in force and will continue in force so long as the Borrower Note is outstanding, in amounts and with companies satisfactory to the Purchaser;

(n) completion of construction due diligence, including, but not limited to, a guaranteed maximum price ("GMP") construction contract executed with the Contractor, the Project Budget and a construction schedule;

(o) real estate due diligence, including, but not limited to, an appraisal of the Facilities on an "as-is" and "as-completed" basis acceptable to the Purchaser, and a commitment for Title Policy acceptable to the Purchaser; and

(p) such other instruments and documents as the Purchaser shall reasonably require to evidence and secure the Borrower Note and to comply with the provisions hereof and the requirements of regulatory authorities to which the Purchaser is subject, all of which shall be satisfactory in form, content and substance to the Purchaser.

**SECTION 3.6 ISSUER EXPENSES.** The Borrower agrees to pay or cause to be paid to the Issuer any amounts required to reimburse the Issuer for any expenses incurred by the Issuer, whether out-of-pocket or internal, in connection with this Agreement, the Bonds, the Facilities the Project, the Borrower Documents, or any other instrument or action relating to the foregoing, including fees and disbursements of attorneys of the Issuer.

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**ARTICLE IV**  
**ACQUISITION AND ASSIGNMENT OF BORROWER NOTE**

**SECTION 4.1 ACQUISITION AND ASSIGNMENT OF BORROWER NOTE.** The Issuer, the Purchaser and the Borrower hereby engage in and consent to the following simultaneous transactions:

- (a) The Issuer hereby acquires the Borrower Note from the Borrower;
- (b) In exchange for payment from the Purchaser as provided in Article V, the Issuer hereby issues the Bonds to the Purchaser, and, to secure repayment thereof, and hereby assigns to the Purchaser, without recourse and without warranty, and grants a security interest in, the Borrower Note and all of its rights hereunder except for the Reserved Rights; and
- (c) The Borrower hereby agrees to pay the principal of and the interest on the Borrower Note and any other amounts payable to the Issuer or the Purchaser under this Agreement.
- (d) The Issuer hereby directs the Borrower to make all payments on the Borrower Note directly to the Purchaser instead of to the Issuer, and the Borrower hereby agrees to do so as further provided in Section 4.5 hereof. All payments made to the Purchaser by the Borrower pursuant to the assignment of the Borrower Note, in addition to being credited against the obligations thereunder, shall also be credited to amounts due to the Purchaser by the Issuer under the Bonds.

The Borrower and the Issuer further acknowledge that except for the obligation of the Purchaser to credit amounts paid or recovered from the Issuer's loan (the "Loan") to the Borrower to the Issuer's debt evidenced by the Bonds, and subject to the Reserved Rights, the Purchaser may, to the extent not prohibited by the Code or the Act and subject to the delivery to the Issuer of an opinion of Bond Counsel, grant extensions, forgiveness, indulgences, and otherwise deal with the Borrower as the sole lender involved in the Loan, and the Purchaser may start suit on the Borrower Note or initiate and prosecute proceedings with respect to the Revenues or otherwise take action to recover amounts owing under the Loan with prior written notice to the Issuer, but without obtaining the consent of the Issuer and without joining the Issuer as a plaintiff. If the Issuer becomes entitled to any credits or refunds under the Bonds or this Agreement, the same shall be credited or refunded to the Issuer for the account of this Agreement.

**SECTION 4.2 TERMS OF THE BORROWER NOTE.** The Borrower Note shall be payable to the Issuer in the principal amount of not to exceed \$[PAR], shall be dated the date of delivery thereof and shall bear interest from such date at such rates, shall mature on such dates and shall be in all other respects substantially as set forth in EXHIBIT B hereto.



**SECTION 4.3 PAYMENTS UNCONDITIONAL; NO DEFENSE OR SET-OFF.** The obligations of the Borrower to pay the principal of and the interest on the Borrower Note and the obligations of the Borrower to pay any other amounts payable to the Issuer hereunder shall be absolute and unconditional without defense (except defense of payment) or set-off by reason of any default by the Issuer or the Purchaser under this Agreement or by the Issuer or the Purchaser under any other agreement between the Borrower, the Issuer or the Purchaser or between the Borrower and the Purchaser or for any other reason, including, without limitation, any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Property, commercial frustration of purpose or failure of the Issuer or the Purchaser to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Agreement, it being the intention of the parties that all payments on the Borrower Note and other amounts will be paid in full when due without any delay and will be received by the Issuer and the Purchaser as a net sum without deductions, abatements, diminution or set-off of any kind whatsoever.

**SECTION 4.4 IRREVOCABLE PLEDGE AND ASSIGNMENT.** Pursuant to the Mortgage and as security for the obligation of the Borrower to make all payments due, and to perform all obligations, under this Agreement and the Borrower Documents, and for the benefit and security of the Bonds issued hereunder, the Borrower has granted to the Purchaser, as assignee of the Issuer (for the benefit of the all present and future holders of the Bonds), a security interest in the Collateral, to extent permitted by law. Such security interest shall not restrict the right of the Borrower to apply the Pledged Revenues in such manner and for such purposes as it deems appropriate so long as no Event of Default has occurred and is continuing. The Borrower shall cause to be filed such UCC financing statements, and execute and deliver such other documents (including, but not limited to, continuation statements), as may be necessary in order to grant the Purchaser a security interest in the Collateral. The Borrower represents that it has not previously granted, and warrants that it will not hereafter grant, any pledge or security interest in such Collateral to any person other than the Purchaser. Any moneys realized by the Purchaser by reason of the lien and security interest created under the Mortgage shall be used solely to pay amounts due on the Borrower Note in order to pay the principal of and interest on the Bonds, and any other costs, expenses and amounts due hereunder and under the Borrower Documents, when due or upon the acceleration of the Bonds in accordance with Section 7.2(e) of this Agreement.

The Borrower represents and warrants that the lien granted under the Mortgage with respect to the Collateral is and at all times will be a first lien, subject only, to the extent applicable, to Permitted Encumbrances.

**SECTION 4.5 SCHOOL BOARD PAYMENTS AND PAYMENT OF LOAN.** The Borrower hereby represents, covenants and agrees that (i) it has directed the School Board to deposit the School Board Payments into the Borrower's primary

depository account with the Primary Depository Bank, and (ii) it will direct the Primary Depository Bank, on the Borrower's behalf, to initiate the payments due on the Borrower Note and any other amounts payable to the Issuer or the Purchaser under this Agreement from the Borrower's primary depository account via Automatic Clearing House ("ACH") transfer, or via such other means acceptable to the Issuer and the Purchaser, not later than the date on which such payments on the Borrower Note are due.

**SECTION 4.6 CONTROL AGREEMENT.** Prior to the issuance of the Bonds, the Borrower shall enter into the Control Agreement with the Primary Depository Bank and the Purchaser, in form and substance satisfactory to the Purchaser; provided, that such Control Agreement and the security interest granted thereunder shall not become effective unless and until an Event of Default described in Section 7.1 hereof has occurred and the Purchaser has delivered a Notice of Exclusive Control (as defined in the Control Agreement) to the Primary Depository Bank in accordance therewith.

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**ARTICLE V**  
**ADVANCES AND APPLICATION OF BOND PROCEEDS**

**SECTION 5.1 INITIAL ADVANCES AND APPLICATION OF BOND PROCEEDS.** On the Closing Date, proceeds of the Initial Advances in the amount of \$[PROCEEDS] (par amount of \$[INITIAL ADVANCES], less the Purchaser's origination fee of \$[ORIGINATION] which has been netted out by the Purchaser as providing for its payment of those amounts owed) shall be transferred by the Purchaser in accordance with the instructions provided in the Closing Memorandum and subject to the Borrower's satisfaction of any applicable preconditions to funding of Advances for Costs of the Improvement Project under Section 5.5 hereof.

(a) Proceeds from the Series 2020A Initial Advance in the amount of \$[PROCEEDS A] shall be generally administered by the Purchaser as follows:

(i) An amount equal to \$[REFUNDING] shall be applied on behalf of the Borrower to refund the Refunded Loans;

(ii) An amount equal to \$[PROJECT] shall be applied to finance and reimburse certain Costs of the Improvement Project;

(iii) An amount equal to \$[CAP-I] shall be transferred to the Borrower for payment of capitalized interest on a portion of the Series 2020A Bond through July 31, 2020; and

(iv) An amount equal to \$[COI A] shall be applied toward payment of a portion of the costs of issuing the Series 2020A Bond.

(b) Proceeds from the Series 2020B Advance in the amount of \$[COI B] shall be generally administered by the Purchaser toward payment of the costs of issuing the Series 2020B Bond and any remaining costs of issuing the Series 2020A Bond in excess of two percent (2%) of the total proceeds of such Series 2020A Bond.

(c) After the Series 2020A Initial Advance on the Closing Date, subsequent Advances under the Series 2020A Bond shall be made in accordance with Sections 5.2 and 5.5 hereof. After the Series 2020B Advance on the Closing Date, no further Advances may be made under the Series 2020B Bond.

**SECTION 5.2 SUBSEQUENT SERIES 2020A BOND ADVANCES FOR COSTS OF THE IMPROVEMENT PROJECT.** With respect to the Series 2020A Bond, the parties acknowledge and agree that prior to the earliest to occur of (i) the date that the aggregate amount of Advances with respect to the Series 2020A Bond equals \$[PAR A], (ii) the Completion Date, (iii) the Final Advance Date, (iv) an Event of Default or (v) a Determination of Taxability, but only if such Determination of Taxability results in an Event of Default hereunder, the Loan will be further funded through the making of

Advances by the Purchaser to the Borrower. The procedures for making Advances are more fully set forth in Section 5.4. The Purchaser shall make each Advance for a Cost of the Improvement Project not more frequently than once a month, and only upon the receipt by the Purchaser of a Request for Advance, substantially in the form of EXHIBIT C hereto, signed by an Authorized Representative of the Borrower and approved by the Purchaser and otherwise meeting the requirements and conditions contained herein. The Issuer and the Borrower acknowledge and agree that the Purchaser shall not be obligated to make Advances except in accordance with the terms of this Agreement.

The principal amortization schedule attached to Series 2020A Bond as Schedule 1 shall be adjusted by the Purchaser after the Final Advance Date in the event less than \$[PAR A] has been Advanced thereunder to reflect an aggregate principal amortization equal the outstanding principal amount of all Advances actually made, and pro-rata reductions will be made to each scheduled payment to reflect that less than \$[PAR A] has been advanced.

**SECTION 5.3 ESTABLISHMENT OF COMPLETION DATE AND CERTIFICATE AS TO COMPLETION.** Within thirty (30) days following the completion of the Improvement Project, said completion to be evidenced by receipt by the Purchaser of (i) an architect's certificate of completion, satisfactory to the Purchaser; (ii) as-built plans for the Facilities; (iii) the final construction Advance request; and (iv) a certificate of occupancy issued by the applicable Governing Authority that confirms the Improvement Project has been fully and finally completed in accordance with all applicable building, zoning, health and safety codes with no remaining construction, repairs or punch-list items being required by such Governing Authority, an Authorized Representative of the Borrower shall sign and deliver to the Purchaser a certificate stating that, except for amounts retained by the Purchaser for Cost of the Improvement Project not then due and payable, or the liability for which the Borrower is, in good faith, contesting or disputing, (a) the Improvement Project has been completed to the satisfaction of the Borrower, and all labor, services, materials and supplies used in such Improvement Project have been paid for, and (b) the Improvement Project is suitable and sufficient for the efficient operation as an "educational facility" (as defined in the Act).

**SECTION 5.4 COVENANT WITH REGARD TO THE IMPROVEMENT PROJECT.** The Borrower covenants and agrees as follows:

(a) The Borrower shall undertake and complete the Improvement Project. The Borrower shall obtain or cause to be obtained all necessary permits and approvals for the Improvement Project.

(b) The Borrower shall maintain a set of Plans and Specifications which shall be available to the Purchaser for inspection and examination during the Borrower's regular business hours.

(c) The Plans and Specifications will be complete and adequate for the Improvement Project.

(d) The Plans and Specifications will be approved by all applicable Governmental Authorities having jurisdiction over the Improvement Project and by any beneficiary (or applicable committee or association) of a restrictive covenant affecting the Facilities that has a right of approval, or any tenant whose approval is required. As of the date the Plans and Specifications are approved by the Borrower, the Plans and Specifications will comply in all material respects with all applicable laws of the State and will not be amended in without the approval of the aforementioned Governmental Authorities, beneficiaries and tenants whose approvals therefor may be required for any such amendment.

(e) The Borrower shall not make or permit any changes in the Plans and Specifications, including any such changes that alter, diminish or add to the work to be performed or change the design of the Improvements, without the prior written consent of the Purchaser and under such reasonable conditions as the Purchaser may establish. The Purchaser's prior written consent shall not be required, however, as to any change order which (A) individually does not cause the fixed or guaranteed maximum price of any contract related to the Improvement Project to be increased by more than One Hundred Thousand Dollars (\$100,000) and, when added to all previous change orders, does not cause such price to be increased by more than Two Hundred Fifty Thousand Dollars (\$250,000) in the aggregate, (B) does not result in a material change to the design of the Improvements, and (C) has been approved in accordance with Subsection (d) above, if required.

(f) All construction shall be performed strictly in accordance with all applicable laws of the State. The Improvement Project shall be constructed entirely on the Land described in the Mortgage are located and will not encroach upon or overhang any easement, right of way, or any other land, and shall be constructed wholly within applicable building setback restrictions.

(g) The Borrower shall take all action necessary to have any mechanic's and materialmen's liens, judgment liens or other Liens filed against the Facilities released or bonded off within ninety (90) days of the date the Borrower receives notice of the filing of any such Lien. If any such Lien is filed against the Facilities and is not released or bonded off within such ninety (90)-day period, the Purchaser shall have the right to make no further Advances until it is removed and a copy of the recorded release thereof is received by the Purchaser and accepted by the Title Company. Alternatively, provided that the Borrower first notifies the Purchaser of its intention to do so, and, if the Borrower posts a bond in form satisfactory to the Purchaser, the Borrower may in good faith contest any mechanics' or other liens filed or established against the Facilities and in such even may permit the items contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless the Facilities or any part thereof will be subject to loss or

forfeiture. The Purchaser shall not be obligated to make further advances if, in the commercially reasonable opinion of the Purchaser, any portion of the Facilities would be subject to a mechanic's or materialmen's lien or any other Lien that is not a Permitted Encumbrance. The Borrower shall provide the Purchaser with information to allow it to comply with C.R.S. § 38-22-126, and shall be fully and solely responsible for compliance in all respects whatsoever with the applicable mechanic's and materialmen's lien laws of the State that apply to owners of real property.

(h) The Borrower shall maintain, or cause to be maintained, during construction of the Improvement Project, "all risk" builders risk insurance and shall cause all contractors, where appropriate, to maintain contractors' general and professional liability insurance in form and substance satisfactory to the Purchaser. All contractors, subcontractors, mechanics or laborers and other persons providing labor or material in construction of the Improvement Project shall have or be covered by worker's compensation insurance, if required by applicable laws of the State.

(i) Nothing contained in this Agreement shall constitute or create any duty on or warranty by the Issuer or the Purchaser regarding (i) the proper application by the Borrower, Contractor or any subcontractor of the Advances or other proceeds of the Loan, (ii) the quality or condition of the Facilities, (iii) the completeness or adequacy of the Plans and Specifications or the compliance thereof with applicable laws of the State, or (iv) the competence or qualifications of the Contractor or any other party furnishing labor or materials in connection with the Improvement Project. The Borrower acknowledges and agrees that the Borrower has not relied and will not rely upon any experience, awareness or expertise of the Issuer or the Purchaser regarding such matters.

Unless otherwise expressly waived by the Purchaser, the Borrower shall ensure that the Mortgage is and remains a valid first Lien on the Facilities, and the Facilities are and remains free and clear of all Liens, defects, or other restrictions, excepting only Permitted Encumbrances.

## **SECTION 5.5 PROCEDURES FOR ADVANCES.**

(a) Prior to funding of construction related Costs of the Improvement Project from proceeds of the Improvement Note (including such Costs being financed, refinanced or reimbursed with proceeds of the 2020A Initial Advance on the Closing Date), the Borrower shall provide the following documents relating to the Improvement Project:

(i) Copies of any contracts, public works agreements and other agreements executed by the Borrower in connection with the Improvement Project.

(ii) Permits and approvals necessary to fully complete the Improvement Project in accordance with the Plans and Specifications.

(iii) A guaranteed maximum price ("GMP") construction contract must be approved in advance by Purchaser, and executed with the Contractor, and assigned to the Purchaser, in the form of EXHIBIT D.

(iv) An Assignment of Plans and Specifications and Architect's Contract must be executed and assigned to the Purchaser, in the form of EXHIBIT E.

(v) A construction draw schedule and cost breakdown by trade, all as approved by the Contractor, and in AIA form or such other form reasonably acceptable to the Purchaser.

(vi) Evidence of builder's risk insurance or similar coverage naming the Purchaser as mortgagee and lender's loss payable, providing that such policy may not lapse or be canceled without giving the Purchaser at least thirty (30) days' prior written notice, and otherwise in form and substance satisfactory to the Purchaser.

(vii) Evidence of Contractor's general liability and workers' compensation insurance, where appropriate, in form and substance satisfactory to the Purchaser.

(viii) A bank-controlled Construction Draw Account shall be established with and held by the Purchaser as provided in this Section.

(ix) Unless otherwise agreed by the Purchaser and the Borrower in writing, the Borrower shall provide to the Purchaser not later than September 30, 2020 an updated version of the Title Policy from Old Republic National Title Insurance Company with a survey endorsement.

(x) Completion of real estate due diligence, including, but not limited to, a Phase I environmental reports related to the Facilities in a form acceptable to the Purchaser; an ALTA survey of the Facilities that complies with the Purchaser's survey requirements or is otherwise in a form acceptable to the Purchaser; and a property condition report acceptable to the Purchaser;; and

(b) Additionally, the Borrower shall meet the following requirements prior to each Advance, as applicable:

(i) The Borrower shall submit a completed Request for Advance to the Purchaser, substantially in the form attached hereto as EXHIBIT C, requesting the Purchaser to disburse funds (A) with respect to the Initial Advances, in accordance with the Closing Memorandum, and (B) with respect to subsequent Advances under the Series 2020A Bond for Costs of the Improvement Project, into the Construction Draw Account to be established with and held by the Purchaser for payment of such Costs of the Improvement Project.

(ii) The Borrower shall submit with each Request for Advance, a signed and notarized General Contractor's Payment Application (AIA 702-703), invoices for all items listed in the Request for Advance, unconditional lien waivers for the prior draw, an updated schedule of values, a list of funding for materials, equipment or furnishings which the Borrower owns and are to be temporarily stored at the project (collectively, "Stored Materials"), and a list of funding for construction related deposits. If soft costs outside the Project Budget are included in the Request for Advance, a sworn owner's statement or schedule of values should be submitted with the Request for Advance.

(iii) The Purchaser will order the inspection report, if so required by the Purchaser, in its sole discretion, from the Inspector (as defined in Section 5.6 hereof), confirm funding has been approved for the Request for Advance, and address any concerns/requirements regarding the Advance.

(iv) The Purchaser shall review the Contractor's payment schedule and shall compare it to the approved Project Budget and the percentage of completion. Project Budget line items are required to be in balance with each Request for Advance.

(v) All change orders must be fully documented, and those that must be approved by the Purchaser, must be paid for at the time they are presented to the Purchaser (or the Borrower shall provide evidence satisfactory to the Purchaser of funds available to pay the same), if the result is an increase in the budget for the Improvement Project. The Borrower shall disclose any potential cost overruns to the Purchaser in a timely manner.

(vi) The Purchaser may request from the Title Company at the time of an Advance, issuance of a construction loan endorsement. If applicable, Advances shall cease at any time a Lien (other than Permitted Encumbrances) is filed against the Facilities, until the Purchaser is satisfied that the Lien has been discharged or has been bonded against by the Borrower.

(vii) The Purchaser shall create a working construction file and will monitor the construction process through the Completion Date, and administer the Initial Advances in accordance with the Closing Memorandum and subsequent Advances to the Borrower or Contractor, as directed by the Borrower.

(viii) Request for Advances are to be submitted by the 25th of each month for the prior month's billings and will fund by the 5th day of the following month.

(ix) Request for Advances are limited to once a month.



(x) Purchaser shall not be required to make any Advance in excess of 94% of the total bills and invoices submitted for hard costs with each Request for Advance, with the sole exception of the final advance upon completion of construction. Purchaser shall not be obligated to release retainage until completion of the Improvement Project and receipt of the items required in Section 5.3.

(xi) When the Purchaser is satisfied that all required conditions for an Advance have been met or waived as applicable, which determination shall not be unreasonably withheld, delayed, denied or conditioned, the Purchaser shall be obligated to fund the Advance, and shall notify the Borrower that the Advance has been approved and funds have been disbursed.

(xii) Prior to all Advances and only after commencement of construction of the Improvement Project, a monthly site inspection shall be performed by the Inspector as set forth below. Project Budget line item allocations may be required, from time to time, to increase, decrease, or adjust to cover cost overruns or additional costs incurred in the construction of the Improvement Project as necessary to assure completion of the Improvement Project. Cost overruns that increase the aggregate total Project Budget above the Loan amount are to be borne by the Borrower.

**SECTION 5.6 INSPECTOR AND INSPECTIONS.** (a) The Purchaser shall retain, from time to time, at the Purchaser's sole discretion and at the Borrower's expense, a third-party inspector (the "Inspector") to review and advise the Purchaser with respect to all Plans and Specifications, construction, architectural and other design professional contracts, change orders, governmental permits and approvals, and other matters related to the design, construction, operation and use of the Improvement Project, to monitor the progress of construction, and to inspect the Facilities.

(b) The Inspector shall review and advise the Purchaser with respect to the construction documents and shall monitor the progress of construction and inspect the Facilities. The Inspector will review all Request for Advances in connection with each inspection.

(c) The actual and reasonable fees and expenses of the Inspector, whether internal or external, including all such fees and expenses incurred and unpaid, shall be due and payable by the Borrower as provided for herein or otherwise on demand.

(d) The Borrower acknowledges that (i) the Inspector has been retained by the Purchaser to act as a consultant, and only as a consultant, to the Purchaser in connection with the construction of the Improvement Project, and the Inspector may be an employee of the Purchaser (in which case any charges to the Borrower for such employee's work shall be itemized on a monthly accounting provided to the Borrower), (ii) the Inspector shall in no event have any power or authority to make any decision or to give any approval

or consent or to do any other thing which is binding upon the Purchaser, and any such purported decision, approval, consent or act by the Inspector on behalf of the Purchaser shall be void and of no force or effect; provided, however that if the Inspector is also the Loan officer for the Improvement Project, the Purchaser may agree to such power or authority acting solely in the employee's capacity as Loan officer for the Purchaser; (iii) the Purchaser reserves the right to make any and all decisions required to be made by the Purchaser under this Agreement, in its sole and absolute discretion, and without in any instance being bound or limited in any manner whatsoever by any opinion expressed or not expressed by the Inspector to the Purchaser or any other person with respect thereto, and (iv) the Purchaser reserves the right in its sole and absolute discretion to replace the Inspector with another inspector at any time and without prior notice to or approval by the Borrower. All inspections by or on behalf of the Purchaser shall be solely for the benefit of the Purchaser, and the Borrower shall have no right to claim any loss or damage against the Purchaser or the Inspector (whether or not an employee of the Purchaser) arising from any alleged (A) negligence or failure to perform such inspections, (B) failure to monitor Loan disbursements or the progress or quality of construction, or (C) failure to otherwise properly administer the construction aspects of the Improvement Project.

(e) Property inspections by the Inspector may be required prior to each Advance (as set forth above), at the Purchaser's request, and may be performed at least once a month on the Improvement Project at the Purchaser's discretion whether or not a Request for Advance is submitted.

(f) Each property inspection, if requested, shall be reviewed by the Purchaser to determine whether payments requested are justified by work completed and materials stored on site.

(g) The Purchaser may request additional information from the Borrower or the Contractor in the event there are significant variances from the Project Budget.

(h) Upon receiving a Request for Advance, the Inspector may determine prior to any Advance:

(i) Whether the work completed to the date of such Request for Advance has been done satisfactorily and in accordance with the Plans and Specifications;

(ii) The percentage of construction of the Improvement Project completed as of the date of such Request for Advance;

(iii) The hard construction costs actually incurred by the Borrower in connection with the construction of the Improvement Project for work in place as part of the Improvement Project as of the date of such Request for Advance;

(iv) The actual sum necessary to complete construction of the Improvement Project in accordance with the Plans and Specifications; and

(v) The amount of time from the date of such Request for Advance which will be required to complete construction of the Improvement Project in accordance with the Plans and Specifications.

**SECTION 5.7 NO WARRANTY AS TO SUFFICIENCY OF BOND PROCEEDS.** No warranty, either express or implied, is made by the Issuer or the Purchaser that the proceeds of the Bonds available for payment of the Costs of the Project will be sufficient to pay all of the Costs of the Project.

**SECTION 5.8 GOVERNMENTAL ACTION.** The Borrower covenants that it will obtain or cause to be obtained all necessary approvals from any and all governmental agencies requisite to the operation and improvement of the Property and that the Improvement Project will comply with all federal, state and local laws, ordinances and regulations applicable thereto. The Borrower will obtain or cause to be obtained all required occupancy permits and licenses from appropriate authorities authorizing the occupancy and use of the Property for the purposes contemplated by the Borrower.

[Remainder of page intentionally left blank]

## **ARTICLE VI ADDITIONAL COVENANTS OF THE BORROWER**

**SECTION 6.1 OPERATION OF PROPERTY.** The Borrower will at all times preserve and protect the Property and all other real property owned by it in good repair, working order and safe condition, normal wear and tear excepted, and from time to time will make, or will cause to be made, all needed and proper repairs, renewals, replacements, betterments and improvements thereto including those required after a casualty loss. The Borrower shall pay or cause to be paid all operating costs, utility charges and other costs and expenses arising out of the ownership, possession, use or operation of the Property and such other real property owned by it. The Issuer shall have no obligation for payment of such costs, charges or expenses and makes no warranties respecting the condition or operation of the Property.

**SECTION 6.2 COMPLIANCE WITH LAWS.** (a) The Borrower shall operate or cause the Facilities financed and refinanced with proceeds of the Bonds to be operated for a purpose which is permitted under the Act until the expiration or earlier termination of this Agreement.

(b) The Borrower covenants and agrees that it will comply in good faith and in all material respects with all present and future laws, ordinances, rules, regulations, judgments, orders and decrees which affect in any material way the Borrower, its assets or the operation of its business, including without limitation, all building, zoning, and safety laws, ordinances and regulations of any duly constituted authority which hereafter in any manner may affect in any material way the Property or the use thereof.

**SECTION 6.3 PAYMENT OF TAXES AND OTHER CHARGES.** The Borrower will pay and discharge promptly or cause to be paid and discharged promptly, all taxes, assessments and governmental charges or levies imposed upon it or in respect of the Property and all other real property owned by it before the same shall become in default, as well as all lawful claims which, if unpaid, might become a lien or charge upon the Property or any other such real property. The Borrower shall have the right to contest in good faith any such taxes, assessments and governmental charges or levies imposed upon it by appropriate proceeding diligently pursued. In such event, the Borrower may permit such taxes, assessments or governmental charges or levies so contested to remain unpaid during the period of such contest and any appeal therefrom.

**SECTION 6.4 PRIMARY TREASURY RELATIONSHIP.** The transaction represented by the Bonds is contingent upon the Borrower maintaining its Primary Treasury Relationship with Sunflower Bank, N.A. (the "Bank"). "Primary Treasury Relationship" shall be defined as a majority (all cash balances in excess of 45 days of Unrestricted Liquidity) of investable cash in traditional bank products. The Bank shall pay the Borrower for invested cash at standard bank rates allowing the Borrower to

maintain its existing bank relationship with the Primary Depository Bank for monthly operating expenses including payroll accounts and local physical banking relationships.

**SECTION 6.5 INVESTMENT OF MONEYS.** Any Loan moneys held as part of the Construction Draw Account shall be held uninvested until administered in accordance with Article V hereof.

**SECTION 6.6 CHANGE IN PRIMARY DEPOSITORY BANK.** The Borrower shall not change its Primary Depository Bank unless the Borrower has provided notice to the Purchaser of such new financial institution and evidence that the ACH transfers required under Section 4.5 hereof have been set up to occur.

**SECTION 6.7 INSPECTION OF THE PROPERTY.** The Borrower agrees that the Purchaser and the Issuer and their duly authorized representatives shall have the right at all reasonable times and upon reasonable notice to enter upon and to examine and inspect the Property (subject, however, to the rights of any tenants) and shall also be permitted, at all reasonable times and upon reasonable notice, to examine the Borrower's books and records insofar as they relate to the Project.

**SECTION 6.8 MAINTENANCE OF LIEN POSITION.** Prior to the fifth anniversary of the Closing Date and every five (5) years thereafter, the Borrower shall provide the Purchaser, and upon request, the Issuer, with a certificate attaching a copy of the actual filed UCC continuation statement necessary to preserve the Lien on and security interest in the Collateral. If the Borrower does not take the action necessary to preserve the Lien on and security interest in the Collateral, the Purchaser may take such action and, in such event, the Purchaser shall be entitled to reimbursement from the Borrower of its fees and expenses pursuant to Section 6.9 hereof.

**SECTION 6.9 COSTS AND EXPENSES.** The Borrower shall pay or cause to be paid all reasonable expenses in connection with the preparation, execution, delivery, recording and filing of this Agreement and the other Borrower Documents, and in connection with the preparation, issuance and delivery of the Bonds, the Issuer's reasonable expenses and reasonable attorneys' fees incurred in connection with the continuing administration of the loan to the Borrower, the reasonable fees and expenses of counsel to the Purchaser, and the fees and expenses of Bond Counsel, shall be paid directly by the Borrower. The Borrower shall also pay or cause to be paid all other future reasonable fees, expenses and other charges, including attorneys' fees and expenses, incurred by the Purchaser or the Issuer in connection with this transaction and the continuing administration of the loan made in connection herewith and the enforcement thereof.

**SECTION 6.10 INDEMNIFICATION.** The Borrower will, to the fullest extent permitted by law, protect, indemnify and save the Purchaser, the Issuer and their officers, agents, employees and any Person who controls the Purchaser or the Issuer within the meaning of the 1933 Act (the "Indemnified Persons"), harmless from and against all

liabilities, losses, damages, costs, expenses (including attorneys' fees and expenses of the Indemnified Persons), causes of action, suits, claims, demands, audits, investigations and judgments of any nature arising from the transactions contemplated by this Agreement, the Bonds and the Borrower Documents including but not limited to:

(a) any injury to or death of any person or damage to property in or upon the Project or its premises or growing out of or connected with the construction, use, non-use, condition or occupancy of the premises or any other location of the Project or any part thereof including any and all acts or operations relating to the construction or installation of property or improvements. The foregoing indemnification obligations shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the Borrower, customers, suppliers or affiliated organizations under any workers' compensation acts, disability benefit acts or other employee benefit acts;

(b) violation of any agreement, provision or condition of this Agreement or any of the Borrower Documents, except by the Purchaser or the Issuer;

(c) violation of any contract, agreement or restriction applicable to the Borrower which shall have existed at the commencement of the term of this Agreement or shall have been approved by the Borrower;

(d) violation of any law, ordinance, court order or regulation affecting the Project, or a part thereof or the ownership, occupancy or use thereof;

(e) any audit, examination or investigation by the Internal Revenue Service with respect to the tax-exempt status of the Series 2020A Bond or any other related tax matters;

(f) any and all present and future stamp, documentary and other similar taxes with respect to this Agreement and any Borrower Documents, any collateral described therein or any payments due thereunder, and save the Indemnified Persons harmless from and against any and all liabilities with respect to or resulting from any delay or omission to pay such taxes; and

(g) any statement or information relating to the expenditure of the proceeds of the Series 2020A Bond contained in the Tax Agreement or similar document furnished by the Borrower which, at the time made, is misleading, untrue or incorrect in any material respect.

Promptly after receipt by the Purchaser, the Issuer or any such other Indemnified Person becomes aware of any circumstance in respect of which indemnity may be sought against the Borrower under this Section, such Person will notify the Borrower in writing of the commencement thereof, and, subject to the provisions hereinafter stated, the Borrower shall assume the defense of such action (including the employment of counsel

who shall be satisfactory to the Purchaser and the Issuer, as applicable, or such Indemnified Person as the case may be, and the payment of expenses). Insofar as such action shall relate to any alleged liability in respect of which indemnity may be sought against the Borrower, the Purchaser or the Issuer, as applicable, or any such other Indemnified Person shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall not be at the expense of the Borrower unless the Indemnified Person, reasonably determines that the employment of such separate counsel is necessary to protect its interests. The Borrower shall not be liable to indemnify any Person for any settlement of any such action effected without its consent. The Borrower shall not be required to indemnify the Issuer for any damages, losses, causes of action, lawsuits, or claims which are caused directly and solely by the gross negligence, willful misconduct, or fraudulent acts of the Purchaser or the Issuer, as applicable.

For avoidance of doubt, the Borrower hereby agrees to indemnify the State and the School Board from any and all liability with respect to the Loan, including, but not limited to, financial responsibility for the payment of principal or interest on the Loan. Notwithstanding the foregoing, this provision is not intended to otherwise modify any legal or contractual obligation of the State and the School Board to pay the School Board Payments to the Borrower if and when they become due, pursuant to the Charter and the Charter School Act. The intent of this provision is to fully comply with the requirements of Section 1002.33(14), Florida Statutes, and any successor provisions.

The Borrower hereby expressly acknowledges that the Issuer is a conduit issuer and that all of the right, title and interest of the Issuer in and to this Agreement, but not the obligations of the Issuer, are to be assigned to the Purchaser (except for the Reserved Rights), naming the Purchaser its true and lawful attorney for and in its name to enforce the terms and conditions of this Agreement.

The Borrower covenants and agrees that it shall neither sue the Issuer, or any of its board members, officers, agents or employees, past, present or future, for any claim, loss, demand, action or non-action based upon the financing contemplated hereby, nor ever raise as a defense in any proceedings whatsoever that the Issuer is the true party in interest. Notwithstanding the provisions of the foregoing sentence, the Borrower shall be entitled to (i) bring an action of specific performance against the Issuer to compel any action required to be taken by the Issuer hereunder or an action to enjoin the Issuer from performing any action prohibited hereunder or under any other documents, by this Agreement or any other agreement executed and delivered in connection with the issuance of the Bonds, but no such action shall in any way impose pecuniary liability upon the Issuer or any of its board members, officers, agents or employees, and (ii) join the Issuer in any litigation if such joinder is necessary to pursue any of the Borrower's rights, provided that, prior to such joinder, the Borrower shall post such security as the Issuer may reasonably require to protect further the Issuer from loss with respect thereto.

If the indemnification provided herein is for any reason determined to be unavailable to the Issuer or the Purchaser, then, with respect to any such loss, claim, demand or liability, including expenses in connection therewith, the Issuer and the Purchaser, as appropriate, shall be entitled as a matter of right to contribution by the Borrower. The amount of such contribution shall be in such proportion as is appropriate to reflect relative culpability of the parties.

The provisions of this Section shall survive repayment of the Bonds and the Borrower Note.

**SECTION 6.11 DETERMINATION OF TAXABILITY.** If a Determination of Taxability occurs, then the Bonds shall bear interest at the Taxable Rate. A Determination of Taxability shall only constitute an Event of Default if following a Determination of Taxability, the Borrower is not able to meet the financial covenants set forth in Section 6.24 and 6.25 on a pro forma basis.

**SECTION 6.12 NOTICE OF EVENTS OF DEFAULT.** The Borrower, as promptly as reasonably practicable, and in no event in more than five (5) Business Days, shall give notice to the Issuer and the Purchaser if the Borrower becomes aware of the occurrence of any Default or Event of Default, and to the Purchaser of the failure of the Borrower to observe or perform any of the conditions or covenants to be observed or performed by it under this Agreement or any of the other Borrower Documents.

**SECTION 6.13 BOOKS AND RECORDS.** The Borrower shall keep proper books, records and accounts in which complete and correct entries shall be made concerning its affairs and which at all reasonable times and upon reasonable notice shall be subject to inspection of the Issuer and the Purchaser.

**SECTION 6.14 MAINTAIN EXISTENCE.** The Borrower agrees that, as long as the Bonds remain outstanding, it will take all steps reasonably necessary to maintain its corporate existence in good standing under the laws of the State as an organization described in Section 501(c)(3) of the Code and exempt from Federal income taxation under Section 501(a) of the Code, and do all things necessary to preserve and keep in full force and effect its business existence, and all licenses, permits, rights, patents, trademarks, trade name and franchises necessary to the operation of its business.

**SECTION 6.15 COVENANTS AGAINST CERTAIN TRANSFERS.** The Borrower shall not transfer or assign any of its interests in this Agreement without the prior written consent of the Issuer and the Purchaser.

**SECTION 6.16 NONSECTARIAN USE.** The Borrower agrees that, in the absence of the receipt by the Issuer and the Purchaser of a written opinion of nationally recognized municipal bond counsel acceptable to the Issuer to the effect that such use will not affect adversely the exclusion from gross income of interest for federal income tax



purposes on the Outstanding Bonds, the interest on which is excludable from gross income for federal income tax purposes, and that such restriction is no longer required under the provisions of the Act, no proceeds of the Bonds shall be used to acquire, construct, install, or refinance any facilities which are intended to be used primarily for sectarian purposes. The Borrower will comply with all applicable state and federal laws concerning discrimination on the basis of race, creed, color, sex, national origin, or religious belief and will respect, permit, and not interfere with the religious beliefs of Persons working for the Borrower.

**SECTION 6.17 COMPLIANCE WITH ENVIRONMENTAL LAWS.** The Borrower shall comply in good faith in all material respects with all Environmental Laws and not use any property which it owns or occupies to generate, treat, store, transport, transfer, dispose of, release or otherwise handle any Hazardous Material, except in material compliance with all Environmental Laws.

**SECTION 6.18 CHARTER COVENANT.** The Borrower shall maintain the Charter and operations of the Facilities as a public charter school providing educational services to students within Columbia County, Florida in accordance with the Charter and all requirements of law, including the Act and the Charter School Act. The Borrower shall make every effort to renew, extend, replace or otherwise maintain the Charter prior to its expiration or termination and shall take no action that would result in a termination, suspension, revocation or non-renewal of the Charter.

**SECTION 6.19 MANAGEMENT.** The Borrower shall promptly furnish to the Purchaser written notice of any change in the persons who from time to time become the senior officers of the Borrower.

**SECTION 6.20 NOTICE OF LITIGATION OR OTHER PROCEEDINGS.** The Borrower shall give prompt notice to the Purchaser of the existence of any material dispute, the institution of any litigation, administrative proceeding or governmental investigation involving the Borrower or the entry of any judgment, decree or order against or involving the Borrower, any of which might materially and adversely affect the operation, financial condition, property or business of the Borrower or affect the enforceability of this Agreement or any of the other Borrower Documents.

**SECTION 6.21 FURTHER ACTIONS.** The Borrower shall cooperate and join with the Purchaser, at the Borrower's expense, in taking all such further actions as the Purchaser, in its reasonable judgment, shall deem necessary to effectuate the provisions of the Borrower Documents.

**SECTION 6.22 MERGER OR CONSOLIDATION.** The Borrower covenants that during the term of this Agreement it will not consolidate with, transfer all

or substantially all of its assets to, or merge into any other Person, unless the following conditions shall be met:

(a) the successor or transferee shall expressly assume in writing the full and faithful performance of the Borrower's duties and obligations hereunder to the same extent as if such successor corporation had been the original party under this Agreement;

(b) an opinion of counsel to such successor or transferee that this Agreement is a valid, enforceable agreement as against such Person;

(c) at the time of such consolidation, merger or transfer, the Issuer and the Purchaser receive a Certificate of a Borrower Representative to the effect that the Borrower or such successor or transferee shall not be in default in the performance or observance of any duties, obligations or covenants of this Agreement; and

(d) the Issuer and the Purchaser shall have received an opinion or opinions of Bond Counsel to the effect that the merger, transfer or consolidation will not adversely affect the validity of the Bonds or the Borrower Note or adversely affect the exclusion from gross income of interest on the Bonds for purposes of federal income taxation.

**SECTION 6.23 LIMITATIONS ON INCURRENCE OF ADDITIONAL INDEBTEDNESS.** (a) With the exception of Short-Term Indebtedness and Capital Leases described in (b) below, without the prior written consent of the Purchaser, the Borrower shall not, after the Closing Date, incur any additional Indebtedness that does not exist as of the Closing Date, secured in whole or in part by the Collateral, without the prior consent of the Purchaser.

(b) Without the prior written consent of the Purchaser, the Borrower may incur Short-Term Indebtedness and Capital Leases in a combined amount that does not exceed 10% of the Pledged Revenues for the most recently completed Fiscal Year.

Notwithstanding the foregoing, nothing in this Section 6.23 shall be deemed to limit the Borrower's ability to incur debt not secured by the Collateral (and therefore not Indebtedness).

**SECTION 6.24 MINIMUM UNRESTRICTED LIQUIDITY.** The Borrower shall maintain a minimum Unrestricted Liquidity, in an amount sufficient to pay at least the following amounts: (i) for the testing date of June 30, 2021, an amount equal to at least eighty (80) days of its Operating Expenses for the following Fiscal Year, (ii) for the testing date of June 30, 2022, an amount equal to at least ninety (90) days of its Operating Expenses for the following Fiscal Year and (iii) for the testing date of June 30, 2023 and each June 30 testing date thereafter, an amount equal to at least one hundred (100) days of its Operating Expenses for the following Fiscal Year.

The Borrower shall provide the Purchaser with a Compliance Certificate including such Unrestricted Liquidity calculation set forth above within 210 days after the end of each Fiscal Year, commencing with the Fiscal Year ended June 30, 2021, and stating that the Unrestricted Liquidity required by this Section 6.24 has or has not been met.

The Purchaser may request, in its sole discretion, back up documentation supporting the information contained in the certifications provided by the Borrower pursuant to this Section.

The foregoing notwithstanding, the Purchaser, in its sole discretion, reserves the right to recalculate, in accordance with GAAP, the Unrestricted Liquidity required by this Section 6.24, following receipt of the certification thereof, based on the Borrower's Fiscal Year audit, as the case may be, and backup documentation provided by the Borrower pursuant to this Section, and the Purchaser's calculation of the Unrestricted Liquidity pursuant to this paragraph shall supersede the Borrower's calculation thereof for purposes of determining compliance with the covenants in this Section.

**SECTION 6.25 DEBT SERVICE COVERAGE RATIO.** The Borrower shall maintain a Debt Service Coverage Ratio equal to 1.10. The Debt Service Coverage Ratio shall be tested as of June 30 of each prior Fiscal Year based on the results of each Fiscal Year audit, commencing with the Fiscal Year ended June 30, 2023. The Borrower shall provide the Purchaser with a Compliance Certificate within 210 days after the end of each Fiscal Year, commencing with the Fiscal Year ended June 30, 2023, including a certification that the Debt Service Coverage Ratio required by this Section has or has not been met.

The Purchaser may request, in its sole discretion, back up documentation supporting the information contained in the certifications provided by the Borrower pursuant to this Section.

The foregoing notwithstanding, the Purchaser, in its sole discretion, reserves the right to recalculate, in accordance with GAAP, the Debt Service Coverage Ratio required by this Section, following receipt of the certification thereof, based on the Borrower's Fiscal Year audit, as the case may be, and backup documentation provided by the Borrower pursuant to this Section, and the Purchaser's calculation of the Debt Service Coverage Ratio pursuant to this paragraph shall supersede the Borrower's calculation thereof for purposes of determining compliance with the covenants in this Section.

## **SECTION 6.26 FINANCIAL STATEMENTS AND REPORTING.**

(a) Audited Financial Statements. The Borrower agrees that it will have its books and records audited annually, commencing with the Fiscal Year ending June 30, 2020, by an independent certified public accountant as soon as practicable after the close of such Fiscal Year, and shall furnish by November 15, following the end of such Fiscal

Year to the Purchaser, a copy of its Audited Financial Statements. In the event that the Borrower changes its accountant it will provide notice to the Purchaser regarding such change and the reasons for such change.

(b) Financial Reports, Enrollment Reports and Charter Compliance Reporting. The Borrower shall provide to the Purchaser as soon as is practicable, the amount of money that the Borrower will receive from the School Board with respect to the School (which may consist of copies of School Board or Florida Department of Education forms showing amounts due to the Borrower with respect to the School) for the forthcoming School year. In the event that such information is not available by July 1 for the next succeeding School year, the Borrower shall notify the Purchaser in writing of such fact, which notice shall specify when the Borrower anticipates receipt of the foregoing information, and the Borrower will provide such information when it becomes available. In addition, the Borrower shall provide to the Purchaser, at the times specified below, or as soon as practicable if the timeframe or date is not otherwise specified: (i) the enrollment (by grade) and average daily Florida Public Schools Full-Time Equivalent (FTE) data for the School on each November 1, (ii) copies of written complaint notifications from the School Board, along with copies of the Borrower's responses thereto, within ten days of responding thereto; (iii) notices of any meeting in which the Borrower is before the School Board for issues of non-compliance along with the minutes of such meetings and any responses provided by the Borrower as soon as practicable; and (iv) notice of non-renewal or termination of the Charter as soon as practicable.

(c) Annual Budget. The Borrower shall provide the Purchaser with a copy of the Borrower's annual budget with respect to the School, certified by the Borrower at least 30 days prior to the beginning of each Fiscal Year, commencing with the Fiscal Year ending June 30, 2021.

(d) Annual Compliance Certificate. Within 210 after the end of each Fiscal Year, a certificate (the "Compliance Certificate") substantially in the form of EXHIBIT H signed by an Authorized Representative of the Borrower, (i) stating that such Authorized Representative has made a review of activities during the preceding period for the purpose of determining whether the Borrower has complied with all of the terms, provisions and conditions of this Agreement and the Borrower Documents; and (ii) attesting that, to the best of his/her knowledge, the Borrower has kept, observed, performed and fulfilled each and every such covenant, provision and condition on its part to be performed and no Event of Default or Default has occurred, or if an Event of Default or Default has occurred such certificate shall specify such event or condition, the nature and status thereof and any remedial steps taken or proposed to correct such event or condition; and (iii) containing calculations as to Minimum Unrestricted Liquidity and the Debt Service Coverage Ratio, certified by such Authorized Representative to be accurate and complete and made in accordance with Sections 6.24 and 6.25, respectively, of this Agreement.

(e) Quarterly Compliance Certificate and Reporting. The Borrower will deliver to the Purchaser on or before each May 15, August 15, November 15 and February 15 following the end of each fiscal quarter for the Borrower ending March 31, June 30, September 30 and December 31, respectively, commencing with the fiscal quarter ending December 31, 2020:

(i) a certificate executed by the Borrower's president or chief financial officer including the information to be reported under (ii) below, and stating that:

(1) A review of the activities of the Borrower during such fiscal quarter and of performance hereunder has been made under his or her supervision; and

(2) He or she is familiar with the provisions of this Loan Agreement and the Tax Certificate, and to the best of his or her knowledge, based on such review and familiarity, the Borrower has fulfilled all of its obligations hereunder and thereunder throughout the fiscal quarter in question, and there have been no defaults under this Loan Agreement or the Tax Certificate or, if there has been a default in the fulfillment of any such obligation in such fiscal quarter, specifying each such default known to him or her and the nature and status thereof and the actions taken or being taken to correct such default.

(ii) the following information for the immediately preceding quarter:

(1) information on existing or pending litigation;

(2) any plans to expand the School or the Borrower's operations;

(3) any changes in key personnel or organizational structure;

(4) the Debt Service Coverage Ratio as of the reporting date;

(5) copies of any written correspondence regarding the Charter;

(6) any notices relating to non-compliance by the appropriate chartering authorities;

(7) any material change in the amount or projected amount of per pupil funding; and

(8) enrollment counts by grade, wait list/lottery information, and test scores (if available).

(f) No Undertaking. For the avoidance of Doubt, provision of the financial information required to be delivered by the Borrower pursuant to this Section 8.06 is not an undertaking of the Borrower under Rule 15c2-12 of the Regulations under the Securities Exchange Act of 1934, as amended.

**SECTION 6.27 RATING APPLICATION.** The Borrower covenants that it will, at the Purchaser's expense, seek a rating of the Bonds from any Rating Agency each year after a determination is made by the Purchaser that an investment grade rating for the Bonds is reasonably attainable, until achievement of an investment grade rating, provided that if during any such year the Borrower receives a preliminary indication from any such Rating Agency that the Bonds will not be assigned an investment grade rating, the Borrower shall withdraw its rating request for such year. For purposes of this Section, "Rating Agency" shall mean either Moody's Investors Service, Inc., S&P Global Ratings, or Fitch Ratings, Inc.

**SECTION 6.28 APPRAISAL.** The Borrower covenants that it will, at the Purchaser's request and expense, cooperate and provide all information required for Purchaser to obtain an appraisal of the Facilities.

[Remainder of page intentionally left blank]

## **ARTICLE VII DEFAULT AND REMEDIES**

**SECTION 7.1      EVENTS OF DEFAULT.** The occurrence of any one or more of the following events shall constitute an event of default hereunder (an "Event of Default"):

(a) if the Borrower fails to make any payment of principal or interest on the Bonds or the Borrower Note when the same shall become due and payable thereunder; or

(b) if the Borrower fails to make any other payment or deposit required hereunder within ninety (90) days of the due date thereof; or

(c) if the Borrower fails to perform any of its other covenants, conditions or provisions under this Agreement and such failure continues for sixty (60) days after the Issuer or the Purchaser gives the Borrower written notice thereof; provided, however, that if such performance requires work to be done, actions to be taken, or conditions to be remedied, which by their nature cannot reasonably be done, taken or remedied, as the case may be, within such sixty (60)-day period, no Event of Default shall be deemed to have occurred or to exist if, and so long as, the Borrower shall commence such performance within such sixty (60)-day period and shall diligently and continuously prosecute the same to completion; or

(d) if the Borrower admits in writing its inability to pay its debts generally as they become due, or proposes or makes an assignment for the benefit of creditors or a composition agreement with all or a material part of its creditors, or a trustee, receiver, executor, conservator, liquidator, sequestrator or other judicial representative, similar or dissimilar, is appointed for the Borrower or any of its assets or revenues, or there is commenced any proceeding in liquidation, bankruptcy, reorganization, arrangements of debts, debtor rehabilitation, creditor adjustment or insolvency, local, state or federal, by or against the Borrower and if such is not vacated, dismissed or stayed on appeal within sixty (60) days; or

(e) if the Borrower shall default in the payment of any indebtedness (other than amounts due under this Agreement) with a principal amount in excess of \$1,000,000, and any period of grace with respect thereto shall have expired, or the Borrower shall default in the performance of any other agreement, term or conditions contained in any agreement under which indebtedness (other than amounts due under this Agreement) with a principal amount in excess of \$1,000,000 is created, if the effect of such default is to cause, or permit the holder or holders of such obligation to cause such obligation to become due prior to its stated maturity and the holder or holders accelerate such obligation.

**SECTION 7.2 REMEDIES.** If an Event of Default hereunder has occurred and is continuing, the Purchaser may pursue any remedy available to it at law or in equity. Upon the occurrence of any Event of Default which stays or materially impairs the rights and remedies of the Purchaser against the Issuer or the Borrower, including any default under Section 7.1(d) above, all amounts payable upon the Bonds and the Borrower Note shall automatically become immediately due and payable without demand or notice of any kind, notwithstanding anything contained herein or in the Bonds or in the Borrower Note to the contrary. In addition, upon the occurrence of any Event of Default, the Purchaser, at its option, in addition to its other rights and remedies as may be provided herein or may exist at the time at law or in equity, exercise any one or more of the following remedies:

(a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Issuer, and require the Borrower to carry out any agreements with or for the benefit of the Purchaser and to perform its duties under the Act or this Agreement; or

(b) take any action at law or in equity to collect the payments then due and thereafter to become due under the Bonds or the Borrower Note or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under this Agreement or any of the Borrower Documents; or

(c) perform for the account of the Borrower any covenant regarding any financial undertakings in the performance of which the Borrower is in default or make any payment for which the Borrower is in default. The Borrower shall pay to the Purchaser upon demand any amount paid by it in the performance of such covenant. Any amounts which shall have been paid by reason of failure of the Borrower to comply with any covenant or provision of this Agreement, including reasonable counsel fees incurred in connection with prosecution or defense of any proceedings instituted by reason of such default, shall bear interest at the interest rate borne by the Bonds plus four percent (4%) per annum, from the date of payment by the Purchaser until paid by the Borrower; or

(d) upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Purchaser, to have appointed a receiver or receivers of the Revenues, with such powers as the court making such appointment shall confer; or

(e) declare the entire principal amount of the Bonds and the Borrower Note to be due and payable forthwith, whereupon the Bonds and the Borrower Note shall become forthwith due and payable, both as to principal and interest, without presentment, demand, protest, or other notice of any kind, all of which are hereby expressly waived, anything contained herein or in the Bonds or the Borrower Note or elsewhere to the contrary notwithstanding; or

(f) in addition to all other rights and remedies available to it following an Event of Default, without notice to the Borrower, apply toward and set-off against and apply to the then unpaid balance of the Bonds and the Borrower Note any items or funds held by



the Purchaser, any and all deposits (whether general or special, time or demand, matured or unmatured, fixed or contingent, liquidated or unliquidated) now or hereafter maintained by the Borrower for its own account with the Purchaser, and any other indebtedness at any time held or owing by the Purchaser, to or for the credit or the account of the Borrower. The Purchaser is hereby authorized to charge any such account or indebtedness for any amounts due to the Purchaser. Such right of set-off shall exist whether or not the Purchaser shall have made any demand under this Agreement, the Bonds or the Borrower Note or any other Borrower Document and whether or not the Bonds and the Borrower Note are matured or unmatured. The Borrower hereby confirms the Purchaser's right of set-off, and nothing in this Agreement shall be deemed any waiver or prohibition of such right of set-off.

In order to entitle the Purchaser to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required. Such rights and remedies as are given the Issuer hereunder shall also extend to the Purchaser. For so long as the Bonds remain outstanding and except with respect to the Borrower's obligations in respect of the Reserved Rights, the Purchaser, as the assignee of the Issuer, shall have the sole right to exercise rights and remedies against the Borrower upon the occurrence of any Event of Default hereunder, and the exercise by the Purchaser of such rights and remedies shall be subject to all applicable provisions of this Agreement and the Act. To the extent necessary or appropriate and requested by the Purchaser, the Issuer shall at the Purchaser's expense, cooperate with the Purchaser in connection with the exercise by the Purchaser of such rights and remedies against the Borrower.

**SECTION 7.3      DELAY NOT TO CONSTITUTE WAIVER.** No failure by any party to insist upon strict performance of this Agreement or to exercise any remedy upon the occurrence of an Event of Default shall constitute a waiver of such default, or a waiver or modification of any provision of this Agreement, and, likewise, no prior course of dealing between the parties hereto shall constitute a waiver of such default or a waiver or modification of any provision of this Agreement. Upon the occurrence of an Event of Default, the Issuer or the Purchaser may exercise any one or more of the remedies available to it separately or concurrently and as often as required to enforce the Borrower's obligations. In addition to the other remedies provided in this Agreement, the Issuer and the Purchaser shall be entitled to the restraint by injunction of the violation, or attempted or threatened violation by the Borrower of any of the covenants, conditions or provisions of this Agreement, and to a decree compelling specific performance of any such covenants, conditions or provisions.

**SECTION 7.4      PAYMENT OF LEGAL FEES AND EXPENSES.** If an Event of Default should occur and the Issuer or the Purchaser should incur expenses, including attorneys' fees and expenses, in connection with the enforcement of this Agreement, the Bonds or the Borrower Note or the collection of sums due hereunder or

thereunder, the Borrower shall pay or reimburse the Issuer or the Purchaser, as applicable, for the reasonable fees and expenses so incurred, upon demand.

#### **SECTION 7.5      DEFAULT BY ISSUER; LIMITED LIABILITY.**

Notwithstanding any provision or obligation to the contrary hereinbefore or hereinafter set forth, no provision of this Agreement shall be construed so as to give rise to a pecuniary liability of the Issuer, or to give rise to a charge upon the general credit of the Issuer; the liability of the Issuer hereunder shall be limited to the Revenues as provided herein and the lien of any judgment shall be restricted as referred to herein.

Neither the attorneys, representatives, officers, board members, employees or agents of the Issuer nor any person executing the Bonds on behalf of the Issuer shall be personally liable or held personally accountable in connection with the issuance thereof.

Notwithstanding anything to the contrary contained herein or in the Bonds or any document relating to any of the foregoing, the Issuer shall not have any liability, legal, moral or otherwise, except for the Revenues, to the Purchaser, any other holder of the Bonds or the Borrower in connection with the Project, the Property, the Bonds, the Borrower Note, this Agreement or any other instrument given to the Purchaser by or on behalf of the Borrower as security for the Bonds, including, without limitation, any liability or loss resulting from or suffered upon the occurrence of any event of default under the foregoing documents or the security instruments referred to therein, any diminution of any collateral provided by or on behalf of the Borrower to secure the obligations under this Agreement, the Bonds or the Borrower Note, any failure to perfect a lien or security interest in or against any such collateral, the inaccuracy of or failure to submit any information or document to the Internal Revenue Service of the United States of America, the failure of the Issuer, or others, to comply with any requirement of the Code (including, without limitation, any registration requirement relating to the Bonds), any misrepresentation by the Issuer or any other cause, matter or thing whatsoever. No recourse shall be had for any claim based on this Agreement, the Bonds or any document relating to any of the foregoing against any attorney, representative, board member, officer, employee or agent, past, present or future, of the Issuer either directly or indirectly, under any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or otherwise. This Section shall not relieve the Borrower of any liability or obligation under any instrument relating to the transaction in connection with which this Agreement is being executed and delivered.

The Bonds shall not constitute a debt of the Issuer or a pledge of the full faith and credit power of the Issuer and shall not obligate the Issuer to make any appropriation for its payment.

The Bonds are issued pursuant to the Act and are payable solely from Revenues to be received from the Borrower in accordance with this Agreement and are secured by the Financing Agreement, and, among other things, the Borrower Documents. The Bonds shall

not represent or constitute a debt, liability or obligation or pledge of the faith and credit or taxing power of the Issuer, the School Board, the State or any political subdivision or agency thereof, and this Bond is payable solely from payments made by the Borrower pursuant to the Financing Agreement and any funds derived from Borrower Documents, and no moneys of the Issuer, the School Board, the State, or any political subdivision or agency thereof raised by taxation or otherwise shall be obligated or pledged for the payment of any amounts due under the Bonds.

The Issuer does not assume any general liability for the repayment of the Bonds or for the costs, fees, penalties, taxes, interest, commissions, charges, insurance or any other payments recited herein, and shall be obligated to pay the same only out of the Revenues. The Issuer shall not be required to do any act whatsoever or exercise any diligence whatsoever to mitigate the damages to the Borrower if an Event of Default shall occur hereunder.

[Remainder of page intentionally left blank]

## **ARTICLE VIII MISCELLANEOUS**

**SECTION 8.1 NOTICES.** All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by certified mail, return receipt requested, postage prepaid, Electronic Means or overnight courier, addressed as follows:

If to the Issuer:

Columbia County, Florida  
135 N. Hernando Ave., Ste. 203  
Lake City, Florida 32055  
Attention: County Manager  
Phone: (386) 719-1452  
Email: ben\_scott@columbiacountyfla.com

With a Copy to the County  
Attorney:

The Law Office of Joel F. Foreman, PLLC  
164 NW Madison St., Ste. 103  
Lake City, Florida 32055  
Attention: Joel Foreman, Esq.  
Phone: (386) 752-8420  
Email: jforeman@columbiacountyfla.com

If to the Borrower:

Belmont Academy, Inc.  
1476 SW Walter Ave.  
Lake City, Florida 32024  
Attention: Chief Executive Officer  
Phone: (386) 269-0476  
Email: lawton.unrau@belmontacademy.com

With a copy to Borrower's  
Counsel:

The Arnold Law Firm LLC  
6279 Dupont Station Ct.  
Jacksonville, Florida 32217  
Attention: Melissa Gross-Arnold, Esq.  
Phone: (904) 731-3800  
Email: melissa@arnoldlawfirmllc.com

If to the Purchaser:

Sunflower Public Finance, LLC  
5299 DTC Blvd., Ste. 1050  
Greenwood Village, Colorado 80111  
Attention: Derek Peters  
Phone: (720) 200-4741  
Email: Derek.Peters@sunflowerbank.com

Notwithstanding anything in this Agreement to the contrary, any written notice required hereunder may be delivered via Electronic Means. A duplicate copy of each notice, certificate or other communication given hereunder by the Issuer or the Borrower shall also be given to the Purchaser. The Issuer, the Borrower, or the Purchaser may, by notice hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

**SECTION 8.2 FURTHER ACTION.** The Borrower shall promptly upon request of the Issuer or the Purchaser do all reasonably requested acts and things or cause all reasonably requested acts and things to be done to establish, confirm, maintain and continue the obligations of the Borrower created and intended to be created under any of the Borrower Documents, all assignments made or intended to be made pursuant hereto, and all other rights and benefits conferred on the Issuer and the Purchaser, and it shall pay all costs incurred by the Issuer or the Purchaser in connection therewith, including reasonable counsel fees.

**SECTION 8.3 SURVIVAL OF COVENANTS – CONCERNING SUCCESSORS AND ASSIGNS.** All covenants, agreements, representations and warranties made herein and in the certificates delivered pursuant hereto shall survive the execution and delivery of the Bonds and the Borrower Note and shall continue in full force and effect so long as the obligations hereunder and thereunder are outstanding and unpaid. Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and permitted assigns of such party; and all covenants, promises and agreements by or on behalf of the Borrower which are contained in this Agreement shall bind its successors and permitted assigns and inure to the benefit of the respective successors and assigns of the Issuer and the Purchaser.

**SECTION 8.4 PARTICIPATIONS.** Following the closing date hereof, the Purchaser shall have the right at any time and from time to time, and without the consent of or notice to the Issuer or the Borrower, to grant to one or more banks or other financial institutions, but only to either a "qualified institutional buyer" as defined in Rule 144A promulgated under the 1933 Act, or an "accredited investor" as defined in Rule 501 of Regulation D under the 1933 Act in Authorized Denominations ("Participants") participating interests in the Purchaser's obligations hereunder and/or with respect to its interests under the Bonds and the Borrower Note. In the event of any such grant by the Purchaser of a participating interest to a Participant, the Issuer and the Borrower shall continue to deal solely and directly with the Purchaser, and not with any Participant, in connection with the Purchaser's and any Participant's rights and obligations hereunder. The Purchaser may furnish any information concerning the Borrower in its possession from time to time to prospective assignees and Participants so long as the delivery of such information is subject to nondisclosure agreements entered into by the Purchaser and any prospective assignee or Participant.

**SECTION 8.5 GOVERNING LAW.** This Agreement shall be construed in accordance with and governed by the laws of the State and all rights and remedies shall be governed by such laws, without regards to principles relating to conflicts of laws.

**SECTION 8.6 MODIFICATION IN WRITING.** Amendments, modifications or waivers of any provisions of this Agreement or the documents delivered hereunder or consent to any departure by the Borrower therefrom shall in no event be effective unless the same shall be in writing, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Notwithstanding the foregoing, if the proposed waiver, alteration, modification, supplement or amendment does not affect the rights or obligations of the Issuer, the Issuer shall not be required to consent to such waiver, alteration, modification, supplement or amendment or otherwise be a party to the written instrument. The Borrower shall provide the Issuer with a copy of any such proposed amendment prior to its effective date. No amendment hereto will become effective unless Bond Counsel provides an opinion that such amendment will not adversely affect the exclusion from gross income of interest on the Series 2020A Bond.

**SECTION 8.7 CAPTIONS.** The section headings and table of contents, contained herein are for reference purposes only and shall not in any manner affect the meaning or interpretation of this Agreement.

**SECTION 8.8 SEVERABILITY.** In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof, and any provision held invalid or unenforceable in part shall not affect the validity or enforceability of the remaining part of the provision.

**SECTION 8.9 COUNTERPARTS.** This Agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.

**SECTION 8.10 EFFECTIVE DATE AND TERM.** This Agreement shall become effective upon its execution and delivery by the parties hereto, shall remain in full force from the date thereof and, subject to the provisions hereof, shall expire on such date as the Bonds and the interest thereon, the Borrower Note and the interest thereon and all other expenses or sums to which the Issuer and the Purchaser are entitled, have been fully paid and retired.

**SECTION 8.11 APPLICABLE LAW AND VENUE.** This Agreement shall be governed by and construed in accordance with the laws of the State. Each of the parties agree that certain material events and occurrences relating to the Bonds bear a reasonable relationship to the laws of Florida and the validity, terms, performance and enforcement of

the Bonds shall be governed by the internal laws of the State which are applicable to agreements which are negotiated, executed, delivered and performed solely in the State.

**SECTION 8.12 WAIVER OF JURY TRIAL.** EACH PARTY HERETO IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF THIS AGREEMENT OR ANY OTHER FINANCING DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER FINANCING DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

ANY LEGAL PROCEEDING INITIATED OVER ANY DISPUTE ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER FINANCING DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY SHALL BE INITIATED IN FEDERAL OR STATE COURTS LOCATED WITHIN COLUMBIA COUNTY, THE STATE OF FLORIDA, AND THE PARTIES HERETO AGREE THAT VENUE FOR ALL SUCH MATTERS SHALL LIE EXCLUSIVELY IN THOSE COURTS. THE PARTIES HERETO HEREBY IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT THEY MAY NOW OR HEREAFTER HAVE, INCLUDING ANY CLAIM OF FORUM NON CONVENIENS, TO VENUE IN THE COURTS LOCATED IN COLUMBIA COUNTY, THE STATE OF FLORIDA.

**SECTION 8.13 NO PECUNIARY LIABILITY OF ISSUER.** No provision, covenant, or agreement contained in this Agreement, or any obligations herein imposed upon the Issuer, or the breach thereof, shall constitute an indebtedness or liability of the Issuer within the meaning of any Colorado constitutional provision or statutory limitation or shall constitute or give rise to a pecuniary liability of the Issuer or any member, officer, agent or employee of the Issuer or a charge against the Issuer's general credit. In making the agreements, provisions and covenants set forth in this Agreement, the Issuer has not obligated itself except with respect to the application of the revenues, as hereinabove provided.

**SECTION 8.14 NO PERSONAL LIABILITY OF OFFICIALS OF THE ISSUER, THE BORROWER OR THE PURCHASER.** None of the covenants, stipulations, promises, agreements and obligations of the Issuer or the Borrower contained herein shall be deemed to be covenants, stipulations, promises, agreements or obligations

of any official, officer, agent, member, or employee of the Issuer or the Borrower in his or her individual capacity, and no recourse shall be had for the payment of the principal of or premium, if any, or interest on the Bonds or for any claim based thereon or any claim hereunder against any official, officer, agent, member or employee of the Issuer or the Borrower, or any natural Person executing any Bond, including any officer or employee of the Purchaser.

**SECTION 8.15 NO VIOLATIONS OF LAW.** Any other term or provision in this Agreement to the contrary notwithstanding, (a) in no event shall this Agreement be construed as (i) depriving the Issuer of any right or privilege or (ii) requiring the Issuer or any member, official, officer, director, agent, employee, representative, or advisor of the Issuer to take or omit to take, or to permit or suffer the taking of, any action by itself or by anyone else, which deprivation or requirement would violate, or result in the Issuer's being in violation of the Act or any other applicable state or federal law; and (b) at no time and in no event will the Borrower permit, suffer or allow any of the proceeds of the Bonds to be transferred to any Person in violation of, or to be used in any manner which is prohibited by, the Act or any other state or federal law.

**SECTION 8.16 MAINTENANCE OF RECORDS.** The Borrower will maintain records relating to the use and investment of the proceeds of the Bonds and the use and operation of the Facilities for a period of four years after the later of (i) payment in full of the Bonds or (ii) payment in full of any bonds or other obligations issued to refund the Bonds.

**SECTION 8.17 ELECTRONIC STORAGE.** The parties hereto agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

**SECTION 8.18 NO RATING, CUSIP NUMBER OF SECURITIES DEPOSITORY.** The Bonds have not been and are not expected to be: (i) rated by a nationally recognized organization which regularly rates such obligations, (ii) assigned a CUSIP number, or (iii) registered with or made eligible for registration with any securities depository, including but not limited to the Depository Trust Company, New York, New York.

**SECTION 8.19 PATRIOT ACT NOTICE.** The Purchaser hereby notifies the Borrower that pursuant to the requirements of the Patriot Act it is required to obtain, verify and record information that identifies the Borrower, including the name and address of the Borrower and other information that will allow the Purchaser to identify the Borrower in accordance with the Patriot Act. The Borrower hereby agrees that it shall promptly provide such information upon request by the Purchaser.



**SECTION 8.20 USURY.** Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any amounts payable under this Agreement, the Bonds and the Borrower Note, together with all fees, charges and other amounts which may be treated as interest with respect thereto under applicable law (collectively, the "Charges"), shall exceed the maximum lawful rate of interest (the "Maximum Lawful Rate") which may be contracted for, charged, taken, received or reserved in accordance with applicable law, the rate of interest payable in respect of such amounts payable under this Agreement, the Bonds and the Borrower Note, together with all Charges payable in respect thereof, shall be limited to the Maximum Lawful Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable in respect of amounts payable under this Agreement, the Bonds and the Borrower Note shall be increased (but not above the Maximum Lawful Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Rate to the date of repayment, shall have been received by the Purchaser.

[Signature page to follow]

[SIGNATURE PAGE TO FINANCING AGREEMENT]

IN WITNESS WHEREOF, the parties hereto have duly executed this Financing Agreement and cause it to be dated the date first written above.

**BELMONT ACADEMY, INC.,** as Borrower

By: \_\_\_\_\_

Name:

Title:

ATTEST:

By: \_\_\_\_\_

Name:

Title:

**SUNFLOWER PUBLIC FINANCE, LLC,** as  
Purchaser

By: \_\_\_\_\_

Name:

Title:

**BOARD OF COUNTY COMMISSIONERS  
COLUMBIA COUNTY, FLORIDA,** as Issuer

[SEAL]

\_\_\_\_\_  
Toby Witt, Chairman

ATTEST:

\_\_\_\_\_  
P. Dewitt Cason, Clerk of the Circuit Court

## EXHIBIT A-1

THIS BOND MAY ONLY BE TRANSFERRED TO A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED UNDER RULE 144A PROMULGATED BY THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO THE SECURITIES ACT OR AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT, AND UPON THE FILING OF A LENDER LETTER. THIS BOND IS ISSUED PURSUANT TO THE PROVISIONS OF CHAPTER 159, PART II, FLORIDA STATUTES AS AMENDED, AND IS EXEMPT FROM FLORIDA DOCUMENTARY STAMP TAX AND INTANGIBLE PROPERTY TAXES AS PROVIDED IN SECTIONS 159.27(1) AND 159.31, FLORIDA STATUTES, AS AMENDED.

**COLUMBIA COUNTY, FLORIDA  
EDUCATIONAL FACILITIES REVENUE BONDS  
(BELMONT ACADEMY CHARTER SCHOOL PROJECT)  
SERIES 2020A**

No. RA-1

Not to Exceed \$[PAR A]

<u>Maturity Date</u>	<u>Dated Date</u>	<u>Interest Rate</u>
September 1, 2030	August 12, 2020	4.00% (subject to adjustment)

REGISTERED OWNER: SUNFLOWER PUBLIC FINANCE, LLC

PRINCIPAL AMOUNT: NOT TO EXCEED \_\_\_\_\_ DOLLARS

COLUMBIA COUNTY, FLORIDA (the "Issuer"), a political subdivision created in and existing under the laws of the State of Florida (the "State"), for value received, hereby promises to pay, from the sources hereinafter described, the Principal Amount stated above or such lesser amount as shall have been Advanced hereunder (as defined in the hereinafter defined Agreement), in lawful money of the United States of America, to the Registered Owner stated above or the registered assigns, in accordance with the principal amortization schedule attached to this bond as Schedule 1 (as the same may be adjusted from time to time to reflect Advances) and to pay interest on such Principal Amount all as hereinafter provided.

This Bond is issued pursuant to the Act (as defined in the after defined Agreement) and a Financing Agreement (the "Agreement") of even date herewith by and among the Issuer, Sunflower Public Finance, LLC, a Colorado limited liability company and a wholly-owned subsidiary of Sunflower Bank, N.A. (the "Purchaser") and Belmont Academy, Inc., a Florida not-for-profit corporation (the "Borrower"), for the purpose of providing funds to the Borrower for the purposes stated in the Agreement. Pursuant to the Agreement, the

Issuer has loaned the proceeds from the sale of this Bond to the Borrower for the purposes stated in the Agreement; to evidence this debt, the Borrower has executed and delivered to the Issuer its promissory note in the same principal amount as this Bond and the principal amount of the Issuer's Taxable Educational Facilities Revenue Bond (Belmont Academy Charter School Project), Series 2020B (collectively, the "Borrower Note"); and to secure its obligations on this Bond, the Issuer has assigned to the Registered Owner, the Borrower Note and certain of its rights under the Agreement. This Bond and the Issuer's Taxable Educational Facilities Revenue Bond (Belmont Academy Charter School Project), Series 2020B issued in the aggregate principal amount of \$[PAR B], are payable solely from the revenues from such assignment of the Borrower Note and the Agreement (the "Revenues"). Undefined capitalized terms used herein shall have the meanings assigned to such terms in the Agreement.

### **Payment Dates**

Interest on this Bond shall be due and payable monthly on each Interest Payment Date, commencing September 1, 2020, until payment of the principal hereof has been made or provided for.

Principal on this Bond shall be due and payable in monthly installments on each Principal Payment Date, commencing September 1, 2021, through the Maturity Date stated above, on which date a final installment shall be payable in an amount equal to the remaining outstanding principal balance hereof. The principal amount of this Bond may be Advanced from time to time pursuant to the terms of the Agreement, provided, however, that the aggregate principal amount of this Bond shall not exceed \$[PAR A] and no Advances shall be made after the Final Advance Date. The principal amortization schedule attached to this Bond as Schedule 1 shall be adjusted by Purchaser after the Final Advance Date in the event less than \$[PAR A] has been Advanced to reflect an aggregate principal amortization equal the outstanding principal amount of all Advances actually made, and pro-rata reductions will be made to each scheduled payment to reflect that less than \$[PAR A] has been advanced.

If the due date for payment of principal or interest falls on a day which is not a Business Day (as defined in the Agreement), such payment shall be due on the next succeeding Business Day and such extension of time shall be included in computing interest on such installment of principal.

All payments of principal and interest on this Bond shall be made in lawful money of the United States of America, by check or other means satisfactory to the Registered Owner hereof, delivered or mailed so as to be received on or before the due dates thereof.

## **Tax Exempt Rate**

From the date hereof, through and including the Maturity Date, this Bond shall bear interest at a tax-exempt Interest Rate per annum of 4.00% (computed on the basis of a 360-day year, consisting of twelve 30-day months).

## **Taxable Rate**

This Bond is subject to an increase in the Interest Rate to the Taxable Rate calculated in accordance with the Agreement, or will bear interest at the maximum rate permitted by law if less than such Taxable Rate, as a whole on the aggregate principal amount thereof, upon the occurrence of a Determination of Taxability related to this Bond, until this Bond is redeemed, paid in full or cancelled; provided, however, that the Interest Rate on this Bond shall not increase to the Taxable Rate unless and until the Borrower and the Issuer shall receive written notice from the Purchaser directing such increase, from the Date of Taxability.

## **Default Rate**

Upon maturity, whether by acceleration, demand or otherwise, and at the option of the Registered Owner hereof, upon the occurrence of any Event of Default, as defined in the Agreement, and during the continuance thereof, this Bond shall bear interest at a rate per annum (computed on the basis of a 360-day year, consisting of twelve 30-day months) equal to the Default Rate calculated in accordance with the Agreement. The Default Rate shall continue to apply whether or not judgment shall be entered on this Bond.

## **Prepayment**

This Bond shall be subject to prepayment prior to maturity at any time, and from time to time, upon 10 days written notice to the Purchaser, provided that such prepayment is accompanied by the indemnification payment required as follows: (i) in the event the prepayment occurs within one year after the Closing Date, the indemnification payment shall be equal to five percent (5%) of the amount so prepaid; (ii) in the event the prepayment occurs within two years after the Closing Date, the indemnification payment shall be equal to four percent (4%) of the amount so prepaid; (iii) in the event the prepayment occurs in within three years after the Closing Date, the indemnification amount shall be equal to three percent (3%) of the amount so prepaid; (iv) in the event the prepayment occurs in within four years after the Closing Date, the indemnification amount shall be equal to two percent (2%) of the amount so prepaid; (v) in the event the prepayment occurs in within five years after the Closing Date, the indemnification amount shall be equal to one percent (1%) of the amount so prepaid; and (vi) in the event the prepayment occurs after the fifth year following the Closing Date, there will be no indemnification amount payable in connection with such prepayment; and provided, further, however, that no such indemnification payment shall be required if the payment from the Borrower is

from legally available monies from excess liquidity and/or excess cash flow in a principal amount less than or equal to 20% of the outstanding principal of this Bond being prepaid at such time of prepayment.

### **Events of Default**

The Agreement defines Events of Default, upon the happening of any one or more of which the entire unpaid balance of the principal and accrued interest upon this Bond may, as provided in the Agreement, become immediately due and payable.

Reference is hereby made to the Agreement, the Borrower Note, and the other Borrower Documents, copies of which are on file with the Purchaser, for a description of the provisions, among others, with respect to the nature and extent of the security for this Bond, the rights, duties and obligations of the Issuer, the Borrower, the Purchaser and any successor Registered Owner and the terms upon which this Bond is issued and secured.

### **Limited Obligations**

PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THIS BOND IS A LIMITED AND SPECIAL REVENUE OBLIGATION OF THE ISSUER PAYABLE SOLELY OUT OF THE REVENUES RECEIVED UNDER THE AGREEMENT.

THIS BOND DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER, THE SCHOOL DISTRICT, THE STATE OR ANY OTHER MUNICIPALITY, PUBLIC AGENCY OR POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION, AND SHALL NOT CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER, THE SCHOOL DISTRICT, THE STATE OR ANY OTHER MUNICIPALITY, PUBLIC AGENCY OR POLITICAL SUBDIVISION THEREOF AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE ISSUER, THE SCHOOL DISTRICT, THE STATE OR ANY OTHER MUNICIPALITY, PUBLIC AGENCY OR POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS BOND. NO COVENANT OR AGREEMENT CONTAINED IN THIS BOND OR THE AGREEMENT SHALL BE DEEMED TO BE A COVENANT OR AGREEMENT OF ANY MEMBER OF THE GOVERNING BODY OF THE ISSUER NOR SHALL ANY OFFICIAL EXECUTING SUCH BONDS BE LIABLE PERSONALLY ON THE BONDS OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE OF THE BONDS.

NO RECOURSE UNDER OR UPON ANY OBLIGATION, COVENANT, OR AGREEMENT CONTAINED IN THE AGREEMENT OR ANY RELATED DOCUMENTS, OR UNDER ANY JUDGMENT OBTAINED AGAINST THE ISSUER,

OR THE ENFORCEMENT OF ANY ASSESSMENT, OR ANY LEGAL OR EQUITABLE PROCEEDINGS BY VIRTUE OF ANY CONSTITUTION OR STATUTE OR OTHERWISE, OR UNDER ANY CIRCUMSTANCES UNDER OR INDEPENDENT OF THE AGREEMENT, SHALL BE HAD AGAINST ANY BOARD MEMBER, OFFICER, EMPLOYEE, AGENT, OR COUNSEL AS SUCH, PAST, PRESENT, OR FUTURE OF THE ISSUER, EITHER DIRECTLY OR THROUGH THE ISSUER OR OTHERWISE, FOR THE PAYMENT FOR OR TO THE ISSUER OR ANY RECEIVER THEREOF, OR FOR OR TO THE OWNER OF THIS BOND, OR OTHERWISE, OF ANY SUM THAT MAY BE DUE AND UNPAID BY THE ISSUER UPON ANY SUCH BOND. ANY AND ALL PERSONAL LIABILITY OF EVERY NATURE WHETHER AT COMMON LAW OR IN EQUITY OR BY STATUTE OR BY CONSTITUTION OR OTHERWISE OF ANY SUCH BOARD MEMBER, OFFICER, EMPLOYEE, AGENT, OR COUNSEL, AS SUCH, TO RESPOND BY REASON OF ANY ACT OR OMISSION ON HIS PART OR OTHERWISE, FOR THE PAYMENT FOR OR TO THE OWNER OF THIS BOND OR OTHERWISE OF ANY SUM THAT MAY REMAIN DUE AND UNPAID UPON THIS BOND OR ANY OF THEM IS, BY THE ACCEPTANCE HEREOF, EXPRESSLY WAIVED AND RELEASED AS A CONDITION OF AND IN CONSIDERATION FOR THE EXECUTION OF THE AGREEMENT AND THE ISSUANCE OF THIS BOND.

No covenant or agreement contained in this Bond or in the Agreement shall be deemed to be the covenant or agreement of any appointed official, officer, agent, servant or employee of the Issuer in his or her individual capacity, and neither the members of the governing body of the Issuer nor any official executing this Bond shall be liable personally on this Bond or be subject to any personal liability or accountability by reason of the issuance thereof.

No covenant or agreement contained in the Agreement shall be deemed to be the covenant or agreement of any appointed official, officer, agent, servant or employee of the Borrower in his or her individual capacity, and the members of the governing body of the Borrower shall not be liable personally or be subject to any personal liability or accountability by reason of the execution and delivery thereof.

### **Transfer**

This Bond is transferable only upon the books maintained by the Purchaser, as registrar and transfer agent (the "Transfer Agent"), for registration and transfer under the Agreement by the Registered Owner hereof or by his or her attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer duly executed by the Registered Owner or his or her duly authorized attorney. Upon any such transfer the Transfer Agent shall acknowledge on this Bond the transfer and registration hereof.

THIS BOND MAY ONLY BE TRANSFERRED TO A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED UNDER RULE 144A PROMULGATED BY

THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO THE SECURITIES ACT OR AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT, AND UPON THE FILING OF A LENDER LETTER. THIS BOND IS ISSUED PURSUANT TO THE PROVISIONS OF CHAPTER 159, PART II, FLORIDA STATUTES AS AMENDED, AND IS EXEMPT FROM FLORIDA DOCUMENTARY STAMP TAX AND INTANGIBLE PROPERTY TAXES AS PROVIDED IN SECTIONS 159.27(1) AND 159.31, FLORIDA STATUTES, AS AMENDED.

This Bond is and has all the qualities and incidents of a negotiable instrument under the law merchant and the Uniform Commercial Code-Investment Securities Law of the State of Florida.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this Bond exist, have happened and have been performed in regular and due form and time as required by the Constitution and laws of the State of Florida applicable thereto and that the issuance of this Bond is in full compliance with all Constitutional and statutory limitations, provisions and restrictions.

IN WITNESS WHEREOF, Columbia County, Florida has caused this Bond to be executed by its Chairman of its Board of County Commissioners by his manual or facsimile signature, has caused its official seal to be impressed or reproduced hereon, and has caused this bond to be attested by its Secretary by his manual or facsimile signature, all as of the Dated Date set forth above.

**BOARD OF COUNTY COMMISSIONERS  
COLUMBIA COUNTY, FLORIDA, as Issuer**

[SEAL]

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Toby Witt, Chairman

ATTEST:

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P. Dewitt Cason, Clerk of the Circuit Court



## Schedule 1 to Exhibit A-1

### PRINCIPAL AMORTIZATION SCHEDULE

Principal on this Bond shall be payable monthly on each Principal Payment Date, commencing on September 1, 2021, in the amounts shown below (as the same may be adjusted after the Final Advance Date to reflect actual Advances made prior thereto):

Principal Payment Date	Balance	Principal
	\$	\$

[TO COME]

## EXHIBIT A-2

THIS BOND MAY ONLY BE TRANSFERRED TO A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED UNDER RULE 144A PROMULGATED BY THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO THE SECURITIES ACT OR AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT, AND UPON THE FILING OF A LENDER LETTER. THIS BOND IS ISSUED PURSUANT TO THE PROVISIONS OF CHAPTER 159, PART II, FLORIDA STATUTES AS AMENDED, AND IS EXEMPT FROM FLORIDA DOCUMENTARY STAMP AND INTANGIBLE PROPERTY TAXES AS PROVIDED IN SECTIONS 159.27(1) AND 159.31, FLORIDA STATUTES, AS AMENDED.

**COLUMBIA COUNTY, FLORIDA  
TAXABLE EDUCATIONAL FACILITIES REVENUE BONDS  
(BELMONT ACADEMY CHARTER SCHOOL PROJECT)  
SERIES 2020B**

No. RB-1 \$[PAR B]

<u>Maturity Date</u>	<u>Dated Date</u>	<u>Interest Rate</u>
July 1, 2025	August 12, 2020	5.00%
		(subject to adjustment)

REGISTERED OWNER: SUNFLOWER PUBLIC FINANCE, LLC

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

COLUMBIA COUNTY, FLORIDA (the "Issuer"), a political subdivision created in and existing under the laws of the State of Florida (the "State"), for value received, hereby promises to pay, from the sources hereinafter described, the Principal Amount stated above, in lawful money of the United States of America, to the Registered Owner stated above or the registered assigns, in accordance with the principal amortization schedule attached to this bond as Schedule 1 and to pay interest on such Principal Amount all as hereinafter provided.

This Bond is issued pursuant to the Act and a Financing Agreement (the "Agreement") of even date herewith by and among the Issuer, Sunflower Public Finance, LLC, a Colorado limited liability company and a wholly-owned subsidiary of Sunflower Bank, N.A. (the "Purchaser") and Belmont Academy, Inc., a Florida not-for-profit corporation (the "Borrower"), for the purpose of providing funds to the Borrower for the purposes stated in the Agreement. Pursuant to the Agreement, the Issuer has loaned the proceeds from the sale of this Bond to the Borrower for the purposes stated in the Agreement; to evidence this debt, the Borrower has executed and delivered to the Issuer its

promissory note in the same principal amount as this Bond and the principal amount of the Issuer's Educational Facilities Revenue Bond (Belmont Academy Charter School Project), Series 2020A (collectively, the "Borrower Note"); and to secure its obligations on this Bond, the Issuer has assigned to the Registered Owner, the Borrower Note and certain of its rights under the Agreement. This Bond and the Issuer's Educational Facilities Revenue Bond (Belmont Academy Charter School Project), Series 2020A issued in the aggregate principal amount of not to exceed \$[PAR A], are payable solely from the revenues from such assignment of the Borrower Note and the Agreement (the "Revenues"). Undefined capitalized terms used herein shall have the meanings assigned to such terms in the Agreement.

### **Payment Dates**

If the due date for payment of principal or interest falls on a day which is not a Business Day (as defined in the Agreement), such payment shall be due on the next succeeding Business Day and such extension of time shall be included in computing interest on such installment of principal.

All payments of principal and interest on this Bond shall be made in lawful money of the United States of America, by check or other means satisfactory to the Registered Owner hereof, delivered or mailed so as to be received on or before the due dates thereof.

### **Taxable Rate**

From the date hereof, through and including the Maturity Date, this Bond shall bear interest at a taxable Interest Rate per annum of 5.00% (computed on the basis of a 360-day year, consisting of twelve 30-day months).

### **Default Rate**

Upon maturity, whether by acceleration, demand or otherwise, and at the option of the Registered Owner hereof, upon the occurrence of any Event of Default, as defined in the Agreement, and during the continuance thereof, this Bond shall bear interest at a rate per annum (computed on the basis of a 360-day year, consisting of twelve 30-day months) equal to the Default Rate calculated in accordance with the Agreement. The Default Rate shall continue to apply whether or not judgment shall be entered on this Bond.

### **Prepayment**

This Bond shall be subject to prepayment prior to maturity without premium or penalty, at any time, and from time to time, upon 10 days written notice to the Purchaser.

## **Events of Default**

The Agreement defines Events of Default, upon the happening of any one or more of which the entire unpaid balance of the principal and accrued interest upon this Bond may, as provided in the Agreement, become immediately due and payable.

Reference is hereby made to the Agreement, the Borrower Note, and the other Borrower Documents, copies of which are on file with the Purchaser, for a description of the provisions, among others, with respect to the nature and extent of the security for this Bond, the rights, duties and obligations of the Issuer, the Borrower, the Purchaser and any successor Registered Owner and the terms upon which this Bond is issued and secured.

## **Limited Obligations**

PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THIS BOND IS A LIMITED AND SPECIAL REVENUE OBLIGATION OF THE ISSUER PAYABLE SOLELY OUT OF THE REVENUES RECEIVED UNDER THE AGREEMENT.

THIS BOND DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER, THE SCHOOL DISTRICT, THE STATE OR ANY OTHER MUNICIPALITY, PUBLIC AGENCY OR POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION, AND SHALL NOT CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER, THE SCHOOL DISTRICT, THE STATE OR ANY OTHER MUNICIPALITY, PUBLIC AGENCY OR POLITICAL SUBDIVISION THEREOF AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE ISSUER, THE SCHOOL DISTRICT, THE STATE OR ANY OTHER MUNICIPALITY, PUBLIC AGENCY OR POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS BOND. NO COVENANT OR AGREEMENT CONTAINED IN THIS BOND OR THE AGREEMENT SHALL BE DEEMED TO BE A COVENANT OR AGREEMENT OF ANY MEMBER OF THE GOVERNING BODY OF THE ISSUER NOR SHALL ANY OFFICIAL EXECUTING SUCH BONDS BE LIABLE PERSONALLY ON THE BONDS OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE OF THE BONDS.

NO RECOURSE UNDER OR UPON ANY OBLIGATION, COVENANT, OR AGREEMENT CONTAINED IN THE AGREEMENT OR ANY RELATED DOCUMENTS, OR UNDER ANY JUDGMENT OBTAINED AGAINST THE ISSUER, OR THE ENFORCEMENT OF ANY ASSESSMENT, OR ANY LEGAL OR EQUITABLE PROCEEDINGS BY VIRTUE OF ANY CONSTITUTION OR STATUTE OR OTHERWISE, OR UNDER ANY CIRCUMSTANCES UNDER OR INDEPENDENT OF THE AGREEMENT, SHALL BE HAD AGAINST ANY BOARD

MEMBER, OFFICER, EMPLOYEE, AGENT, OR COUNSEL AS SUCH, PAST, PRESENT, OR FUTURE OF THE ISSUER, EITHER DIRECTLY OR THROUGH THE ISSUER OR OTHERWISE, FOR THE PAYMENT FOR OR TO THE ISSUER OR ANY RECEIVER THEREOF, OR FOR OR TO THE OWNER OF THIS BOND, OR OTHERWISE, OF ANY SUM THAT MAY BE DUE AND UNPAID BY THE ISSUER UPON ANY SUCH BOND. ANY AND ALL PERSONAL LIABILITY OF EVERY NATURE WHETHER AT COMMON LAW OR IN EQUITY OR BY STATUTE OR BY CONSTITUTION OR OTHERWISE OF ANY SUCH BOARD MEMBER, OFFICER, EMPLOYEE, AGENT, OR COUNSEL, AS SUCH, TO RESPOND BY REASON OF ANY ACT OR OMISSION ON HIS PART OR OTHERWISE, FOR THE PAYMENT FOR OR TO THE OWNER OF THIS BOND OR OTHERWISE OF ANY SUM THAT MAY REMAIN DUE AND UNPAID UPON THIS BOND OR ANY OF THEM IS, BY THE ACCEPTANCE HEREOF, EXPRESSLY WAIVED AND RELEASED AS A CONDITION OF AND IN CONSIDERATION FOR THE EXECUTION OF THE AGREEMENT AND THE ISSUANCE OF THIS BOND.

No covenant or agreement contained in this Bond or in the Agreement shall be deemed to be the covenant or agreement of any appointed official, officer, agent, servant or employee of the Issuer in his or her individual capacity, and neither the members of the governing body of the Issuer nor any official executing this Bond shall be liable personally on this Bond or be subject to any personal liability or accountability by reason of the issuance thereof.

No covenant or agreement contained in the Agreement shall be deemed to be the covenant or agreement of any appointed official, officer, agent, servant or employee of the Borrower in his or her individual capacity, and the members of the governing body of the Borrower shall not be liable personally or be subject to any personal liability or accountability by reason of the execution and delivery thereof.

## **Transfer**

This Bond is transferable only upon the books maintained by the Purchaser, as registrar and transfer agent (the "Transfer Agent"), for registration and transfer under the Agreement by the Registered Owner hereof or by his or her attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer duly executed by the Registered Owner or his or her duly authorized attorney. Upon any such transfer the Transfer Agent shall acknowledge on this Bond the transfer and registration hereof.

THIS BOND MAY ONLY BE TRANSFERRED TO A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED UNDER RULE 144A PROMULGATED BY THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO THE SECURITIES ACT OR AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT, AND UPON THE FILING OF A LENDER LETTER. THIS BOND IS ISSUED PURSUANT TO THE

PROVISIONS OF CHAPTER 159, PART II, FLORIDA STATUTES AS AMENDED, AND IS EXEMPT FROM FLORIDA DOCUMENTARY STAMP TAX AND INTANGIBLE PROPERTY TAXES AS PROVIDED IN SECTIONS 159.27(1) AND 159.31, FLORIDA STATUTES, AS AMENDED.

This Bond is and has all the qualities and incidents of a negotiable instrument under the law merchant and the Uniform Commercial Code-Investment Securities Law of the State of Florida.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this Bond exist, have happened and have been performed in regular and due form and time as required by the Constitution and laws of the State of Florida applicable thereto and that the issuance of this Bond is in full compliance with all Constitutional and statutory limitations, provisions and restrictions.

[Signature page to follow]

IN WITNESS WHEREOF, Columbia County, Florida has caused this Bond to be executed by its Chairman of its Board of County Commissioners by his manual or facsimile signature, has caused its official seal to be impressed or reproduced hereon, and has caused this bond to be attested by its Secretary by his manual or facsimile signature, all as of the Dated Date set forth above.

**BOARD OF COUNTY COMMISSIONERS  
COLUMBIA COUNTY, FLORIDA, as Issuer**

[SEAL]

---

Toby Witt, Chairman

ATTEST:

---

P. Dewitt Cason, Clerk of the Circuit Court

## Schedule 1 to Exhibit A-2

### PRINCIPAL AMORTIZATION SCHEDULE

Principal on this Bond shall be payable monthly on each Principal Payment Date, commencing on September 1, 2021, in the amounts shown below:

<u>Principal Payment Date</u>	<u>Balance</u>	<u>Principal</u>
	\$	\$

[TO COME]



## **EXHIBIT B**

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR ANY STATE SECURITIES LAW. THIS NOTE IS GIVEN TO SECURE THE BONDS DESCRIBED HEREIN WHICH ARE ISSUED PURSUANT TO THE PROVISIONS OF CHAPTER 159, PART II, FLORIDA STATUTES. ACCORDINGLY, THIS NOTE AND THE BONDS ARE EXEMPT FROM FLORIDA DOCUMENTARY STAMP AND INTANGIBLES TAXES AS PROVIDED IN CHAPTER 159.31, FLORIDA STATUTES.

### **PROMISSORY NOTE BELMONT ACADEMY, INC.**

Not to Exceed \$[PAR]

August 12, 2020

FOR VALUE RECEIVED, the undersigned, BELMONT ACADEMY, INC., a Florida not-for-profit corporation (the "Borrower"), hereby promises to pay to the order of COLUMBIA COUNTY, FLORIDA (the "Issuer"), the principal sum of NOT TO EXCEED \_\_\_\_\_ (\$[PAR]) or such lesser amount as shall have been Advanced under the hereinafter described Bonds, together with interest thereon, in installments, on the dates and in the amounts set forth below. The Borrower further agrees to pay as the premium hereon the amount of the premium due, if any, upon any prepayment hereof in accordance with the hereinafter defined Agreement.

This Note evidences the indebtedness of the Borrower to the Issuer under a Financing Agreement dated as of August 1, 2020 (as the same may be amended, modified, renewed or restated from time to time, the "Agreement") by and among the Issuer, Sunflower Public Finance, LLC, a Colorado limited liability company and a wholly-owned subsidiary of Sunflower Bank, N.A. (the "Purchaser"), and the Borrower, which provides for the Issuer to issue its Educational Facilities Revenue Bond (Belmont Academy Charter School Project), Series 2020A in the principal amount of not to exceed \$[PAR A], and its Taxable Educational Facilities Revenue Bond (Belmont Academy Charter School Project), Series 2020B in the principal amount of \$[PAR B] (collectively, the "Bonds"), to the Purchaser and for the proceeds of the Bonds to be loaned to the Borrower for the purposes stated in the Agreement. In order to provide a source of payment for and to secure the Bonds, the Issuer has assigned to the Purchaser this Note and substantially all of its rights under the Agreement; accordingly, all interest and principal payments due hereunder shall be paid in lawful money of the United States of America from Pledged Revenues (as defined in the Agreement) of the Borrower to the Purchaser, as the assignee and holder of this Note, at Sunflower Public Finance, LLC, 5299 DTC Boulevard, Suite 1050, Greenwood Village, Colorado 80111, Re: Belmont Academy, Inc., Attention: Derek Peters.

Interest on this Note shall be determined, adjusted and paid in the same manner and at the same times as interest is to be determined, adjusted and paid on the Bonds. Principal is payable on this Note in the same amounts and at the same times as it is payable on the Bonds.

This Note may be prepaid in whole or in part at any time and from time to time under and subject to the same provisions as are provided for prepayment under the Bonds.

Upon maturity, whether by acceleration, demand or otherwise, and at the option of the holder hereof upon the occurrence of any Event of Default (as defined in the Agreement) and during the continuance thereof, this Note shall bear interest at a rate per annum (computed on the basis of a 360-day year, consisting of twelve 30-day months) equal to the Default Rate calculated in accordance with the Agreement but not more than the maximum rate allowed by law (the "Default Rate"). The Default Rate shall continue to apply whether or not judgment shall be entered on this Note.

Notwithstanding anything contained herein to the contrary, payments under this Note shall in all events be sufficient to make all payments, in the amounts and at the times due, under the Bonds.

Upon the occurrence of any Event of Default, the entire unpaid balance of the principal of and accrued interest on this Note may, at the option of the holder hereof or as otherwise provided in the Agreement, become immediately due and payable in the manner, with the effect and subject to the conditions provided in the Agreement.

This Note is subject to all of the terms and conditions of the Agreement, which is hereby incorporated herein, with the same effect as if the Agreement were fully set forth herein. Reference is hereby made to the Agreement, an executed counterpart of which is on file with the Issuer, the Borrower and the Purchaser, for a description of the security for this Note, the rights and obligations of the Borrower and the Issuer in connection with the Project and the loan made to finance the Project, and other matters affecting the indebtedness evidenced by this Note.

The maker and any endorsers hereof severally waive presentment, demand, protest and notices (other than notices provided for in the Agreement).

This Note shall be governed by and construed under the laws of the State of Florida, all rights and remedies being governed by such laws.

The Borrower agrees to pay on demand, to the extent permitted by law, all costs and expenses incurred by the Issuer or any holder hereof in the enforcement of its rights under this Note including, without limitation, reasonable fees and expenses of counsel to the Issuer or any holder hereof.

IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed and delivered as of the date set forth above.

**BELMONT ACADEMY, INC.,** as Borrower

By: \_\_\_\_\_

Name:

Title:

ATTEST:

By: \_\_\_\_\_

Name:

Title:

**EXHIBIT C**  
**FORM OF REQUEST FOR ADVANCE**

**REQUEST FOR ADVANCE**

Date: \_\_\_\_\_

Borrower: Belmont Academy, Inc.

Project Name: \_\_\_\_\_

1. Pursuant to that certain Financing Agreement, dated as of August 1, 2020 (the "Agreement") among Belmont Academy, Inc. (the "Borrower"), Sunflower Public Finance, LLC (the "Bank"), and Columbia County, Florida, the Borrower hereby requests an Advance in the amount of \$\_\_\_\_\_ from the Bank. We acknowledge that this amount is subject to inspection, verification, and available funds. We understand that the Bank may require a title search by a title company to confirm that there are not any liens on the project.

2. The Borrower agrees to provide, if requested by the Bank, a list showing the name and the amount currently due each party to whom Borrower is obligated for labor, material and/or services supplied. This information would be provided in support of the disbursements set forth in Paragraph 1 hereof.

3. The Borrower also covenants and agrees herewith that:

(a) It has complied with all duties and obligations required to date to be carried out and performed by it pursuant to the terms of the Agreement;

(b) No Event of Default as defined in the Agreement has occurred and is continuing;

(c) To the extent required by the Agreement, all change orders or changes to the schedule of values have been submitted to and approved by the Bank;

(d) All funds previously disbursed have been used for the purposes of the Improvement Project (or other allowable uses under the Agreement);

(e) All outstanding claims for labor, materials and/or services furnished prior to this draw period have been paid;

(f) All sums advanced by the Bank on account of this draw will be used solely for the purpose of paying obligations owing as shown on the attached documentation and no other reason;

(g) There are no liens outstanding against the subject project or its equipment except for the Bank's liens and security interests as agreed upon in the Agreement;

(h) The amount of undisbursed loan proceeds is sufficient to pay the cost of completing the Improvement Project in accordance with the Plans and Specifications originally submitted to the Bank as modified by approved change orders; and

The undersigned understands that this affidavit is made for the purpose of inducing the Bank to make an advance to Borrower and that, in making such advance; the Bank will rely upon the accuracy of the matters stated in this affidavit.

Disbursement of the loan proceeds hereby requested may be subject to the receipt by the Bank of a certificate from the issuing title company stating that no claims have been filed of record which adversely affects the title of Borrower to the property, subsequent to the filing of the Mortgage.

The terms used in this Request for Advance have the same meanings and definitions as set forth in the Agreement.

Advance #: \_\_\_\_\_  
Advance Amount: \$ \_\_\_\_\_  
Total Advances to Date: \$ \_\_\_\_\_

The Borrower certifies that the statements made in this Request for Advance and any documents submitted herewith and identified herein are true and has duly caused this Request for Advance to be signed on its behalf by the undersigned.

The Borrower requests that this draw be funded and that the disbursement funds be deposited or wired as follows:

Address:

ABA#:

ACCT#:

[Signature page to follow]

EXECUTED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**BELMONT ACADEMY, INC.**

By: \_\_\_\_\_

Name:

Title:

**STATE OF FLORIDA**

**COUNTY OF COLUMBIA**

The foregoing instrument was acknowledged before me by means of ☐ physical presence or ☐ online notarization, this \_\_\_\_\_ of \_\_\_\_\_, 2020, by \_\_\_\_\_ as \_\_\_\_\_ of Belmont Academy, Inc, a Florida not-for-profit corporation. He/she is personally known to me or has produced \_\_\_\_\_ as identification.

\_\_\_\_\_  
Notary Public; State of Florida

Print Name:

My Commission Expires:

My Commission No.:

## **EXHIBIT D**

### **FORM OF ASSIGNMENT OF CONSTRUCTION CONTRACT**

#### **COLLATERAL ASSIGNMENT OF CONSTRUCTION CONTRACT**

THIS COLLATERAL ASSIGNMENT OF CONSTRUCTION CONTRACT ("Assignment"), is entered into as of August 1, 2020, by and between BELMONT ACADEMY, INC., a Florida not-for-profit corporation (the "Assignor"), and SUNFLOWER PUBLIC FINANCE, LLC, a Colorado limited liability company and a wholly-owned subsidiary of Sunflower Bank, N.A. (the "Purchaser").

Columbia County, Florida, a political subdivision, duly organized and existing under the laws of the State of Florida (the "Issuer") intends to issue its Educational Facilities Revenue Bond (Belmont Academy Charter School Project), Series 2020A and its Taxable Educational Facilities Revenue Bond (Belmont Academy Charter School Project), Series 2020B (collectively, the "Bonds") under a Financing Agreement, dated as of August 1, 2020, by and among the Issuer, the Assignor and the Purchaser (the "Agreement"). In order to induce the Issuer to issue the Bonds and to lend the proceeds to Assignor, Assignor has requested that the Purchaser purchase the Bonds and the Purchaser has agreed to such purchase upon certain terms, including that certain collateral, including but not limited to, the Contract (defined below), be pledged in order to provide security for repayment of the Obligations (defined below).

A portion of the proceeds of the Bonds are to be applied by the Assignor to pay a portion of hard and soft costs to be incurred in the construction of Capital Improvements to the Assignor's Facilities (as defined in the Agreement) (collectively, the "Improvement Project").

The Improvement Project will be set forth in detailed Plans and Specifications, to be prepared by an architect selected by Assignor (the "Plans and Specifications"), which Plans and Specifications shall be delivered to and approved by the Purchaser. Further such Improvement Project shall be constructed and installed by Contractor (defined below) pursuant to a contract between Assignor and Contractor.

To secure payment of and performance of the Assignor's obligations owed under the Agreement (the "Obligations") the Assignor agrees as follows:

A. ASSIGNMENT. Assignor hereby grants, transfers, and assigns to the Purchaser all of Assignor's right, title and interest in and to that \_\_\_\_\_ between Assignor and \_\_\_\_\_, \_\_\_\_\_ (the "Contractor"), dated as of \_\_\_\_\_, 2020 (the "Contract") on the terms and conditions set forth in this Assignment.

B. PURCHASER'S RIGHTS. Assignor warrants with respect to the Contract that: (a) there has been no prior assignment of the Contract; (b) the Contract has been duly executed and is a valid, enforceable agreement as against Assignor; (c) neither party to the Contract is in default to the other under the Contract; and (d) to its knowledge, all covenants, conditions and agreements have been performed as required in the Contract, except those not due to be performed until after the date of this Assignment. Assignor may alter or amend the Contract without the prior written consent of the Purchaser pursuant to an agreement for additional services ("Change Order") in an amount less than \$100,000 per item. The Purchaser's approval shall be required for (i) a Change Order in an amount equal to or greater than \$100,000 per item; and (ii) all Change Orders, once the total dollar amount of Change Orders made pursuant to the Contract equals \$250,000 or more in the aggregate. Unless and until an Event of Default shall occur under the Agreement, the Purchaser shall not exercise any of Assignor's rights under the Contract; provided, however, that from and after the time of occurrence of any such Event of Default (which remains uncured beyond any applicable notice and cure period provided for therein), the Purchaser immediately shall become entitled, but shall not be obligated, to exercise any rights of Assignor under the Contract, and should it so elect, to assume the obligations of Assignor under the Contract.

C. NO LIABILITY. The Purchaser shall not be liable for any defaults by Assignor or other obligations of Assignor in the performance of its duties under the Contract unless and until Purchaser actually assumes the obligations of Assignor under the Contract, and Assignor hereby agrees to indemnify, save harmless, and defend the Purchaser against any and all claims, damages, liability, and loss, including reasonable attorneys' fees, arising out of any default of the performance of any of Assignor's duties or obligations under the Contract.

D. MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Assignment.

(1) Amendments. This Assignment constitutes the entire understanding and agreement of the parties as to the matters set forth in this Assignment. No alteration of or amendment to this Assignment shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

(2) Applicable Law. This Assignment has been delivered to the Purchaser and accepted by the Purchaser in the State of Florida. If there is a lawsuit, Assignor agrees upon the Purchaser's request to submit to the jurisdiction of the courts of the County of Columbia, the State of Florida. The Purchaser and Assignor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by the Purchaser or Assignor against the other. This Assignment shall be governed by and construed in accordance with the laws of the State of Florida.



(3) Notices. Any notice required or permitted under this Assignment shall be in writing and shall be deemed given: (a) upon personal delivery, (b) on the first business day after receipted delivery to a courier service which guarantees next-business-day delivery, under circumstances such that such guaranty is applicable, (c) on the first business day after transmission by industry-standard facsimile machine, provided actual receipt of the transmission is confirmed by telephone, or (d) on receipt after mailing, by registered or certified United States mail, postage prepaid, in any case to the appropriate party at its address set forth below:

To the Purchaser:

Sunflower Public Finance, LLC  
5299 DTC Blvd., Ste. 1050  
Greenwood Village, Colorado 80111  
Attention: Derek Peters  
Phone: (720) 200-4741  
Email: Derek.Peters@sunflowerbank.com

To the Assignor:

Belmont Academy, Inc.  
1476 SW Walter Ave.  
Lake City, Florida 32024  
Attention: Chief Executive Officer  
Phone: (386) 269-0476  
Email: lawton.unrau@belmontacademy.com

To the Contractor:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Any party may change its address for notices under this Assignment by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. To the extent permitted by applicable law, if there is more than one assignor, notice to any Assignor will constitute notice to all Assignors.

(4) Power of Attorney. From and after the occurrence of an Event of Default under the Agreement, Assignor irrevocably appoints the Purchaser as its attorney-in-fact, with full power of substitution, at the Purchaser's option, but with no obligation to do so, to enforce Assignor's rights and to perform Assignor's obligations under the Contract, either in Assignor's name or in its own name. Such assumption of the Contract by the Purchaser shall be evidenced by written notice from the Purchaser to the Contractor. Under no circumstances shall the Purchaser

be deemed by any party to have assumed the Assignor's rights and obligations under the Agreement unless and until such written notice is delivered to the Contractor in accordance with the foregoing.

[Signature page to follow]

ASSIGNOR ACKNOWLEDGES HAVING READ ALL THE PROVISION OF  
THIS ASSIGNMENT AND AGREES TO ITS TERMS.

**ASSIGNOR:**

BELMONT ACADEMY, INC.

By: \_\_\_\_\_

Name:

Title:

**PURCHASER:**

SUNFLOWER PUBLIC FINANCE, LLC

By: \_\_\_\_\_

Name:

Title:

## CONSENT BY CONTRACTOR

In consideration of SUNFLOWER PUBLIC FINANCE, LLC, a Colorado limited liability company and a wholly-owned subsidiary of Sunflower Bank, N.A. (the "Purchaser") purchasing the Bonds described in the attached Assignment of Construction Contract of even date hereof to be issued, \_\_\_\_\_, \_\_\_\_\_ (the "Contractor") and the Purchaser agree as follows:

1. Capitalized terms shall have the meaning ascribed to them in the Assignment of Construction Contract.
2. As of the date of this Consent, Contractor is not in default under the Contract.
3. In the event of any default by Assignor under the Contract, Contractor will not terminate the Contract except as provided in the Contract or as allowed by law. If the Purchaser, at its sole option, cures such default within the time allowed in the Contract, or if Assignor cures such default within the same period, then such default shall be deemed to have been fully cured for all purposes.
4. If Assignor has fully performed all of its obligations then due under the Contract and the Purchaser notifies Contractor in writing that the Assignor is in default under the Obligations or that an Event of Default has occurred, Contractor will regard instructions from the Purchaser under the Contract as being those of Assignor, and will disregard any instructions from Assignor that are not approved in writing by the Purchaser. If the Purchaser notifies Contractor that the Obligations are no longer in default or that such Event of default is no longer continuing, and thereafter notifies Contractor that the Obligations are again in default or that an Event of Default has again occurred, Contractor will once again comply only with instructions given by the Purchaser or approved in writing by the Purchaser but only if the Assignor has fully performed all of its obligations then due under the Contract.
5. If the Purchaser (in the Purchaser's own name or in the name of a designee) acquires title to the Facilities that secures the obligations, through or in lieu of foreclosure of such security documents, then the Purchaser shall elect to keep the Contract in full force and effect. As a result, Contractor will continue to perform its obligations under the Contract, subject to performance by the Purchaser of those obligations of Assignor under the Contract which arise or come due before or after the Purchaser's acquisition of title to the Facilities. Contractor shall make arrangements for and pay all subcontractors who have rendered services pursuant to the Contract.
6. Contractor hereby consents to Assignor's assignment of the Contract to the Purchaser.

7. Any notice required or permitted to be given to Contractor under the Assignment or this Consent, shall be given in accordance with the terms of and to the addresses provided in Section 3 of the Assignment.

Signed as of \_\_\_\_\_, 2020.

\_\_\_\_\_

By: \_\_\_\_\_

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

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

## **EXHIBIT E**

### **FORM OF ASSIGNMENT OF PLANS AND SPECIFICATIONS AND ARCHITECT'S CONTRACT**

### **COLLATERAL ASSIGNMENT OF PLANS AND SPECIFICATIONS AND ARCHITECT'S CONTRACT**

THIS COLLATERAL ASSIGNMENT OF PLANS AND SPECIFICATIONS AND ARCHITECT'S CONTRACT (this "Assignment") is entered into as of August 1, 2020 by and between BELMONT ACADEMY, INC., a Florida not-for-profit corporation (the "Assignor"), and SUNFLOWER PUBLIC FINANCE, LLC, a Colorado limited liability company and a wholly-owned subsidiary of Sunflower Bank, N.A. (the "Purchaser").

#### **RECITALS**

A. \_\_\_\_\_ (the "Architect") and Assignor have entered into or will enter into a contract for the Architect to provide design services to the Assignor for the Improvement Project described herein (the "Architect's Contract").

B. Architect has prepared and/or will prepare plans, drawings, specifications, estimates and other related documents (described on EXHIBIT A attached hereto and by this reference made a part hereof, which, together with all modifications, supplements, addenda and additions thereto, are referred to as the "Plans and Specifications") for certain Capital Improvements to be constructed by or for the benefit of Assignor (the "Improvement Project") on the real property located in Columbia County, Florida, described in the Agreement (defined below).

C. Columbia County, Florida, a political subdivision, duly organized and existing under the laws of the State of Florida (the "Issuer") intends to issue its Educational Facilities Revenue Bond (Belmont Academy Charter School Project), Series 2020A and its Taxable Educational Facilities Revenue Bond (Belmont Academy Charter School Project), Series 2020B (collectively, the "Bonds") under a Financing Agreement, dated as of August 1, 2020, by and among the Issuer, the Assignor and the Purchaser (the "Agreement"). In order to induce the Issuer to issue the Bonds and to lend the proceeds to Assignor, Assignor has requested that the Purchaser purchase the Bonds and the Purchaser has agreed to such purchase upon certain terms, including that certain collateral, including but not limited to, the Architect's Contract between the Architect and Assignor, dated as of its date of execution (the "Architect's Contract"), be pledged in order to provide security for repayment of the obligations described in the Agreement.

## ASSIGNMENT

**NOW, THEREFORE**, to induce the Purchaser to purchase the Bonds and as additional security for the payment and performance of all obligations of Assignor to the Purchaser evidenced by or referred to in the Agreement, whether now existing or subsequently incurred, Assignor hereby undertakes and agrees as follows:

Assignment of Plans and Specifications. Assignor hereby pledges, assigns and transfers to the Purchaser, and grants the Purchaser a security interest in, all of Assignor's right, title and interest in and to the Plans and Specifications.

Assignment of Architect's Contract. Assignor hereby pledges, transfers and assigns to the Purchaser all of Assignor's right, title and interest in the Architect's Contract. The Purchaser shall not exercise any of Assignor's rights under the Architect's Contract, provided, however, that from and after the occurrence of any Event of Default as determined under the Agreement, the Purchaser immediately shall become entitled, but shall not be obligated, to exercise any rights of Assignor under the Architect's Contract.

Representations and Warranties. Assignor represents, warrants and covenants that:

(a) The Plans and Specifications for the Capital Improvements have been or will be approved by all applicable governmental authorities whose approval is required at the time such permit is issued. The Plans and Specifications are the plans and specifications to be used in the actual construction of the Capital Improvements described therein, and the description on EXHIBIT A attached hereto is a comprehensive list and description by name, page number and date of such Plans and Specifications.

(b) Assignor has full power, right and Issuer to execute and deliver this Assignment.

(c) Assignor has not conveyed, transferred, or assigned the Architect's Contract or the Plans and Specifications, or any right or interest therein, and has not executed any other document or instrument that might prevent or limit the Purchaser from operating under the terms and provisions of this Assignment.

(d) Assignor shall make no other assignment of the Plans and Specifications or the Architect's Contract or of any right or interest therein.

(e) Assignor shall not waive, or in any manner release or discharge Architect from, any covenants, conditions, obligations or agreements under or related to the Architect's Contract or the Plans and Specifications to be performed or observed by Architect, or condone any nonperformance thereof, but shall, at its sole cost and expense, enforce and secure the performance of all covenants, conditions, obligations and agreements under or related to the Architect's Contract and the Plans and Specifications to be performed or observed by Architect.

Authorization; Direction to Architect. From and after the occurrence of any Event of Default under the Agreement and after expiration of applicable cure periods thereunder, Assignor hereby authorizes the Purchaser, upon the election by the Purchaser to take over and complete construction of the Capital Improvements, to use the Plans and Specifications.

Power of Attorney. From and after the occurrence of any Event of Default under the Agreement, Assignor irrevocably appoints the Purchaser, its successors and assigns, acting through any officer of the Purchaser or of such successor or assign, Assignor's true and lawful attorney in fact, in Assignor's name, place and stead, or otherwise, upon default as described above:

(a) To do all acts and to execute, acknowledge, obtain and deliver any and all instruments, documents, items or things necessary, proper or required in order to use the Plans and Specifications;

(b) To give any notices, instructions, or other communications to the Architect, or any other person or entity, in connection with the Architect's Contract and the Plans and Specifications;

(c) To compromise and settle any claim or cause of action in Assignor's name, or otherwise, arising from the Plans and Specifications and give acquittances and other sufficient discharges relating thereto; and

(d) To file any claim or proceeding or to take any other action, either in its own name, in that of its nominee, in the name of Assignor, or otherwise, to enforce the right to use the Plans and Specifications or to protect and preserve the right, title and interest of the Purchaser hereunder.

(e) The power of attorney given herein is a power coupled with an interest and shall be irrevocable upon the occurrence of an Event of Default under the Agreement, and so long as any obligation referred to in the Agreement remains unpaid or unperformed. The Purchaser shall have no obligation to exercise any of the foregoing rights and powers in any event.

Amendments to Architect's Contract and Plans and Specifications. No material change, amendment or modification shall be made to the Architect's Contract or the Plans and Specifications, or to the instructions of Assignor contained herein, without the prior written approval of the Purchaser. For purposes of this Paragraph, the term "material" shall include but not be limited to, any one or more changes, amendments or modifications to the Architect's Contract and/or the Plans and Specifications that results in or causes an increase of \$100,000.00 for any one change and \$250,000 in the aggregate for all changes of the guaranteed maximum price of the Improvement Project set forth in the Architect's Contract.



Purchaser's Obligations. The Purchaser, by accepting this Assignment, shall not be subject to any obligation or liability to the Architect with respect to the Architect's Contract or the Plans and Specifications.

Defense of Actions. The Purchaser shall have the right at any time to appear in and defend and be represented by counsel of its own choice in any action or proceeding purporting to affect Assignor's rights related to the Plans and Specifications. Any sum advanced or paid by the Purchaser for any such purpose shall be due and payable to the Purchaser by Assignor within 30 days following receipt of a statement and demand therefor, shall be secured by the Agreement, and shall bear interest from the date paid or advanced by the Purchaser until repaid at the interest rate on the Bonds.

Indemnification. Assignor shall indemnify and hold the Purchaser harmless from any and all damages and losses arising as a result of or related to the Architect's Contract, the Plans and Specifications, this Assignment or the exercise by the Purchaser of any of its rights under this Assignment, including, without limitation, any judgment, amounts paid in settlement, and all costs and expenses, including actual and reasonable attorney fees, incurred in defending or settling any action, suit or proceeding in connection with the foregoing.

Monies Advanced. All sums advanced or paid by the Purchaser under the terms hereof, all amounts paid, suffered or incurred by the Purchaser in exercising any Issuer granted herein, including actual and reasonable attorney fees, and all other amounts due the Purchaser from Assignor in connection with this Assignment shall be added to the Bonds, shall be secured by the Agreement, shall bear interest at the interest rate set forth in the Agreement until paid, and shall be due and payable by the Assignor to the Purchaser within 30 days following receipt of a statement and demand therefor.

Liability for Bonds. Neither the execution and delivery of this Assignment nor any failure on the part of Architect to comply with, honor and perform with respect to the Plans and Specifications shall affect the liability of any party to pay and perform the obligations referred to in the Agreement.

No Release. The taking of this Assignment by the Purchaser shall not affect the release of any other collateral now or hereafter held by the Purchaser as security for the Bonds, nor shall the taking of additional security for the Bonds hereafter effect a release or termination of this Assignment or any terms or provisions hereof.

Additional Acts. Assignor, upon request of the Purchaser, shall execute and deliver such further documents, including but not limited to financing statements, and do such further acts as may be reasonably necessary to carry out the intent of this Assignment and to perfect and preserve the rights and interests of the Purchaser hereunder and the priority thereof.

Binding Effect. Time is of the essence hereof. This Assignment shall be binding upon Assignor and its successors and assigns and shall inure to the benefit of the Purchaser and its successors and assigns; this Assignment, however, is not intended to confer any right or remedies upon any person other than the parties hereto and their successors and assigns.

Expenses. Assignor shall pay all costs and expenses, including without limitation costs of Uniform Commercial Code searches, court costs and reasonable attorney fees, incurred by the Purchaser in enforcing payment and performance of the Bonds referred to in the Agreement or in exercising the rights and remedies of the Purchaser hereunder. All such costs and expenses shall be secured by this Assignment and by the Agreement.

No Waivers. No failure or delay on the part of the Purchaser in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power, or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The rights, powers and remedies hereunder are cumulative and may be exercised by the Purchaser either independently of or concurrently with any other right, power or remedy contained herein or in the Agreement.

Governing Law. By executing this Assignment, Assignor acknowledges receipt of a copy hereof. A carbon, photographic or other reproduced copy of this Assignment and/or any financing statement relating hereto shall be sufficient for filing and/or recording as a financing statement. This Assignment shall be governed by and construed according to the laws of the State of Florida.

Reassignment by the Purchaser. The Purchaser may assign all of Assignor's right, title and interest in and to the Architect's Contract and the Plans and Specifications (to the extent of the interests therein conferred upon the Purchaser by the terms hereof) to any subsequent holder or owner of the Bonds.

[Signature page to follow]

Signed and delivered as of the date first mentioned above.

**BELMONT ACADEMY, INC.**

By: \_\_\_\_\_

Name:

Title:

**SUNFLOWER PUBLIC FINANCE, LLC**, a  
Colorado limited liability company and a  
wholly-owned subsidiary of Sunflower Bank,  
N.A.

By: \_\_\_\_\_

Name:

Title:

## CONSENT BY ARCHITECT

In consideration of SUNFLOWER PUBLIC FINANCE, LLC, a Colorado limited liability company and a wholly-owned subsidiary of Sunflower Bank, N.A. (the "Purchaser") purchasing the Bonds described in the attached Assignment of Plans and Specifications of even date hereof, \_\_\_\_\_ (the "Architect") hereby undertakes and agrees with the Purchaser as follows:

1. Capitalized terms shall have the meaning ascribed to them in the Assignment of Plans and Specifications.

2. As of the date of this Consent, the Architect's Contract is in full force and effect and neither party thereto is in default thereunder.

3. In the event of any default by Assignor under the Architect's Contract, Architect will not terminate the Architect's Contract or exercise any other remedy thereunder for a period of 30 days after Architect has given the Purchaser written notice of such default, describing in reasonable detail the nature of the default and the action necessary to cure such default. If the Purchaser, at its sole option, cures such default within such 30 day period, or if Assignor cures such default within the same period, then such default shall be deemed to have been fully cured for all purposes and Architect shall take no further action with respect thereto.

4. In the event of the occurrence of an Event of Default under the Agreement, notwithstanding the Purchaser's termination of the Architect's Contract, the Purchaser has the right to possession and use of all Plans and Specifications, and working drawings to complete the Improvement Project (defined in the Agreement), without any additional cost.

5. No modification or termination (except for default by Assignor which is not cured as provided in paragraph (3) above) of the Architect's Contract shall be valid without the prior written consent of the Purchaser.

6. If the Purchaser notifies Architect in writing that an Event of Default has occurred under the Agreement, Architect will regard instructions from the Purchaser under the Architect's Contract as being those of Assignor, and will disregard any instructions from Assignor that are not approved in writing by the Purchaser. If the Purchaser notifies Architect that the Bonds are no longer in default or that such default is no longer continuing, and thereafter notifies Architect that the Bonds are again in default of that an Event of Default has again occurred, Architect will once again comply only with instructions given by the Purchaser or approved in writing by the Purchaser.

7. The Architect's Contract and all of Architect's rights thereunder are and at all times shall be unconditionally junior and subordinate to the lien of the Agreement and all other documents that secure the Bonds, as such security documents may be or have been

modified from time to time, and as to all amounts secured at any time thereby. Nothing in this consent, however, shall be construed to relieve Assignor of any obligation to Architect.

8. If the Purchaser (in the Purchaser's own name or in the name of a designee) acquires title to the Facilities (as defined in the Agreement) that secures the Bonds, through or in lieu of foreclosure, then the Purchaser may, at its sole option, either: (a) terminate the Architect's Contract as of such date as the Purchaser may specify by notice to Architect, or (b) elect to keep the Architect's Contract in full force and effect. To the extent the Purchaser elects to keep the Architect's Contract in full force and effect, Architect will continue to perform its obligations under the Architect's Contract, subject only to performance by the Purchaser of those obligations of Assignor under the Architect's Contract which arise or come due after the Purchaser's acquisition of title to the Facilities; provided, that the Purchaser shall in no event be required to cure any default by Assignor under the Architect's Contract that occurred before the Purchaser's acquisition of title to the Facilities. If the Purchaser elects to terminate the Architect's Contract, then Architect will, if so requested by the Purchaser, assign to the Purchaser or the Purchaser's designee any subcontracts that Architect has entered into pursuant to the Architect's Contract. In no event shall the Purchaser be subject to or bound by any claim or defense which Architect may have against Assignor, by any obligation of Assignor to Architect or any third party, or by any modification of or supplement to the Architect's Contract to which the Purchaser has not consented in writing.

9. The Architect hereby consents to Assignor's assignment of the Architect's Contract to the Purchaser, and agrees that notwithstanding any provision of the Architect's Contract to the contrary, the Purchaser shall have the unqualified right, following any acquisition by the Purchaser of title to the Facilities, to reassign the Architect's Contract to any person or entity to whom or to which the Purchaser may convey the Facilities, provided only that such assignee assumes those obligations of Assignor under the Architect's Contract which arise or come due after such reassignment. In the event of any such reassignment by the Purchaser, the Purchaser shall have no liability or obligation for any payment or performance due under the Architect's Contract after the date of such reassignment.

10. The Architect waives, to the maximum extent allowed by law, any right it may have to claim or recover from the Purchaser in any legal action or proceeding any special, exemplary, punitive, indirect or consequential damages.

11. Any notice required or permitted under this Consent shall be in writing and shall be deemed given (a) upon personal delivery, (b) on the first business day after receipted delivery to a courier service which guarantees next-business-day delivery, under circumstances such that such guaranty is applicable, (c) on the first business day after transmission by industry-standard facsimile machine, provided actual receipt of the transmission is confirmed by telephone, or (d) on receipt after mailing, by registered or

certified United States mail, postage prepaid, in any case to the appropriate party at its address set forth below:

To the Purchaser:

Sunflower Public Finance, LLC  
5299 DTC Blvd., Ste. 1050  
Greenwood Village, Colorado 80111  
Attention: Derek Peters  
Phone: (720) 200-4741  
Email: Derek.Peters@sunflowerbank.com

To the Assignor:

Belmont Academy, Inc.  
1476 SW Walter Ave.  
Lake City, Florida 32024  
Attention: Chief Executive Officer  
Phone: (386) 269-0476  
Email: lawton.unrau@belmontacademy.com

To the Architect:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

[Signature page to follow]

Either party may change its address for notices or copies of notices by notice to the other party in accordance with the provisions of this paragraph.

Signed as of \_\_\_\_\_, 2020.

\_\_\_\_\_

By: \_\_\_\_\_  
Authorized Signatory

## **EXHIBIT A**

### **DESCRIPTION OF PLANS AND SPECIFICATIONS**

[The Architectural Design and Development Plans and Specifications prepared by \_\_\_\_\_, with respect to the construction of Capital Improvements to the Facilities (as defined in the Agreement) in connection in that certain AIA Agreement between the Assignor and \_\_\_\_\_, dated \_\_\_\_\_, 2020, copies of which are on file with the Assignor and the Purchaser.][UPDATE]



## **EXHIBIT F**

### **DESCRIPTION OF THE PROJECT AND FACILITIES**

The Project to be financed, refinanced and reimbursed with the proceeds of the Bonds generally includes the acquisition, construction, improvement, installation and/or equipping of the following Facilities:

#### Existing Facilities:

an approximately 24.56-acre site at 1476 Southwest Walter Avenue, Lake City, Columbia County, Florida 32024 and the existing educational facilities comprising the School located thereon and currently accommodating approximately 610 students in grades Pre-K through 12, along with related facilities, fixtures, furnishings and equipment (the "Existing Facilities"); and

#### Improvement Project:

(i) certain capital improvements to or for the Existing Facilities comprising an approximately 15,000 square foot second floor build-out of the main School building to include approximately 12 new classrooms accommodating students in grades Pre-K through 6, along with related facilities, fixtures, furnishings and equipment; and

(iii) an approximately 3.51-acre site located adjacent to the Existing Facilities and a new approximately 29,136 square foot building to be constructed thereon to accommodate students in grades 7-12 comprising approximately 18 classrooms, a multipurpose room and approximately 13 offices/work spaces, along with related facilities, fixtures, furnishings and equipment.

**EXHIBIT G**  
**FORM OF LENDER LETTER**

August 12, 2020

Columbia County, Florida  
315 Court Street  
Clearwater, Florida 33760

Re: Columbia County, Florida, Educational Facilities Revenue Bonds (Belmont Academy Charter School Project), Series 2020A and Columbia County, Florida, Taxable Educational Facilities Revenue Bonds (Belmont Academy Charter School Project), Series 2020B

Ladies and Gentlemen:

Sunflower Public Finance, LLC, a Colorado limited liability company and a wholly-owned subsidiary of Sunflower Bank, N.A. (the "Purchaser") hereby acknowledges receipt of Columbia County, Florida Educational Facilities Revenue Bond (Belmont Academy Charter School Project), Series 2020A in the aggregate principal amount of not to exceed \$[PAR A] (the "Series 2020A Bond") and Columbia County, Florida, Taxable Educational Facilities Revenue Bond (Belmont Academy Charter School Project), Series 2020B in the aggregate principal amount of \$[PAR B] (the "Series 2020B Bond" together with the Series 2020A Bond, the "Bonds") from Columbia County, Florida (the "Issuer"). The Bonds have been checked, inspected and approved by the Purchaser.

The undersigned acknowledges that the Bonds were issued pursuant to a Financing Agreement, dated as of August 1, 2020 the ("Agreement"), by and among the Issuer, the Purchaser and Belmont Academy, Inc. a Florida not-for-profit corporation and a charter school organized and recognized as an exempt organization under section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Borrower") for the purposes stated in the Agreement.

In connection with the lending of money by the Purchaser in exchange for the Bonds of the Issuer, the undersigned, an authorized representative of the Purchaser, hereby represents to you that:

1. The Purchaser has authority to make the loan in exchange for the Bonds and to execute this letter and any other instruments and documents required to be executed by the Purchaser in connection with its loan made in exchange for the Bonds. The loan made in exchange for the Bonds is an arm's-length commercial loan transaction and is not intended to be a "security" within the meaning of Section 3(a)(10) of the Securities Exchange Act of 1934, as amended (the "1934 Act").

2. The Purchaser has not and will not pay any commission, compensation or fee to any Person (as defined in the Agreement) or entity in connection with the Bonds.

3. The undersigned is a duly appointed qualified and acting representative of the Purchaser and is authorized to execute this letter on behalf of the Purchaser.

4. The Purchaser is an "Accredited Investor" within the meaning of Rule 501 of Regulation D of the Securities Act of 1933, as amended, and is able to bear the economic risks of associated with being the holder of the Bonds.

5. The Purchaser has made its own inquiry and analysis with respect to the Issuer, the Borrower, the use of proceeds of the Bonds, the Bonds, and the security therefor, and other material factors affecting the security for and payment of the Bonds and has not relied upon the Issuer, or the Placement Agent, B.C. Ziegler & Company, in making its purchasing decision.

6. The Purchaser acknowledges that it has been supplied with financial information regarding the Borrower to which a reasonable Purchaser would attach significance in making lending decisions, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Issuer, the Borrower, the use of proceeds of the Bonds, the Bonds, and the security thereof, so that, as a reasonable Purchaser, it has been able to make its decision to make the loan in exchange for the Bonds.

7. The Purchaser understands that the Bonds (a) are not registered under the 1933 Act and are not registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state; (b) are not listed on any stock or other securities exchange; and (c) have not been rated by any ratings agency.

8. THE PURCHASER UNDERSTANDS THAT:

(a) NEITHER THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION OR AGENCY OF THE STATE OF FLORIDA NOR THE ISSUER, SHALL BE LIABLE OR OBLIGATED (GENERALLY, SPECIALLY, MORALLY OR OTHERWISE) TO PAY THE PRINCIPAL OF THE BONDS OR THE PREMIUM, IF ANY, OR INTEREST THEREON, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR THE ISSUER IS PLEDGED TO PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS; AND

(b) PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THIS BOND IS A LIMITED AND SPECIAL REVENUE OBLIGATION OF THE ISSUER PAYABLE SOLELY OUT OF THE REVENUES RECEIVED UNDER THE AGREEMENT.

9. In making the loan in exchange for the Bonds, the Purchaser has not relied upon any representations or opinions made by the Issuer relating to the legal or financial consequences or other aspects of the transactions as contemplated by the Agreement nor has it looked to, nor expected, the Issuer to undertake or require any credit investigation or due diligence reviews relating to the Borrower, its financial condition or business operations, or any other matter pertaining to the merits or risks of holding the Bonds, the transactions contemplated by the Agreement, or the adequacy of any collateral pledged to secure the repayment of the Bonds.

10. The Purchaser has been offered copies of or full access to all documents relating to the Bonds and all records, reports, financial statements and other information concerning the Borrower and pertinent to the source of payment for the Bonds which the Purchaser, as a reasonable lender, has requested and to which the Purchaser, as a reasonable lender, would attach significance in making an investment decision. The Purchaser has been afforded the opportunity to ask such questions of representatives of the Borrower as it has deemed necessary in making its investment decision. The Purchaser understands that no official statement, prospectus, offering circular, or other comprehensive offering statement is being provided with respect to the Bonds. The Purchaser has conducted its own investigation and due diligence, has sought such advice as it has deemed necessary and has made its own inquiry and analysis with respect to the Borrower, the Bonds and the security therefor. The Purchaser has based its decision to make the loan solely on its own investigation and due diligence, including, without limitation, the Purchaser's review of such documents, records, reports, financial statements and other information concerning the Borrower and discussions with representatives of the Borrower.

11. The Issuer has not undertaken and will not undertake steps to ascertain the accuracy or completeness of the information furnished to the Purchaser with respect to the Borrower, the Bonds, or the use of proceeds of the Bonds. The Purchaser has not relied upon and will not be relying upon, the Issuer, or its officers, directors, employees or agents, in any way with regard to the accuracy or completeness of the information furnished to the Purchaser in connection with its loan made in exchange for the Bonds, nor have any such parties made any representation to the Purchaser with respect to that information.

12. The Bonds are being acquired by the Purchaser for its own account and not with a present intent toward resale, transfer or distribution; provided, however, that the Purchaser reserves the right to sell, transfer or distribute the Bonds, but agrees that any such sale, transfer or distribution by the Purchaser shall be to a Person (as defined in the Agreement) that:

(a) is an affiliate of the Purchaser and is also an Accredited Investor (as described in paragraph 4 hereof);

(b) is a trust or other custodial arrangement established by the Purchaser or one of its affiliates; or

(c) executes a letter substantially in the form of this letter.

13. The Purchaser understands that the Bonds evidence a speculative loan; that there is a high degree of risk in making the loan and holding the Bonds; and that the Purchaser is capable of suffering a loss of the entirety of the loan evidenced by the Bonds. The Purchaser acknowledges that it can bear the economic risk associated with the loan as evidenced by the Bonds and it has such knowledge and experience in business and financial matters, including the analysis of a participation in similar loans so as to be capable of evaluating the merits and risks of the Bonds on the basis of the information and review described herein.

14. Except as disclosed to the Issuer in writing, the Purchaser is not now and has never been controlled by, or under common control with, the Borrower. The Borrower has never been and is not now controlled by the Purchaser.

15. The Purchaser acknowledges that the issuance of the Bonds to the Purchaser is made in reliance upon the certifications, representations, and warranties herein by the addresses hereto. The Purchaser acknowledges that the Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations, and agreements.

16. The Purchaser has heretofore and prior to the issuance of the Bonds delivered to the Issuer a signed disclosure letter and truth-in-bonding statement setting forth the information required by said Section 218.385, Florida Statutes, in a form satisfactory to Bond Counsel.

**SUNFLOWER PUBLIC FINANCE, LLC**

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

## EXHIBIT H

### FORM OF COMPLIANCE CERTIFICATE FOR THE FISCAL YEAR ENDED JUNE 30, 20\_\_

The undersigned, as an Authorized Representative of and on behalf of **BELMONT ACADEMY, INC.**, a not-for-profit corporation (together with its permitted successors and assigns, the "Borrower") duly created and validly existing under the laws of the State of Florida, in connection with the Financing Agreement, dated as of August 1, 2020 (the "Agreement"), by and among the Borrower; **COLUMBIA COUNTY, FLORIDA**, a political subdivision of the State of Florida and corporate constituting a public instrumentality (the "Authority"); and **SUNFLOWER PUBLIC FINANCE, LLC**, a Colorado limited liability company and a wholly-owned subsidiary of Sunflower Bank, N.A., hereby attests as follows (capitalized terms used herein and not defined shall have the meanings ascribed thereto in the Agreement):

1. The undersigned is an Authorized Representative of the Borrower.
2. The undersigned has made a review of activities during the preceding period for the purpose of determining whether the Borrower has complied with all of the terms, provisions and conditions of the Borrower Documents to which it is a party, except as is described below.
3. The undersigned acknowledge that the information in this paragraph 3 is correct, measured as of \_\_\_\_\_, 20\_\_:
  - (a) Debt Service Coverage Ratio: \_\_\_\_\_
  - (b) Minimum Unrestricted Liquidity: \_\_\_\_\_
4. To the best of his/her knowledge, there is no Event of Default by the Borrower and no event which with the passage of time or giving of notice would constitute an Event of Default under the Agreement.

[or]

An Event of Default or noncompliance under the Agreement has occurred and is continuing. Such Event of Default or noncompliance and the actions the Borrower is taking to remedy or terminate such Event of Default or noncompliance are described below:

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[description of Event of Default and remedial actions being taken]

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[description of noncompliance, if any]

IN WITNESS WHEREOF, I have hereunto subscribed my name as of the \_\_\_\_\_  
day of \_\_\_\_\_, 20\_\_\_\_.

**BELMONT ACADEMY, INC.,** as Borrower

By: \_\_\_\_\_  
Authorized Representative