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LEASE AGREEMENT

by and between

**LEMAN CLASSICAL SCHOOL,
as Lessee**

**and
THE LEMAN ACADEMY OF EXCELLENCE—DOUGLAS COUNTY, COLORADO,
as Lessor**

Dated as of March [__], 2023

The interest of The Leman Academy of Excellence—Douglas County, Colorado in this Lease Agreement has been assigned to UMB Bank, n.a., as master trustee (the “*Master Trustee*”) under the Master Indenture of Trust, dated as of October 1, 2019, by and between the Corporation and the Master Trustee, and is subject to the security interest of the Master Trustee.

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LEASE AGREEMENT

THIS LEASE AGREEMENT (as amended or supplemented from time to time, this “*Lease*”) is dated as of March [___], 2023 and is entered into by and between **THE LEMAN ACADEMY OF EXCELLENCE—DOUGLAS COUNTY, COLORADO** (the “*Corporation*”), a Colorado nonprofit corporation duly organized and validly existing under the laws of the State of Colorado (the “*State*”), as lessor, and **LEMAN CLASSICAL SCHOOL** (the “*Charter School*”), a Colorado nonprofit corporation and public charter school duly organized and validly existing pursuant to the Charter Schools Act (defined below), as lessee.

WITNESSETH;

WHEREAS, certain of the capitalized terms used in the preambles hereto are defined in Article I of this Lease, and if not defined below, shall have the definition or the same meaning set forth in the Loan and Security Agreement, dated as of March [___], 2023 (the “*Loan Agreement*”), by and between the Colorado Educational and Cultural Facilities Authority (the “*Issuer*”) and Corporation; and

WHEREAS, the Charter School is a Colorado nonprofit corporation and a public charter school duly organized and validly existing pursuant to the Charter Schools Act, Article 30.5 of Title 22, Colorado Revised Statutes, as amended (the “*Charter Schools Act*”); and

WHEREAS, the Charter School is authorized by Section 22-30.5-104(7)(b) of the Charter Schools Act to contract with any third party for the use of a school building and grounds; and

WHEREAS, the Corporation (a) is a nonprofit corporation organized, existing and in good standing under the laws of the State, and (b) is authorized under its articles of incorporation, bylaws, action of its governing body and applicable law, to own and manage its properties, to conduct its affairs in the State, to lease the Leased Property (defined below) pursuant to this Lease to the Charter School and to otherwise act in the manner contemplated herein; and

WHEREAS, Douglas County School District RE-1 owns the unimproved real property on which the Leased Property will be located (the “*Land*”) and has entered into a Site Lease, dated effective as of February 1, 2023, as amended from time to time (the “*Site Lease*”), with the Corporation, in order to ground lease to the Corporation the Land to allow the Corporation to develop and lease the Leased Property to the Charter School pursuant to this Lease; and

WHEREAS, the Charter School has determined that it is in the best interest of the Charter School to lease from the Corporation the Leased Property pursuant to this Lease; and

WHEREAS, in order to provide for the issuance from time to time of obligations to provide for the financing or refinancing of the acquisition, construction, renovation, equipping or improvement of charter school facilities, the Corporation has entered into a Master Indenture of Trust, dated as of October 1, 2019, by and between the Corporation and UMB Bank, n.a., as master trustee (the “*Master Trustee*”) and a Supplemental Master Indenture, dated as of March [___], 2023 (together, the “*Master Indenture*”), by and between the Corporation and the Master Trustee;

WHEREAS, in order to finance the Leased Property, the Corporation has entered into the Loan Agreement, with the Issuer under which the Issuer will make a loan (the “*Loan*”) to the Corporation and which Loan is secured by a Leasehold Leasehold Deed of Trust, Security Agreement, Assignment of Rents and Leases, and Fixture Filing, dated as of March [___], 2023, from the Corporation to the Public Trustee of the County of Douglas, Colorado, for the benefit of the (the “*Leasehold Deed of Trust*”) encumbering the Leased Property and the Lease; and

WHEREAS, in order to fund the Loan made to the Corporation pursuant to the Loan Agreement, the Issuer has entered in to Bond Indenture, dated as of March [___], 2023 (the “*Bond Indenture*”), by and between the Issuer and UMB Bank, n.a., solely in its capacity as trustee thereunder (the “*Bond Trustee*”), pursuant to which the Issuer will issue its Education Facility Revenue Bonds (Leman Academy of Excellence—Douglas County, Colorado Campus Project), Series 2023A (the “*Series 2023A Bonds*”) in the original aggregate principal amount of \$[A-PAR] and its Education Facility Revenue Bonds (Leman Academy of Excellence—Douglas County, Colorado Campus Project), Taxable Series 2023B (the “*Series 2023B Bonds*” and together with the Series 2023A Bonds, the “*Bonds*”) in the original aggregate principal amount of \$[B-PAR], all as more particularly set forth in the Bond Indenture, the proceeds of which will be used to fund the Loan; and

WHEREAS, pursuant to the Loan Agreement, the Corporation has (a) assigned to the Issuer all of the Corporation’s right, title and interest in, to and under this Lease; (b) granted a security interest to the Issuer in the Leased Property; and (c) granted a lien on and encumbered the Leased Property for repayment of amounts due under the Loan Agreement for the benefit of the Issuer and its successors and assigns; and

WHEREAS, pursuant to the Leasehold Deed of Trust the Corporation has granted a lien on the Leased Property to the Master Trustee for repayment of amounts due under the Loan Agreement; and

WHEREAS, the Base Rents and Additional Rents (both as hereinafter defined) payable by the Charter School hereunder shall constitute currently appropriated expenditures of the Charter School and shall not constitute a debt or multiple fiscal year direct or indirect obligation whatsoever of the Charter School or a mandatory charge or requirement against the Charter School in any Fiscal Year (as hereinafter defined) beyond the Fiscal Year for which such payments have been appropriated; and

WHEREAS, the execution, delivery and performance of this Lease by the Charter School are in the best interest of the Charter School, serve a public purpose, and have been duly authorized by the governing board of the Charter School; and

WHEREAS, the execution, delivery and performance of this Lease, the assignment by the Corporation to the Master Trustee, pursuant to the Leasehold Deed of Trust, Master Indenture, Bond Indenture and the Leasehold Deed of Trust, of all right, title and interest of the Corporation in, to and under this Lease and the grant by the Corporation of a security interest to the Issuer, pursuant to the Loan Agreement, and a lien against the Leased Property pursuant to the Leasehold Deed of Trust, are in the best interest of the Corporation and have been duly authorized by the governing body of the Corporation; and

WHEREAS, the Corporation desires to lease the Leased Property to the Charter School, and the Charter School desires to lease the Leased Property from the Corporation, pursuant to the terms and conditions and for the purposes set forth in this Lease, subject in all respects to the liens evidenced by the Loan Agreement and the Leasehold Deed of Trust.

NOW, THEREFORE, for and in consideration of the mutual covenants and the representations, covenants and warranties herein contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

All words and phrases capitalized but not defined herein, shall have the meaning defined in Article I of the Bond Indenture and Article I of the Loan Agreement. In addition, the following terms, except where the context indicates otherwise, shall have the meanings in this Lease set forth below:

“Additional Rents” means the cost of all taxes; insurance premiums; reasonable expenses and fees of the Issuer, the Master Trustee, the Bond Trustee and the Corporation (including, but not limited to, filing fees, licenses, permits, any legal expenses incurred by the Corporation, or its officers or directors in their official or personal capacity, as provided in Section 13.01 hereof, and other expenses of the Corporation incurred in the performance of its obligations under the Loan); any fees of an Independent Consultant; the administrative fee charged by the State Treasurer pursuant to the Colorado Charter School Intercept Program Application; Extraordinary Monthly Rent; utility charges; costs of maintenance, upkeep, repair, restoration, modification, improvement and replacement; Debt Service Reserve Fund payments; Rebate Fund payments; costs and expenses incurred by the Corporation or by its directors or officers in connection with any investigation, claim, demand, suit, action or proceeding relating to the activities of the Corporation, or such directors or officers in their capacity as such, in respect of the Leased Property, the Bonds, this Lease, the Loan Agreement, the Master Indenture, the Bond Indenture or any matter related thereto; the fees of any Rating Agency then maintaining a rating on the Bonds; payments due under the Site Lease, including, including, but not limited to, School Park Fees; and all other charges and costs, including reasonable attorneys’ fees, which the Charter School assumes or agrees to pay hereunder with respect to the Leased Property, the Bonds, this Lease, the Loan Agreement, the Master Indenture, the Bond Indenture or any matter related thereto. Additional Rents do not include the Base Rents.

“Affiliate” means a corporation, partnership, joint venture, association, business trust or similar entity organized under the laws of the United States of America or any state thereof, directly controlled by or under common control with a Member or any other Affiliate. For purposes of this definition, “control” means the power to direct the management and policies of a Person through the ownership of at least a majority of its voting securities, or the right to designate or elect at least a majority of the members of its board of directors by contract or otherwise.

“Authorized Representative” means with respect to the Corporation and Charter School, as applicable, the chair of its board of directors, its chief executive officer or its chief financial officer or any other person designated as an Authorized Representative of the Corporation or the Charter

School, as applicable, by a Certificate of the Corporation or the Charter School, as applicable, signed by the chair of its board of directors or its chief executive officer or chief financial officer and filed with the Master Trustee.

“Issuer” means the Colorado Educational and Cultural Facilities Authority, an independent public body politic and corporate constituting a public instrumentality, duly organized and existing under the laws of the State, or any public corporation succeeding to its rights and obligations under the Loan Agreement.

“Balloon Indebtedness” means Long-Term Indebtedness 25 percent or more of the principal of which becomes due (either by maturity or mandatory redemption) during any period of 12 consecutive months, which portion of the principal is not required by the documents governing such Indebtedness to be amortized by redemption prior to such date.

“Base Rents Payment Date” means one of the dates in the “Base Rents Payment Date” column in Exhibit B hereto, as from time to time amended or supplemented.

“Base Rents” means the base rent payments payable by the Charter School pursuant to Section 6.02(a) hereof and as further set forth in Exhibit B hereto, as they may be amended hereunder, during the Lease Term, which constitute the base rent payments due and payable by the Charter School for and in consideration of the right to use the Leased Property during the Lease Term.

“Board” means the Board of Directors of the Charter School and any successor thereto.

“Bond Indenture” means the Bond Indenture, dated as of March [___], 2023, by and between the Issuer and the Bond Trustee, including any indentures supplemental thereto made in conformity therewith, pursuant to which the Bonds are authorized to be issued and secured.

“Bond Trustee” means UMB Bank, n.a., Phoenix, Arizona, in its capacity as trustee under the Bond Indenture, being the paying agent, the registrar and the trustee under the Bond Indenture, or any successor corporate trustee.

“Business Day” means any day other than a Saturday, a Sunday or a day on which banking institutions in the State are authorized to close.

“Campus” means the land and buildings thereon at a single location that any Member leases to one or more School Operators from time to time pursuant to one or more Leases, including the Leased Property.

“Capital Improvements” means 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 Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board, are properly chargeable as capital items.

“Certificate,” “Statement,” “Request,” “Consent” or “Order” of any Member or of the Master Trustee means, respectively, a written certificate, statement, request, consent or order

signed in the name of such Member by its respective Authorized Representative or in the name of the Master Trustee by its Responsible Officer. Any such instrument and supporting opinions or certificates, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or certificate and the two or more so combined shall be read and construed as a single instrument. If and to the extent required by the Master Indenture, each such instrument shall include the statements provided for in the Master Indenture.

“*Charter Authorizer*” means Douglas County School District, or any successor Person pursuant to which the Charter School is granted a charter under the Charter Schools Act.

“*Charter Contract*” means the Charter School’s charter agreement with the Charter Authorizer at any time.

“*Continuing Disclosure Agreement*” means the Continuing Disclosure Agreement, dated as of March [___], 2023, by and among the Borrower, the Charter School and the Community Investment Corporation, as dissemination agent.

“*Coverage Ratio*” means, as of any date of determination, the ratio obtained by dividing (i) Net Revenue for the Fiscal Year ending on the date of determination by (ii) aggregate Base Rents plus any similar rental payments made for the lease purchase of additional facilities by the Charter School for the Fiscal Year ending on the date of determination due in connection with the Bonds.

“*Days Cash on Hand*” means, as of any date of determination, the product of 365 times a fraction, (a) the numerator of which is the aggregate amount of the Charter School’s (i) unrestricted cash, (ii) unrestricted investments, and (iii) board designated funds that are not otherwise restricted (either permanently or temporarily) as to their use; and (b) the denominator of which is total Operating Expenses, in each case, for the period of four fiscal quarters ended on the date of determination, and determined in accordance with generally accepted accounting principles.

“*Debt Service Requirement*” means, for any Fiscal Year for which such determination is made, the aggregate of the scheduled payments to be made with respect to principal (or mandatory sinking fund or installment purchase price or lease rental or similar payments) (and, for the year of final maturity of any series of Related Bonds, net of any reserve fund balance held by a Related Bond Trustee under a Related Bond Indenture to be applied in such year of final maturity of such series of Related Bonds) and interest on Outstanding Long-Term Indebtedness of the Members during such period (net of any capitalized interest amounts held by a Related Bond Trustee under a related Bond Indenture to be applied during such Fiscal Year), taking into account, at the option of the Obligated Group Representative, the following:

(a) With respect to Indebtedness represented by a Guaranty of obligations of a Person, as long as any such Guaranty is a contingent liability under generally accepted accounting principles, the principal and interest deemed payable with respect to such Guaranty shall be deemed to be the lowest percentage of debt service requirements set forth immediately following this paragraph (determined after giving effect to any other paragraph of this definition at the election of the Obligated Group Representative), if the debt service coverage ratio (determined in a manner as nearly as practicable to the determination of the

Debt Service Requirement hereunder) of the Person primarily obligated on the obligations effectively guaranteed by such Guaranty for the immediately preceding Fiscal Year, or any other 12-month period ending within 180 days prior to the date of calculation, shall be greater than the amount specified opposite such percentage below:

Debt Service Coverage Ratio of Accommodated Person	Percentage of Debt Service Requirements
1.35	25%
1.1	50%
Less than 1.1	100%

If any such Guaranty becomes a noncontingent liability but thereafter becomes a contingent liability, during the period such Guaranty is a noncontingent liability and for two years after such Guaranty becomes a contingent liability, 100 percent of the annual debt service on the indebtedness being guaranteed shall be added to the computation of the Debt Service Requirement.

(b) With respect to Balloon Indebtedness, the amount of principal and interest deemed payable during such period shall be determined as if such Balloon Indebtedness were being repaid in substantially equal annual installments of principal and interest over a term over which the Members could reasonably be expected to borrow, not to exceed 35 years from the date of incurrence of such Balloon Indebtedness, and bearing interest at an interest rate (determined as of the date of calculation of the Debt Service Requirement) equal to the rate at which the Members could reasonably be expected to borrow for such term, by issuing Indebtedness, all as set forth in an Officer's Certificate accompanied by a letter of a banking or investment banking institution knowledgeable in matters of charter school facility finance, confirming that the borrowing term and interest rate assumptions set forth in such statement comply with the requirements of this subsection.

(c) With respect to Variable Rate Indebtedness, if the actual interest rate on such Variable Rate Indebtedness cannot be determined for the period for which the Debt Service Requirement is being calculated, the amount of interest deemed payable during such period on such Variable Rate Indebtedness shall be assumed to be equal to the average interest rate per annum which was in effect for any 12 consecutive calendar months specified in an Officer's Certificate during the 18 calendar months immediately preceding the date of calculation of the Debt Service Requirement (or, if such Variable Rate Indebtedness was not Outstanding during such 18-month period, the average interest rate per annum which would have been in effect).

(d) With respect to Indebtedness payable from an Irrevocable Deposit, the amount of principal or interest taken into account during such period shall be assumed to equal only the principal or interest not payable from such Irrevocable Deposit and the investment income from such funds.

(e) With respect to Long-Term Indebtedness incurred to finance or refinance the construction of capital improvements, principal and interest with respect to such Long-

Term Indebtedness shall be excluded from the determination of the Debt Service Requirement but only in proportion to the amount of principal and interest on such Long-Term Indebtedness which is payable in the then current Fiscal Year from the proceeds of such Long-Term Indebtedness.

(f) With respect to Long-Term Indebtedness with respect to which a Financial Products Agreement has been entered into by a Member, interest on such Long-Term Indebtedness shall be included in the determination of the Debt Service Requirement by including for each Fiscal Year an amount equal to the amount of interest payable on such Long-Term Indebtedness in such Fiscal Year at the rate or rates stated in such Long-Term Indebtedness plus any Financial Product Payments payable in such Fiscal Year minus any Financial Products Receipts receivable in such Fiscal Year; provided that in no event shall any calculation made pursuant to this clause result in an amount less than zero being included in the determination of the Debt Service Requirement and provided, further, if the actual interest rate on such Long-Term Indebtedness or the actual amount of Financial Product Payments or Financial Products Receipts cannot be determined for the period for which the Debt Service Requirement is being calculated, the amount of interest deemed payable during such period on such Long-Term Indebtedness shall be determined by applying the average interest rate per annum which was in effect or the average Financial Product Payments which would have been paid, or the average Financial Products Receipts which would have been received, as the case may be, for any 12 consecutive calendar months specified in an Officer's Certificate during the 18 calendar months immediately preceding the date of calculation of the Debt Service Requirement (or, if such Long-Term Indebtedness was not Outstanding during such 18-month period, the average rate which would have been in effect).

"EMMA" means the website service operated by the Municipal Securities Rulemaking Board providing access to municipal securities disclosure information and data, or any successor official municipal disclosure repository designated by the U.S. Securities and Exchange Commission.

"*Event of Default*" means one or more events as defined in Section 12.01 hereof.

"*Event of Nonappropriation*" means a decision by the Charter School to not renew this Lease, determined by the Charter School's failure, for any reason, (a) to appropriate by June 30 of each Fiscal Year: (i) sufficient amounts authorized and directed to be used to pay all Base Rents due in the next ensuing Fiscal Year in accordance with Section 6.02(a) hereof, and (ii) sufficient amounts authorized and directed to be used to pay such Additional Rents as are estimated to become due in the next ensuing Fiscal Year in accordance with Section 6.02(b) hereof; (b) to appropriate sufficient amounts authorized and directed to be used to pay Additional Rents in accordance with Section 6.05(b) hereof; or (c) to appropriate sufficient amounts to proceed under Section 9.03(a) or (b) hereof following the occurrence of an event described in Section 9.01 hereof.

"*Extraordinary Monthly Rent*" shall mean the amount set forth in such Extraordinary Monthly Rent Notice, which shall be the Corporation's Proportionate Share of the Extraordinary Monthly Rent.

“Extraordinary Monthly Rent Notice” means the notice provided pursuant to Section 10.12 hereof.

“Financial Products Agreement” means an interest rate swap, cap, collar, option, floor, forward or other hedging agreement, arrangement or security, however denominated, identified to the Master Trustee in an Officer’s Certificate as having been entered into by a Member with a Qualified Provider not for investment purposes but with respect to Indebtedness (which Indebtedness shall be specifically identified in the Officer’s Certificate) for the purpose of (1) reducing or otherwise managing the Member’s risk of interest rate changes or (2) effectively converting the Member’s interest rate exposure, in whole or in part, from a fixed rate exposure to a variable rate exposure, or from a variable rate exposure to a fixed rate exposure.

“Financial Products Receipts” means amounts periodically required to be paid to a Member by a Qualified Provider pursuant to a Financial Products Agreement.

“Fiscal Year” means the Charter School’s fiscal year, which begins on July 1 of any year and ends on June 30 of the following year.

“Force Majeure” means, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or of the State or any of their departments, agencies or officials or any civil or military authority; insurrection; riots; landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accidents to machinery, transmission pipes or canals; or any other causes not within the control of the Charter School, but specifically excluding loss of the charter by the Charter School through action of the Charter Authorizer.

“FY End Calculation Date” means June 30 of each year.

“Guaranty” means all loan commitments and all obligations of any Member guaranteeing in any manner whatever, whether directly or indirectly, any obligation of any other Person that would, if such other Person were a Member, constitute Indebtedness.

“Government Issuer” means any municipal corporation, political subdivision, state, territory or possession of the United States of America, or any constituted authority or agency or instrumentality of any of the foregoing empowered to issue obligations on behalf thereof, which obligations constitute Related Bonds.

“Government Obligations” means noncallable and nonprepayable direct obligations of the United States of America or obligations which as to full and timely payment of principal and interest constitute full faith and credit obligations of the United States of America (excluding therefrom unit investment trusts and money market funds comprised of such securities).

“Gross Revenue” means all income and revenues directly or indirectly derived by the Charter School from its operations, including without limitation per pupil revenues and other funding received from the Charter Authorizer, or by virtue of the Charter Contract and all gifts, grants, bequests and contributions (including income and profits therefrom) to the extent not specifically restricted by the donor or maker thereof to a particular purpose inconsistent with their use for the payments required hereunder.

“*Holder*” means the registered owner of any Obligation in registered form or the bearer of any Obligation in coupon form that is not registered or is registered to bearer.

“*Indebtedness*” means all obligations for borrowed money, installment sales and capitalized lease obligations, incurred or assumed by a Member under the Master Indenture and secured by the Property, Plant and Equipment, the Leases or the Pledged Revenues (other than Indebtedness of one Member to another Member or the Guaranty by any Member of Indebtedness of any other Member), including any Guaranty, Long-Term Indebtedness, Short-Term Indebtedness or any other obligation for payments of principal and interest with respect to money borrowed, provided, however, that if more than one Member shall have incurred or assumed a Guaranty of a Person other than a Member, or if more than one Member shall be obligated to pay any obligation, for purposes of any computations or calculations hereunder such Guaranty or obligation shall be included only one time. Financial Products Agreements shall not constitute Indebtedness.

“*Independent Consultant*” means a Person designated by the Obligated Group Representative that (1) does not have any direct financial interest or any material indirect financial interest in any Member or any Affiliate (including any School Operator), (2) is not connected with any Member or any Affiliate as an officer, employee, promoter, trustee, partner, director or Person performing similar functions, and (3) is qualified to pass upon questions relating to the financial affairs of facilities of the type or types operated by the Members or the School Operators and having a favorable reputation for skill and experience in the financial affairs of such facilities.

“*Initial Term*” means the period commencing on the date the Bonds are issued and ending on June 30, 2023.

“*Irrevocable Deposit*” means the irrevocable deposit in trust of cash in an amount (or Government Obligations, the principal of and interest on which will be in an amount) and under terms sufficient to pay all or a specified portion of the principal of, premium, if any, and/or the interest on, as the same shall become due, any Indebtedness that would otherwise be considered Outstanding. The trustee of such deposit shall have possession of any cash and securities (other than book-entry securities) and may be the Master Trustee or any other trustee authorized to act in such capacity.

“*Lease*” means this Lease Agreement, dated as of March [___], 2023, by and between the Corporation and the Charter School and any amendments or supplements hereto, including all exhibits hereto and thereto.

“*Lease Payments*” means all amounts owed by the School Operators to the Members pursuant to the Leases for use of the Property, Plant and Equipment.

“*Lease Term*” means the Initial Term and each Renewal Term during which the Charter School is the lessee of the Leased Property under this Lease as provided in Section 4.01 hereof. Certain provisions of this Lease survive the expiration or end of the Lease Term as provided in Section 4.01(c) hereof.

“*Leased Property*” means the real property described in Exhibit A hereto and all improvements now or in the future located thereon, as from time to time amended or supplemented,

together with all other property that may be designated as part of the Leased Property in any amendment or supplement hereto, less any property damaged, destroyed or condemned as provided in Section 9.01 hereof.

“Leasehold Deed of Trust” means the Leasehold Deed of Trust, Security Agreement, Assignment of Rents and Leases, and Fixture Filing, dated as of March [___], 2023, from the Corporation to the Public Trustee of the County of Douglas, Colorado for the benefit of the Master Trustee, and any amendments and supplements thereto made in conformity with the requirements thereof and of the Master Indenture and the Bond Indenture.

“Leases” has the meaning set forth in the Master Indenture.

“Loan Agreement” means the Loan Agreement, dated as of March [___], 2023, by and between the Issuer and the Corporation, and any amendments and supplements thereto made in conformity with the requirements thereof and of the Master Indenture and the Bond Indenture.

“Long-Term Indebtedness” means Indebtedness having an original maturity greater than one year or renewable at the option of a Member for a period greater than one year from the date of original incurrence or issuance thereof unless, by the terms of such Indebtedness, no Indebtedness is permitted to be outstanding thereunder for a period of at least 20 consecutive days during each calendar year.

“Master Indenture” means the Master Indenture of Trust, dated as of October 1, 2019, by and between the Corporation and the Master Trustee, as supplemented by a Supplemental Master Indenture, dated as of March [___], 2023, and by and between the Corporation and the Master Trustee, as may be further amended and supplemented.

“Master Trustee” means UMB Bank, n.a., in its capacity as trustee under the Master Indenture, being trustee under the Master Indenture, or any successor corporate trustee.

“Member” means each signatory to the Master Indenture (excluding the Master Trustee), together with each other Person that is obligated thereunder to the extent and in accordance with the provisions thereof, from and after the date upon which such Member joins the Obligated Group, but excluding any Person that withdraws from the Obligated Group to the extent and in accordance with the provisions of the Master Indenture, from and after the date of such withdrawal.

“Net Proceeds” means, when used with respect to any insurance payment or condemnation award, the gross proceeds thereof less the expenses (including attorneys’ fees) incurred in the collection of such gross proceeds.

“Net Revenue” means Gross Revenue of the Charter School, plus the amount of unrestricted working capital of the Charter School held in the Charter School’s operating fund in excess of the balance required pursuant to Section 10.08 of this Lease, less Operating Expenses of the Charter School.

“Obligated Group” means all Members.

“Obligated Group Representative” means the Corporation or such other Member (or Members acting jointly) as may be designated from time to time to act as Obligated Group Representative under the Master Indenture pursuant to written notice to the Master Trustee executed by all of the Members.

“Obligation” means any obligation of the Obligated Group issued hereunder, which shall be in the form set forth in a Related Supplement, including, but not limited to, bonds, obligations, debentures, reimbursement agreements, Financial Products Agreements, loan agreements or capital leases.

“Officer’s Certificate” means a Certificate signed by the Authorized Representative of the Obligated Group Representative.

“Operating Expenses” means all reasonable and necessary current expenses of the Charter School (all as reflected in the financial statements prepared and maintained for the Charter School), both paid or accrued, and as included in the annual budget of the Charter School, including without limitation (a) salaries and administrative expenses, (b) the cost of instructional supplies and materials, (c) insurance premiums, (d) professional services, and (e) any payments made under the Lease that constitute Additional Rents (other than Extraordinary Monthly Rent) and expenses; provided however, there shall be excluded from Operating Expenses (i) any allowance for depreciation or amortization or extraordinary expenses (as defined under generally accepted accounting principles), (ii) expenses incurred in connection with capital improvements, (iii) expenses or other amounts paid into and from the Repair and Replacement Fund and any debt service reserve fund established under a Related Bond Indenture, (iv) expenses paid from grants from state, federal or local sources, or from any Person, which were not included as part of Gross Revenues, and (v) payments of debt service on any Related Bonds, including Base Rent payments and any similar rental or other payments made for the lease-purchase or financing of capital improvements.

“Outstanding,” when used with reference to Indebtedness or Obligations, means, as of any date of determination, all Indebtedness or Obligations theretofore issued or incurred and not paid and discharged other than (1) Obligations theretofore cancelled by the Master Trustee or delivered to the Master Trustee for cancellation, (2) Obligations in lieu of which other Obligations have been authenticated and delivered or have been paid pursuant to the provisions of a Related Supplement regarding mutilated, destroyed, lost or stolen Obligations unless proof satisfactory to the Master Trustee has been received that any such Obligation is held by a bona fide purchaser, (3) any Obligation held by any Member and (4) Indebtedness deemed paid and no longer outstanding pursuant to the terms thereof; provided, however, that if two or more obligations which constitute Indebtedness represent the same underlying obligation (as when an Obligation secures an issue of Related Bonds and another Obligation secures repayment obligations to a bank under a letter of credit which secures such Related Bonds) for purposes of the various financial covenants contained herein, but only for such purposes, only one of such Obligations shall be deemed Outstanding and the Obligation so deemed to be Outstanding shall be that Obligation which produces the greater amount of annual Debt Service Requirement to be included in the calculation of such covenants.

“Option Rights” means the purchase option rights of the Charter School under Section 6.08 hereof.

“Permitted Liens” has the meaning set forth in the Master Indenture.

“Person” means an individual, corporation, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

“Pledged Revenues” means, with respect to each of the Members, all revenues, rentals, fees, third-party payments, receipts or other income of the Members derived from the Leases, including the rights to receive such revenues (each subject to Permitted Liens), all as calculated in accordance with generally accepted accounting principles, including, without limitation, Lease Payments received for the Property, Plant and Equipment (whether paid to the Members or to the Master Trustee on behalf of the Members), proceeds derived from insurance and condemnation proceeds related to the Property, Plant and Equipment, whether now or hereafter owned, held or possessed by such Member.

“Property, Plant and Equipment” has the meaning set forth in the Master Indenture.

“Proportionate Share” shall mean the amount required to be paid by the Charter School to ensure that payment of all required Rent with respect to all of the Property, Plant and Equipment has been timely made.

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

“Rating Agency” means any of Moody’s, S&P or Fitch or any other nationally recognized rating agency.

“Related Bonds” means the revenue bonds or other obligations issued by any Government Issuer, pursuant to a single Related Bond Indenture, the proceeds of which are loaned or otherwise made available to a Member or Members in consideration of the execution, authentication and delivery of an Obligation or Obligations to or for the order of such Government Issuer.

“Related Bond Indenture” means any indenture, trust agreement, bond resolution or other comparable instrument pursuant to which a series of Related Bonds are issued.

“Related Bond Issuer” means the Government Issuer of any issue of Related Bonds.

“Related Bond Trustee” means the trustee and its successors in the trusts created under any Related Bond Indenture, and if there is no such trustee, means the Related Bond Issuer.

“*Related Supplement*” means an indenture supplemental to, and authorized and executed pursuant to the terms of, the Master Indenture.

“*Renewal Term*” means the twelve-month period, commencing on July 1 of each year and ending on June 30 of following calendar year, for which the Charter School renews the Lease Term.

“*Rent*” means Base Rents.

“*Repair and Replacement Fund*” means the fund by that name established pursuant to Master Indenture.

“*Requirements of Law*” means any material federal, state or local statute, ordinance, rule or regulation, any judicial or administrative order (whether or not on consent), request or judgment, any common law doctrine or theory, any provision or condition of any permit required to be obtained or maintained, or any other binding determination of any governmental authority relating to the ownership or operation of property, including but not limited to any of the foregoing relating to environmental, health or safety matters.

“*School*” means individually, and “*Schools*” means collectively, each charter school operated by a School Operator. At the time of the initial execution of the Master Indenture, the only School is Leman Academy of Excellence, which is or will be operated by the Charter School at the Leased Property.

“*School Operator*” means each individually, and “*School Operators*” means, collectively, as applicable, any Person to whom a Member leases or subleases, as applicable, all or a portion of a Campus pursuant to a Lease for use in connection with operation of a School in accordance with the provisions of the Master Indenture; provided, however, each School Operator must be an Affiliate of at least one of the Members. At the time of the initial execution of the Master Indenture, the only School Operator is the Charter School.

“*Short-Term Indebtedness*” means all Indebtedness having an original maturity less than or equal to one year and not renewable at the option of a Member for a term greater than one year from the date of original incurrence or issuance unless, by the terms of such Indebtedness.

“*Site Lease*” means the Site Lease entered into and effective as of February 1, 2023 by and between Douglas County School District RE-1 and The Leman Academy of Excellence—Douglas County, Colorado.

“*State*” means the State of Colorado.

“*Variable Rate Indebtedness*” means Indebtedness the interest on which is payable pursuant to a variable interest rate formula or other determination method rather than at a fixed rate of interest per annum to maturity.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.01. Representations, Covenants and Warranties of the Charter School.

The Charter School represents, covenants and warrants, for the benefit of the Corporation, and its successors and assigns, including without limitation, the Bond Trustee, the Master Trustee, the Issuer and the Registered Owners, as follows:

(a) The Charter School is and will remain, a Colorado nonprofit corporation and a public charter school duly organized and validly existing under the Charter Schools Act. The Charter School is authorized by Section 22-30.5-104(7)(b) of the Charter Schools Act, (i) to lease the Leased Property from the Corporation pursuant to this Lease; and (ii) to execute, deliver and perform its obligations under this Lease. The execution, delivery and performance of this Lease have been duly authorized by the Charter School and the Lease is enforceable against the Charter School in accordance with its terms, subject only to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and equitable principles, whether considered at law or in equity.

(b) The Charter School is an organization described in Section 501(c)(3) of the Code, is not a "private foundation" within the meaning of section 509(a) of the Code, and is exempt from federal income tax under Section 501(a) of the Code. The Charter School covenants that it will maintain its status as a 501(c)(3) organization under the Code and will take whatever actions are necessary to continue to be organized and operated in a manner which will preserve and maintain its status as an organization which is described in Section 501(c)(3) of the Code and exempt from federal income taxes under section 501(a) of the Code (except as to unrelated business income).

(c) Nothing in this Lease shall be construed as diminishing, unlawfully delegating or otherwise restricting any of the sovereign powers of the Charter School. Nothing in this Lease shall be construed to require the Charter School to operate the Leased Property other than as lessee under the requirements of this Lease.

(d) The execution, delivery and performance of this Lease are in the best interests of the Charter School, serve a public purpose, and have been duly authorized by the Charter School.

(e) None of the execution and delivery of this Lease, the fulfillment of or compliance with the terms and conditions of this Lease, or the consummation of the transactions contemplated by this Lease, conflicts with or results in a breach of the terms, conditions or provisions of the Charter Contract, or of any material restriction or any agreement or instrument to which the Charter School is now a party or by which the Charter School is bound, or constitutes a default under any of the foregoing or, except as specifically provided in this Lease and the Loan Agreement, or results in the creation or imposition of a lien or encumbrance whatsoever upon any of the property or assets of the Charter School.

(f) There is no litigation or proceeding pending or, to the knowledge of the Charter School, threatened against the Charter School or any other Person affecting the right of the Charter School to execute and deliver this Lease, the ability of the Charter School to make the payments required hereunder or the ability of the Charter School otherwise to comply with its obligations under this Lease.

(g) To the knowledge of the Charter School, except as disclosed in writing to the Corporation and the Issuer: (i) the Leased Property has at all times been operated in compliance with all Requirements of Law; (ii) all permits required by Requirements of Law in respect of the Leased Property have been or will be obtained and are or will be upon receipt, in full force and effect and the Charter School is or will be in compliance with the material terms and conditions of such permits; (iii) there is no pending litigation, investigation, administrative or other proceeding of any kind before or by any governmental authority or other Person relating to, or alleging, any violation of any Requirements of Law in connection with the Leased Property and there are no grounds on which any such litigation, investigation or proceedings might be commenced against the Charter School; (iv) the Leased Property is not subject to any judgment, injunction, writ, order or agreement respecting any Requirements of Law; (v) there is no Hazardous Substance located on, in or under the Leased Property in violation of any Requirements of Law; (vi) there has been no disposal of any Hazardous Substance on, from, into or out of the Leased Property in violation of any Requirements of Law; and (vii) there has been no spillage, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leeching, dumping, disposing, depositing or dispersing of any Hazardous Substance into the indoor or outdoor environment from, into or out of the Leased Property including, but not limited to, the movement of any such items through or in the air, soil, surface water, ground water from, into or out of the Leased Property or the abandonment or discard of barrels, containers or other open or closed receptacles containing any such items from, into or out of the Leased Property in violation of any Requirements of Law.

(h) The Leased Property complies in all respects with applicable zoning, safety ordinances.

(i) The Leased Property will be operated in accordance with all Requirements of Law.

(j) The Board has determined that the Leased Property is necessary and essential to the Charter School's operations and any Leased Property substituted for any of the Leased Property pursuant to the terms hereof will be for a value which is not less than the property for which it is substituted and that is necessary and essential to the Charter School's operations.

(k) The Charter School will recognize economic and other benefits by leasing the Leased Property.

(l) The Charter School hereby agrees to cooperate in relation to (i) all actions necessary pursuant to and in accordance with the Colorado Charter School Debt Reserve Fund Program in order to receive money from the Charter School Debt Reserve Fund for

the payment due on the Bonds participating in the Colorado Charter School Debt Reserve Fund Program; [(ii) all action necessary pursuant to and in accordance with the Colorado Charter School Moral Obligation Program in order to request replenishment of the Bond Reserve Fund from the Governor of the State, if applicable; the Bonds are participants in such program; and] (iii) all actions necessary pursuant to and in accordance with the Colorado Charter School Intercept Program in order to have the State Treasurer or, if the State Treasurer does not so agree, the Charter Authorizer, make debt service payments thereunder.

(m) The Charter School will provide written notice to the Master Trustee, the Bond Trustee, the Issuer and the Corporation immediately (but not later than 5 days after such event) in the event the Charter School receives notice that the Charter Contract is being recommended for revocation, revoked, not renewed or proceedings are commenced with respect to a revocation and of any Event of Default hereunder.

Section 2.02. Representations, Covenants and Warranties of the Corporation. The Corporation represents, covenants and warrants, for the benefit of the Charter School, the Bond Trustee, Master Trustee, the Issuer and the Registered Owners, as follows:

(a) The Corporation is a nonprofit corporation duly organized, existing and in good standing under the laws of the State, is possessed of full power to purchase, own, hold and lease (as owner, lessee and lessor) real and personal property, has all necessary power to borrow money from the Issuer pursuant to the Loan Agreement, to lease the Leased Property to the Charter School pursuant to this Lease, to execute, deliver and perform its obligations under the Loan Agreement and this Lease, and has duly authorized the execution, delivery and performance of its obligations under this Lease.

(b) The Corporation shall at all times maintain its corporate existence and will use its best efforts to maintain, preserve and renew all the rights and powers provided to it under its articles of incorporation, bylaws, action of its governing body and applicable law.

(c) The Corporation is exempt from federal income tax as an organization described in Section 501(c)(3) of the Code. The Corporation covenants that it will maintain its status as an organization which is described in Section 501(c)(3) of the Code and will take whatever actions are necessary to continue to be organized and operated in a manner which will preserve and maintain its status as an organization which is described in Section 501(c)(3) of the Code and exempt from federal income taxes under Section 501(a) of the Code (except as to unrelated business income).

(d) This Lease is enforceable against the Corporation in accordance with its terms, subject only to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and equitable principles, whether considered at law or in equity.

(e) The Leased Property will be leased by the Corporation in accordance with all applicable Requirements of Law.

(f) The execution and delivery of this Lease and the fulfillment of or compliance with the terms and conditions hereof or thereof, or the consummation of the transactions contemplated hereby or thereby, does not conflict with or results in a breach of the terms, conditions and provisions of any restriction or any agreement or instrument to which the Corporation is now a party or by which the Corporation is bound or constitutes a default under any of the foregoing.

(g) Except as specifically provided in the Loan Agreement and this Lease, the Corporation will not assign this Lease, its rights to payments from the Charter School or its duties and obligations hereunder or thereunder to any other person, firm or corporation so as to impair or violate the representations, covenants and warranties contained herein.

(h) There is no litigation or proceeding pending or, to the knowledge of the Corporation, threatened against the Corporation or any other Person affecting the right of the Corporation to execute and deliver this Lease, the ability of the Corporation to make the payments required hereunder or the ability of the Corporation otherwise to comply with its obligations under this Lease.

(i) The Corporation acknowledges and recognizes that this Lease will not be renewed upon the occurrence of an Event of Nonappropriation that is not otherwise cured in accordance with Section 6.05 hereof, and that a failure by the Charter School to appropriate funds in a manner that results in an Event of Nonappropriation is a legislative act and, as such, is solely within the discretion of the Charter School.

(j) The Corporation hereby agrees to cooperate in relation to (i) all actions necessary pursuant to and in accordance with the Colorado Charter School Debt Reserve Fund Program in order to receive money from the Charter School Debt Reserve Fund for the payment due on the Bonds participating in the Colorado Charter School Debt Reserve Fund Program; [(ii) all action necessary pursuant to and in accordance with the Colorado Charter School Moral Obligation Program in order to request replenishment of the Bond Reserve Fund from the Governor of the State, if applicable; the Bonds are participants in such program;] and (iii) all actions necessary pursuant to and in accordance with the Colorado Charter School Intercept Program in order to have the State Treasurer make debt service payments thereunder.

ARTICLE III

DEMISING CLAUSE

The Corporation demises and leases the Leased Property to the Charter School for the Charter School's use as an educational facility, as defined in the Charter Schools Act in performing one or more governmental purposes, in accordance with the provisions of this Lease, subject only to Permitted Encumbrances, to have and to hold for the Lease Term.

ARTICLE IV

LEASE TERM

Section 4.01. Lease Term.

- (a) The Lease Term shall be comprised of the Initial Term and successive one-year Renewal Terms, subject to subsection (b) of this Section.
- (b) The Lease Term shall expire or end upon the earliest of any of the following events:
 - (i) June 30 of any Fiscal Year during which there has occurred an Event of Nonappropriation pursuant to Section 4.02 and Article VI hereof (provided that the Lease Term shall be deemed to have been renewed in the event that the Event of Nonappropriation is cured as provided in Section 6.05 hereof);
 - (ii) an Event of Default and termination of this Lease by the Corporation or its assigns, including, without limitation, the Master Trustee and Bond Trustee as provided in Article XII hereof; or
 - (iii) discharge of the Bond Indenture, as provided in Article VII thereof.
- (c) The expiration or end of the Lease Term shall terminate all unaccrued obligations of the Charter School under this Lease and shall terminate the Charter School's rights of possession under this Lease (except to the extent of the holdover provisions of Section 12.02(e)(i) hereof); provided however, all obligations of the Charter School that have accrued hereunder prior to such termination or expiration shall continue until they are paid, performed and discharged in full from appropriated and legally available funds.

Section 4.02. Charter School's Annual Right to Not Renew the Lease. In the event that the Charter School shall determine, for any reason, to not exercise its annual right to renew this Lease through an Event of Nonappropriation, effective on June 30 of any Fiscal Year, the Charter School shall give written notice to such effect to the Issuer, the Master Trustee, Bond Trustee, the Charter Authorizer and the Corporation within 5 Business Days of such determination and in no case later than July 1 of the next Fiscal Year; provided, however, that a failure to give such notice shall not constitute an Event of Default, nor prevent the Charter School from choosing not to renew this Lease, nor result in any liability on the part of the Charter School. The exercise of the Charter School's annual option to not renew this Lease shall be conclusively determined by the Charter School's failure, for any reason (subject, however, to the cure rights set forth in Section 6.05(a)(iii) and (iv) hereof), (a) to appropriate by June 30 of each Fiscal Year (i) sufficient amounts authorized and directed to be used to pay all Base Rents due in the next ensuing Fiscal Year in accordance with Section 6.02(a) hereof and (ii) sufficient amounts authorized and directed to be used to pay such Additional Rents as are estimated to become due in the next ensuing Fiscal Year; or (b) upon the occurrence of any of the other events described in the definition of Event of Nonappropriation herein. The chief financial officer of the Charter School (or any other officer at any time charged with the responsibility of formulating budget proposals with respect to payments under this Lease) is hereby directed to include, in the annual budget proposals submitted to the

governing body of the Charter School, items for all payments required under this Lease during the next ensuing Fiscal Year, until such time, if any, as the Charter School may determine not to renew this Lease; it being the intention of the Charter School that any decision not to renew this Lease shall be made solely by the governing body of the Charter School and not by any other department, agency or official of the Charter School. The Charter School shall in any event furnish the Master Trustee, Bond Trustee and the Corporation proof of appropriation relating to Base Rents or Additional Rents under this Lease promptly upon the adoption thereof by the Charter School as evidenced by a resolution of the Charter School made and delivered to the Master Trustee, Bond Trustee no later than June 30 of each Fiscal Year. Such resolution shall be signed by an Authorized Representative of the Charter School.

ARTICLE V

ENJOYMENT OF LEASED PROPERTY

The Corporation hereby covenants that during the Lease Term and so long as the Charter School complies with the provisions hereof, the Charter School shall peaceably and quietly have and hold and enjoy the Leased Property without suit, trouble or hindrance from the Corporation, except as expressly required or permitted by this Lease, and subject to the Permitted Encumbrances. The Corporation shall not interfere with the quiet use and enjoyment of the Leased Property by the Charter School during the Lease Term so long as no Event of Default or Event of Nonappropriation shall have occurred. The Corporation shall, at the request of the Charter School and at the cost of the Charter School, but only to the extent amounts for Additional Rents which have been specifically appropriated by the Charter School are available for the payment of such costs, join and cooperate fully in any legal action in which the Charter School asserts its right to such possession and enjoyment, or which involves the imposition of any taxes or other governmental charges on or in connection with the Leased Property. In addition, the Charter School may at its own expense join in any legal action affecting its possession and enjoyment of the Leased Property and shall be joined in any action affecting its liabilities hereunder.

ARTICLE VI

PAYMENTS BY THE CHARTER SCHOOL

Section 6.01. Payments to Constitute Currently Appropriated Expenditures of the Charter School; No Lien on Gross Revenues.

(a) The Charter School and the Corporation acknowledge and agree that the Base Rents and Additional Rents hereunder shall constitute currently appropriated expenditures of the Charter School and may be paid from any legally available funds. The Charter School's obligations under this Lease shall be subject to the Charter School's annual right to choose not to renew this Lease (as further provided in Sections 4.01, 4.02, 6.02, 6.05 and 9.03(b) hereof), and shall not constitute a mandatory charge or requirement for payment of any amounts in excess of amounts appropriated for any Fiscal Year beyond the Fiscal Year for which such appropriation has been made. No provision of this Lease shall be construed or interpreted as creating a debt or multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the Charter School within the meaning of

any constitutional or statutory limitation or requirement. No provision of this Lease shall be construed or interpreted as creating a delegation of governmental powers nor as a donation by or a lending of the credit of the Charter School, within the meaning of Sections 1 or 2 of Article XI of the Constitution of the State.

(b) This Lease does not directly or indirectly obligate the Charter School to make any payments beyond those appropriated for any Fiscal Year for which such payments have been appropriated. No provision of this Lease shall be construed to pledge or to create a lien on any class or source of moneys of the Charter School, nor shall any provision of this Lease restrict the future issuance of any obligations of the Charter School, payable from any class or source of moneys of the Charter School; provided, however, the Charter School shall, if such moneys are appropriated, use its best efforts to make such payments out of its Gross Revenues of the Charter School.

Section 6.02. Base Rents and Additional Rents; Triple Net Lease.

(a) ***Base Rents.***

(i) The Charter School shall pay or cause to be paid Base Rents directly to the Master Trustee during the Lease Term, on the Base Rents Payment Dates. The Base Rents during the Lease Term shall be in the amounts set forth in Exhibit B hereto, as from time to time amended or supplemented.

(ii) The Charter School and the Corporation shall take or cause to be taken such actions as may be necessary to cause direct payment of Base Rents to be made to the Master Trustee from any Gross Revenues held by the State Treasurer or, if the State Treasurer does not so agree, from any Gross Revenue held by the Charter Authorizer, pursuant to and in accordance with the Colorado Charter School Intercept Program; provided however, upon the failure of State Treasurer or Charter Authorizer to transfer such amounts to the Master Trustee, for whatever reason, the Master Trustee shall so notify the Charter School and the Charter School shall promptly make such payments. The Master Trustee shall timely notify the Charter School when it has received any payments from the State Treasurer or the Charter Authorizer.

(iii) So long as the Lease Term has not expired or ended, the Charter School shall be entitled to a rebate of any payments of Base Rents made by or on behalf of the Charter School for the immediately preceding Initial Term or Renewal Term in accordance with Section 3.04 of the Bond Indenture. Rebates are to be made to the Charter School by the Master Trustee within five (5) Business Days following the date of maturity or sinking fund redemption of any of the Bonds pursuant to the Bond Indenture; provided however, such rebates, if any, are subject to the terms and conditions set forth in Section 3.04 of the Bond Indenture.

(b) ***Additional Rents.*** The Charter School shall pay Additional Rents during the Lease Term as herein provided. The Additional Rents during the Lease Term shall be estimated annually by the President of the Corporation (or any other officer at any time

charged with the responsibility of formulating budget proposals with respect to payments under this Lease) and the President of the Charter School (or any other officer at any time charged with the responsibility of formulating budget proposals with respect to payments under this Lease) and such estimate shall be in an amount sufficient to pay the following costs during the next ensuing Fiscal Year: (i) the reasonable fees and expenses of the Bond Trustee, the Master Trustee, the Corporation and the Issuer; (ii) the cost of insurance premiums; (iii) the cost of taxes, utility charges, maintenance, upkeep and repair costs; (iv) payments into the Debt Service Reserve Fund required by Section 3.23 of the Bond Indenture; (v) payments into the Rebate Fund required by Section 3.14 of the Bond Indenture; (vi) any fees of an Independent Consultant; (vii) the administrative fee charged by the State Treasurer pursuant to the Colorado Charter School Intercept Program Application; (viii) the fees of any Rating Agency then maintaining a rating on the Bonds; (ix) Extraordinary Monthly Rent; (x) interest at the Default Rate, following an “event of default” under the Loan Agreement; (xi) payments due under the Site Lease, including, but not limited to, School Park Fees; and (xii) all other costs included in the definition of, or expressly required to be paid by the Charter School as, Additional Rents hereunder. In the event the Additional Rents in any Fiscal Year exceed the amount for which appropriation has been made, the President of the Corporation (or any other officer at any time charged with the responsibility of formulating budget proposals with respect to payments under this Lease) and the President of the Charter School (or any other officer at any time charged with the responsibility of formulating budget proposals with respect to payments under this Lease) shall submit a budget proposal evidencing the funding for the amount of such excess Additional Rents for such Fiscal Year. In the event the Lease Term is continued for the next ensuing Fiscal Year, the Charter School’s obligation under this Lease to pay Additional Rents during such Fiscal Year shall be limited to the amount so appropriated for Additional Rents in accordance with the procedures described above and any amounts subsequently appropriated by supplemental appropriation for payment of Additional Rents during such Fiscal Year. Additional Rents obligations in excess of the amounts so appropriated shall in no event be due or owing from the Charter School from funds of the Charter School other than legally available funds. The Charter School hereby agrees that, to the extent that the Debt Service Reserve Fund moneys are applied pursuant to Section 3.24 of the Bond Indenture or, to the extent that, for any other reason, the amounts in any account within the Debt Service Reserve Fund are less than the Debt Service Reserve Fund Requirement, the Charter School will (unless this Lease has theretofore not been renewed or has theretofore been terminated by the Charter School) promptly pay to the Master Trustee in accordance with Section 5.01 of the Loan Agreement, for deposit in the Debt Service Reserve Fund, from the amounts appropriated as described above for the payment of Additional Rents, such amounts as are required to restore the amount on deposit in the Debt Service Reserve Fund to the Debt Service Reserve Fund Requirement. The Charter School hereby expressly agrees to pay to the Corporation and its directors and officers, as appropriate, as Additional Rents, all costs and expenses incurred by the Corporation or by its directors or officers in connection with any investigation, claim, demand, suit, action or proceeding relating to the activities of the Charter School, or such directors or officers in their capacity as such, in respect of the Leased Property, the Loan Agreement, this Lease, the Bonds or any matter related thereto. Following its receipt of notice of or an invoice for any Additional Rents, the Charter School shall have 30 days to pay such Additional Rents.

(c) **Net Lease.** This Lease shall be deemed and construed to be a “*net lease*,” and the Charter School shall pay absolutely all operating and other costs of the Leased Property during the Lease Term, including the Base Rents, Additional Rents and all other payments required hereunder, free of any deductions, and without abatement, deduction or setoff (other than credits against Base Rents expressly provided for in this Lease). To the fullest extent allowed by law, this Lease shall be a “*triple net*” lease and all costs incurred in connection with the Leased Property, the operation thereof, taxes, insurance and all other costs and expenses, shall be borne by the Charter School.

Section 6.03. Manner of Payment. The Base Rents and any Additional Rents payable to the Master Trustee shall be paid by lawful money of the United States of America to the Master Trustee for deposit in accordance with the Bond Indenture. All Additional Rents shall be paid by the Charter School on a timely basis directly to the Person to which such Additional Rents are owed (except that the Debt Service Reserve Fund, the Rebate Fund payments shall be made to the Bond Trustee as provided in Sections 3.23, or 3.26 of the Bond Indenture). The obligation of the Charter School to pay the Base Rents and Additional Rents required under this Article and other provisions hereof, during the Lease Term, shall, subject to the provisions of Section 6.05 hereof, be absolute and unconditional, and payment of the Base Rents and Additional Rents shall not be abated through accident or unforeseen circumstances, Notwithstanding any dispute between the Charter School and the Issuer, the Corporation, the Master Trustee, Bond Trustee, any Registered Owner, any contractor or subcontractor retained with respect to the Leased Property, or any other Person, the Charter School shall, during the Lease Term, make all payments of Base Rents and Additional Rents when due and shall not withhold any Base Rents or Additional Rents pending final resolution of such dispute (except to the extent permitted by Sections 7.02 and 8.03 hereof with respect to certain Additional Rents), nor shall the Charter School assert any right of set-off or counter-claim against its obligation to make such payments required hereunder; provided, however, that the making of such payments shall not constitute a waiver by the Charter School of any rights, claims or defenses which the Charter School may assert. No action or inaction on the part of the Corporation, the Bond Trustee or the Master Trustee shall affect the Charter School’s obligation to pay Base Rents and Additional Rents (except to the extent provided by Sections 7.02 and 8.03 hereof with respect to certain Additional Rents) during the Lease Term.

Section 6.04. Necessity of the Leased Property; Determinations as to Fair Market Value. The Charter School hereby declares its current need for the Leased Property and further determines and declares its expectation that the Leased Property will (so long as it is subject to the terms hereof) adequately serve the needs for which it is being leased throughout the stated term of this Lease. It is hereby declared to be the present intention and expectation of the Charter School that this Lease will be continued through the end of the Lease Term, but this declaration shall not be construed as contractually obligating or otherwise binding the Charter School. The Charter School hereby agrees and determines that the Base Rents during each year of the Lease Term represent not more than the fair value of the use of the Leased Property during such year. The Charter School hereby determines that the Base Rents do not exceed a reasonable amount so as to place the Charter School under an economic compulsion to renew this Lease. In making such declarations and determinations, the Charter School has given consideration to the uses and purposes for which the Leased Property will be employed by the Charter School, the benefit to the Charter School by reason of the Leased Property, and the use and occupancy of the Leased Property pursuant to the terms and provisions of this Lease.

Section 6.05. Nonappropriation by the Charter School.

(a) In the event that the Charter School fails, for any reason, to appropriate by the first Business Day of each Fiscal Year (A) sufficient amounts authorized and directed to be used to pay all Base Rents due in the next ensuing Fiscal Year in accordance with Section 6.02(a) hereof and (B) sufficient amounts authorized and directed to be used to pay such Additional Rents as are estimated to become due in the next ensuing Fiscal Year in accordance with Section 6.02(b) hereof, upon the occurrence of an event described in subsection (b) of this Section, or upon the occurrence of any other event described in the definition of Event of Nonappropriation herein, an Event of Nonappropriation shall be deemed to have occurred; subject, however, to each of the following provisions:

(i) The Charter School shall give written notice to the Master Trustee and Bond Trustee, the Issuer and the Corporation if the Charter School's preliminary budget fails, in any year, to include an appropriation for sufficient amounts authorized and directed to be used to pay all Base Rents due in the next ensuing Fiscal Year; but any failure of the Charter School to give such notice shall not constitute an Event of Nonappropriation or an Event of Default.

(ii) The Bond Trustee shall give written notice to the Charter School, the Issuer and the Corporation of any Event of Nonappropriation on or before the first ten days of any Fiscal Year; but any failure of the Bond Trustee to give such written notice shall not prevent the Bond Trustee from declaring an Event of Nonappropriation or from taking any remedial action which would otherwise be available to the Bond Trustee.

(iii) The Bond Trustee shall waive any Event of Nonappropriation, other than an Event of Nonappropriation as described in subsection (b) of this Section, which is cured by the Charter School on or before the first forty-five days of any Fiscal Year, by appropriating (A) by one or more specific line item references sufficient amounts authorized and directed to be used to pay all Base Rents due in such Fiscal Year in accordance with Section 6.02(a) hereof and (B) sufficient amounts to pay such Additional Rents as are estimated to become due in such Fiscal Year in accordance with Section 6.02(b) hereof.

(iv) Subject to the terms of the Bond Indenture, the Bond Trustee may waive any Event of Nonappropriation which is cured by the Charter School within a reasonable time if in the Bond Trustee's judgment, upon advice of legal counsel as to matters of law, such waiver is in the best interests of the Registered Owners.

(b) In the event that during any Fiscal Year, any Additional Rents shall accrue in excess of amounts included in a duly enacted appropriation for the payment of Additional Rents, then, in the event that moneys are not specifically authorized and directed by the Charter School to be used to pay such Additional Rents by the earlier of the last Business Day of the Fiscal Year in which such Additional Rents accrue or 30 days subsequent to the date upon which such Additional Rents accrue, an Event of Nonappropriation shall be deemed to have occurred, upon notice by the Bond Trustee to

the Charter School, the Issuer and the Corporation to such effect (subject to waiver by the Bond Trustee as provided in clause (iv) of subsection (a) of this Section).

(c) If an Event of Nonappropriation occurs, the Charter School shall not be obligated to pay the Base Rents or Additional Rents or any other payments provided for herein beyond the amounts specifically appropriated by the Charter School for the Fiscal Year during which such Event of Nonappropriation occurs; provided, however, that, subject to the limitations of Sections 6.02 and 12.03 hereof, the Charter School shall continue to be liable for Base Rents and Additional Rents, to the extent payable from appropriated and legally available moneys, allocable to any period during which the Charter School shall continue to occupy or retain possession of the Leased Property.

(d) The Charter School shall in all events vacate the Leased Property and surrender any personal property included in the Leased Property to the Master Trustee by the thirtieth calendar day following an Event of Nonappropriation.

Section 6.06. Disposition of Base Rents. Upon receipt by the Master Trustee of each payment of Base Rents, the Master Trustee shall apply the amount of each payment of Base Rents in accordance with the Master Indenture.

Section 6.07. Charter Authorizer Not Liable. The obligations of the Charter School hereunder are solely the obligations of the Charter School and shall not to be deemed to be obligations of the Charter Authorizer. This Lease shall not constitute or become an obligation, an indebtedness, a debt or a liability of or a charge against the general credit or taxing power of the Charter Authorizer.

Section 6.08. Purchase Option. So long as this Lease is in effect and the Bonds are Outstanding, the Charter School shall have the option to purchase the Leased Property free and clear of the lien of the Leasehold Deed of Trust, by paying to the Corporation an amount that, together with other amounts then on deposit with the Bond Trustee (excluding amounts held in the Rebate Fund) that are available for such purpose, is sufficient: (a) to pay, in immediately available funds, the redemption price of all Outstanding Bonds that are at such time subject to redemption at the option of the Corporation in accordance with the redemption provisions of the Bond Indenture and/or the amount necessary to defease all Outstanding Bonds that are not at such time subject to redemption at the option of the Corporation in accordance with the defeasance provisions of the Bond Indenture; (b) to pay all Additional Rents payable through the date of conveyance of the Leased Property to the Charter School or its designee pursuant to this Section; and (c) to pay all fees and expenses of the Issuer, the Master Trustee, Bond Trustee and the Corporation required for the conveyance of the Leased Property.

ARTICLE VII

TITLE TO THE IMPROVEMENTS TO THE LEASED PROPERTY; LIMITATIONS ON ENCUMBRANCES

Section 7.01. Title to the Leased Property.

(a) Any improvements to the Leased Property shall become part of the Leased Property.

(b) The Charter School shall have no right, title or interest in the Leased Property or any additions and modifications thereto or replacements thereof, except as expressly set forth in this Lease.

Section 7.02. No Encumbrance, Mortgage or Pledge of Leased Property. Other than Permitted Encumbrances, the Charter shall not permit any mechanic's or other lien to remain against the Leased Property; provided that, if the Charter School shall first notify the Master Trustee and Bond Trustee of the intention of the Charter School to do so, the Charter School may in good faith contest any mechanic's or other lien filed or established against the Leased Property, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless the Corporation, the Bond Trustee, or the Master Trustee shall notify the Charter School that, in the opinion of independent counsel, whose reasonable fees shall be paid by the Charter School, but only to the extent that amounts for Additional Rents which have been specifically appropriated by the Charter School are available for the payment of such costs, by nonpayment of any such items the Corporation's title to the Leased Property or the liens on the Leased Property pursuant to the Loan Agreement or the Leasehold Deed of Trust will be materially endangered, or the Leased Property or any part thereof will be subject to loss or forfeiture, in which event the Charter School shall promptly pay and cause to be satisfied and discharged all such unpaid items; provided, however, that such payment shall not be required to be made and no obligation to pay any fees or charges of independent counsel shall be incurred if such lien is filed or submitted pursuant to the provisions of §38-26-107, Colorado Revised Statutes, as amended, and further provided that such payment shall not constitute a waiver by the Charter School of the right to continue to contest such items, The Corporation, the Bond Trustee and the Master Trustee will cooperate fully with the Charter School in any such contest, upon the request and at the expense of the Charter School, to the extent that Additional Rents which have been specifically appropriated by the Charter School are available for the payment of such expenses. Neither the Corporation nor, except as provided above, the Charter School shall directly or indirectly create, incur or assume any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Leased Property, except Permitted Encumbrances, without the prior written consent of the Master Trustee and Bond Trustee. The Charter School shall promptly, at its own expense, to the extent that amounts for Additional Rents which have been specifically appropriated by the Charter School are available for the payment of such expenses, take such action as may be deemed necessary to duly discharge any such mortgage, pledge, lien, charge, encumbrance or claim not excepted above which it shall have created, incurred or suffered to exist. The Corporation shall promptly, at its own expense, take such action as may be necessary to duly discharge any such mortgage, pledge, lien, charge, encumbrance or claim not excepted above which it shall have created or incurred.

Section 7.03. Compliance With Requirements of Law. The Charter School shall at all times operate the Leased Property, or cause the Leased Property to be used and operated, such that (a) the Leased Property at all times shall be operated in compliance with all applicable Requirements of Law; (b) all permits required by applicable Requirements of Law in respect of the Leased Property shall be obtained and maintained in full force and effect and the Charter School shall comply with the material terms and conditions of such permits; (c) the Charter School shall not permit any Hazardous Substance to be located on, in or under the Leased Property in violation of any Requirements of Law; (d) the Charter School shall not dispose of any Hazardous Substance on, from, into or out of the Leased Property in violation of any Requirements of Law; and (e) the Charter School shall not permit any spillage, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leeching, dumping, disposing, depositing or dispersing of any Hazardous Substance into the indoor or outdoor environment from, into or out of the Leased Property including but not limited to the movement of any such items through or in the air, soil, surface water, ground water from, into or out of the Leased Property or the abandonment or discard of barrels, containers or other open or closed receptacles containing any such items from, into or out of the Leased Property in violation of any Requirements of Law.

ARTICLE VIII

MAINTENANCE; TAXES; INSURANCE AND OTHER CHARGES

Section 8.01. Maintenance of the Leased Property by the Charter School. The Charter School agrees that at all times during the Lease Term the Charter School will maintain, preserve and keep the Leased Property or cause the Leased Property to be maintained, preserved and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition, subject to normal wear and tear, and that the Charter School will from time to time make or cause to be made all necessary and proper repairs, except as otherwise provided in Section 9.03 hereof. None of the Issuer, the Corporation, the Master Trustee, Bond Trustee or any of the Registered Owners shall have any responsibility in any of these matters or for the making of any additions, modifications or replacements to the Leased Property.

Section 8.02. Modification of the Leased Property; Installation of Equipment and Personal Property of the Charter School.

(a) The Charter School, upon giving prior notice to the Corporation and the Issuer, may remodel or make substitutions, additions, modifications or improvements to the Leased Property, at its own cost and expense to pay for the cost of Capital Improvements to the Leased Property; and the same shall become part of the Leased Property, subject to, and shall be included under the terms of this Lease; provided, however, that (i) such remodeling, substitutions, additions, modifications and improvements shall not in any way damage the Leased Property or cause them to be used for purposes other than lawful governmental functions; and (ii) the Leased Property, as remodeled, improved or altered, upon completion of such remodeling, or such making of substitutions, additions, modifications and improvements, shall be of a value not less than the value of the Leased Property immediately prior to such remodeling or such making of substitutions, additions, modifications and improvements and all of such improvements or alterations shall become part of the Leased Property without amendment of this Lease.

(b) The Charter School may also, from time to time in its sole discretion and at its own expense, install equipment and personal property (which are not to be fixtures) in or on the Leased Property. All such equipment and personal property shall remain the sole property of the Charter School in which none of the Issuer, the Corporation, the Master Trustee, Bond Trustee or the Registered Owners shall have any interest; provided, however, that any such equipment and personal property which becomes permanently affixed to the Leased Property shall become part of the Leased Property, subject to this Lease and shall be included under the terms of this Lease.

Section 8.03. Taxes, Other Governmental Charges and Utility Charges. The Charter School shall use its reasonable good faith best efforts to maintain the Leased Property as exempt from ad valorem property or other taxes to the extent allowable by law. In the event that the Leased Property or any portion thereof shall, for any reason, be deemed subject to taxation, assessments or charges lawfully made by any governmental body, the Charter School shall pay the amount of all such taxes, assessments and governmental charges then due, but only to the extent that amounts for Additional Rents which have been specifically appropriated by the Charter School are available for the payment of such costs. With respect to special assessments or other governmental charges that may be lawfully paid in installments over a period of years, the Charter School shall be obligated to provide only for such installments as are required to be paid during the upcoming Fiscal Year. The Charter School shall not allow any liens for taxes, assessments or governmental charges to exist with respect to the Leased Property or any portion thereof (including, without limitation, any taxes levied thereon which, if not paid, will become a charge on the rentals and receipts from the Leased Property or any portion thereof, or any interest therein, including the interest of the Issuer, the Corporation, the Master Trustee, the Bond Trustee or the Registered Owners) or the rentals and revenues derived therefrom or hereunder. The Charter School shall also pay as Additional Rents, to the extent that amounts for Additional Rents which have been specifically appropriated by the Charter School are available for the payment thereof, as the same respectively become due, all gas, water, steam, electricity, heat, power, utility and other charges incurred in the maintenance and upkeep of the Leased Property. If the Charter School shall first notify the Master Trustee and the Bond Trustee of the intention of the Charter School to do so, the Charter School may, at the expense and in the name of the Charter School, in good faith contest any such tax, assessment, utility and other charges and, in the event of any such contest, may permit the tax, assessment, utility or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Master Trustee or the Bond Trustee shall notify the Charter School that, in the opinion of independent counsel, whose reasonable fees shall be paid by the Charter School, but only to the extent that amounts for Additional Rents which have been specifically appropriated by the Charter School are available for the payment of such costs, by nonpayment of any such items the security afforded pursuant to the Bond Indenture will be materially endangered or the Leased Property or any portion thereof will be subject to loss or forfeiture, or the Corporation, the Master Trustee or the Bond Trustee will be subject to liability, in which event such tax, assessment, utility or other charges shall, to the extent that amounts for Additional Rents which have been specifically appropriated by the Charter School are available for the payment thereof, be paid promptly or secured by posting a bond with the Master Trustee in form satisfactory to the Master Trustee (provided, however, that such payment shall not constitute a waiver of the right to continue to contest such tax, assessment, utility or other charges).

Section 8.04. Provisions Regarding Casualty and Property Damage Insurance.

(a) The Charter School shall, at its own expense, cause to be carried and maintained casualty and property damage insurance with respect to the Leased Property, upon construction of any Building thereon, in an amount equal to the lesser of the full replacement value of the Leased Property, upon construction thereof, or the aggregate principal amount of the Bonds then Outstanding. The insurance policies required by this Section shall meet the following conditions: (i) any insurance policy may have a deductible clause in an amount that does not exceed an amount customary for facilities of like size and type; (ii) each insurance policy shall be so written or endorsed as to make losses, if any, payable to the Charter School, the Corporation and the Master Trustee and the Bond Trustee, as their respective interests may appear; and (iii) each insurance policy shall explicitly waive any co-insurance penalty. The Master Trustee and the Bond Trustee shall have no duty to monitor or review any insurance policies or certificates received or for the sufficiency of such insurance.

(b) The Charter School shall, at its own expense, cause to be maintained commercial general liability and automobile liability insurance against claims arising in, on or about the Leased Property, including in, on or about the sidewalks or premises adjacent to the Leased Property, providing coverage limits not less than the coverage limits customarily carried by owners or operators of facilities of similar size and character within the State, and listing the Corporation, the Master Trustee and the Bond Trustee as additional insureds thereunder.

(c) The Charter School shall, at its own expense, cause to be maintained Fidelity insurance or bonds on those of its officers and employees who handle funds of the Charter School or crime coverage that provides coverage for theft of money and securities, both in such amounts and to such extent as are customarily carried by organizations similar to the Charter School and operating properties similar in size and character to the facilities of the Charter School.

(d) The Charter School shall, to the extent available for a commercially reasonable cost, at its own expense, cause to be maintained business interruption insurance or additional expense insurance that may be applied toward rent for alternative facilities, upon construction of the Building on the Leased Property, covering all risks as to which insurance is required pursuant to paragraph (a) above, in an amount equal to not less than the amounts required to be paid pursuant to Section 6.02 hereof for a period of not less than 6 months, to the extent commercially reasonable. If any such loss or damage has occurred, the Charter School shall continue to be obligated to pay the amounts required to be paid pursuant to Section 6.02 hereof, and any proceeds of such insurance shall be applied against all or part of such payment obligations of the Charter School.

(e) Such other forms of insurance as the Charter School is required by law to provide, including, without limitation, any legally required worker's compensation insurance and disability benefits insurance.

(f) The Charter School may, in its discretion, provide any of the insurance required by this Section under blanket insurance policies which insure not only the risks required to be insured hereunder but also other similar risks.

(g) The Charter School may, in its discretion, provide all or any portion of the insurance required by this Section by self-insurance meeting the requirements of Section 3.11 of the Master Indenture.

(h) The Charter School agrees to pay the premiums for any insurance required by the Loan Agreement as part of the Additional Rents.

The Corporation, the Master Trustee and the Bond Trustee shall be listed as additional insured under the policies set forth in this Section.

ARTICLE IX

DAMAGE, DESTRUCTION OR CONDEMNATION; USE OF NET PROCEEDS

Section 9.01. Damage, Destruction or Condemnation. If, during the Lease Term, (a) the Leased Property, or any portion thereof, shall be destroyed (in whole or in part), or damaged by fire or other casualty; (b) title to, or the temporary or permanent use of, the Leased Property, or any portion thereof or the estate of the Charter School, the Issuer, the Corporation, the Master Trustee, or the Bond Trustee in the Leased Property or any portion thereof, shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority; (c) breach of warranty or any material defect with respect to the Leased Property shall become apparent; or (d) title to or the use of all or any portion of the Leased Property shall be lost by reason of defect in the title thereto, then, the Charter School shall be obligated, subject to the provisions of Section 9.03 hereof, to continue to pay the amounts specified in Section 9.02 hereof and, to the extent of amounts specifically appropriated by the Charter School, to pay the amounts specified in Section 6.02 hereof.

Section 9.02. Obligation of the Charter School to Repair and Replace the Leased Property. Except as set forth in Section 9.03 hereof, all Net Proceeds of any insurance, performance bonds or condemnation awards shall be applied to the prompt repair, restoration, modification, improvement or replacement of the Leased Property by the Charter School upon receipt of requisitions by the Bond Trustee signed by the Authorized Representative of the Charter School and setting forth: (a) the requisition number; (b) the name and address of the person, firm or corporation to whom payment is due or has been made; (c) the amount to be paid or reimbursed; and (d) that each obligation mentioned therein has been properly incurred, is a proper charge against the separate trust fund and has not been the basis of any previous withdrawal and specifying in reasonable detail the nature of the obligation, accompanied by a bill or a statement of account for such obligation. The Corporation and the Bond Trustee shall cooperate with the Charter School in the administration of such fund and shall not unreasonably withhold its approval of requisitions under this Section. The Bond Trustee may conclusively rely on such requisitions as to the completeness and accuracy of all statements therein if such requisition is signed by the Authorized Representative of the Charter School, and the Bond Trustee shall not be required to make an independent investigation in connection therewith. Any repair, restoration, modification, improvement or replacement paid for in whole or in part out of Net Proceeds shall be the property of the Corporation, subject to the Loan Agreement, this Lease, the Master Indenture and the Bond Indenture, and shall be included as part of the Leased Property under this Lease, the Loan Agreement, the Master Indenture and the Bond Indenture. Subject to the provisions of Section

9.03 hereof, the Charter School (and, to the extent such Net Proceeds are within their control, the Corporation and the Bond Trustee) shall cause all such Net Proceeds for claims in excess of \$250,000 to be deposited in a separate trust fund held by the Bond Trustee. The balance of any such Net Proceeds remaining in such separate trust fund after such repair, restoration, modification, improvement or replacement has been completed shall be deposited into the Bond Principal Fund or the Bond Interest Fund, at the option of the Charter School.

Section 9.03. Insufficiency of Net Proceeds. If there occurs an event described in Section 9.01 hereof, and if any Net Proceeds received as a consequence of such event shall be insufficient to pay in full the cost of any repair, restoration, modification, improvement or replacement of the Leased Property required under Section 9.02 hereof, the Charter School shall elect one of the following options:

(a) The Charter School may, in accordance with Section 9.02 hereof, repair, restore, modify or improve the Leased Property or replace the Leased Property (or portion thereof) with property of a value equal to or in excess of the Leased Property as it previously existed, and pay as Additional Rents any cost in excess of the amount of the Net Proceeds, to the extent the amounts for Additional Rents which have been specifically appropriated by the Charter School are available for the payment of such costs, and the Charter School agrees that, if by reason of any such insufficiency of the Net Proceeds, the Charter School shall make any Additional Rents payments pursuant to the provisions of this paragraph, the Charter School shall not be entitled to any reimbursement therefor from the Corporation, the Issuer, the Master Trustee, the Bond Trustee or the Registered Owners, nor shall the Charter School be entitled to any diminution of the Base Rents and Additional Rents payable under Section 6.02 hereof.

(b) If, by June 30 of the Fiscal Year in which an event described in Section 9.01 hereof occurs (or June 30 of any subsequent Fiscal Year in which the insufficiency of Net Proceeds to repair, restore, modify, improve or replace the Leased Property become apparent), the Charter School has not appropriated amounts sufficient to proceed under clause (a) of this Section, an Event of Nonappropriation shall be deemed to have occurred. Unless such Event of Nonappropriation is cured as provided in Section 6.05 hereof, the Corporation, the Bond Trustee, or the Master Trustee may then pursue remedies as provided in Sections 6.05 and 12.02 hereof.

Section 9.04. Cooperation of the Corporation. The Corporation shall cooperate fully with the Charter School and the Bond Trustee in filing any proof of loss with respect to any insurance policy or performance bond covering the events described in Section 9.01 hereof, in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Leased Property or any portion thereof, and in the prosecution of any action relating to defaults or breaches of warranty under any contract relating to the Leased Property, and hereby assigns to the Bond Trustee its interests in such policies solely for such purposes. In no event shall the Corporation voluntarily settle, or consent to the settlement of, any proceeding arising out of any insurance claim, performance or payment bond claim, prospective or pending condemnation proceeding, or any action relating to defaults or breaches of warranty under any contract relating to the Leased Property or any portion thereof without the written consent of the Bond Trustee and the Charter School. The Charter School shall pay to the Corporation as Additional Rents all

reasonable fees and expenses incurred by the Corporation under this Section, to the extent that amounts for Additional Rents which have been specifically appropriated by the Charter School are available for the payment of such fees and expenses. This Section shall not be construed to obligate the Corporation to advance its own funds in order to take any action hereunder.

ARTICLE X

DISCLAIMER OF WARRANTIES; OTHER COVENANTS

Section 10.01. Disclaimer of Warranties. NONE OF THE ISSUER, THE CORPORATION, THE MASTER TRUSTEE OR THE BOND TRUSTEE MAKE ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR FITNESS FOR USE OF THE LEASED PROPERTY OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE LEASED PROPERTY OR ANY PORTION THEREOF. The Charter School hereby acknowledges and declares that the Charter School has fully participated in, and will fully participate in, the design, construction, maintenance and operation of the Leased Property, and that none of the Issuer, the Master Trustee, the Bond Trustee or the Registered Owners has any responsibility therefor. In no event shall the Issuer, the Corporation, the Master Trustee, the Bond Trustee or the Registered Owners be liable for any direct or indirect, incidental, special or consequential damage in connection with or arising out of this Lease or the existence, furnishing, functioning or use by the Charter School of any item, product or service provided for herein.

Section 10.02. Further Assurances and Corrective Instruments. The Corporation and the Charter School agree that so long as this Lease is in full force and effect and no Event of Nonappropriation or Event of Default shall have occurred, the Corporation and the Charter School shall have full power to carry out the acts and agreements provided herein and they will, so far as it may be authorized by law, from time to time, execute, acknowledge and deliver or cause to be executed, acknowledged and delivered such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Leased Property hereby leased or intended so to be, or for otherwise carrying out the intention of or facilitating the performance of this Lease. This Section shall not be construed to obligate the Corporation to advance its own funds, other than proceeds of the Bonds, in order to take any action hereunder.

Section 10.03. The Corporation, Charter School, Bond Trustee or Master Trustee Representatives. Whenever under the provisions hereof the approval of the Corporation, the Charter School, the Bond Trustee or the Master Trustee is required, or the Charter School, the Corporation, the Bond Trustee or the Master Trustee is required to take some action at the request of the other, unless otherwise provided, such approval or such request shall be given for the Corporation by the Authorized Representative of the Corporation, for the Charter School by the Authorized Representative of the Charter School, for the Bond Trustee by an authorized officer of the Bond Trustee and for the Master Trustee by an authorized officer of the Master Trustee, and the Corporation, the Charter School, the Bond Trustee and the Master Trustee shall be authorized to act on any such approval or request.

Section 10.04. Granting of Easements. As long as no Event of Nonappropriation or Event of Default shall have happened and be continuing, the Corporation and the Master Trustee shall at any time, but only upon the request of the Charter School, consent to the grant of easements, licenses, rights-of-way (including the dedication of public highways) and other rights or privileges in the nature of easements with respect to the real property included in the Leased Property, free from this Lease, the Loan Agreement and the Bond Indenture and any security interest or other encumbrance created hereunder or thereunder; the Corporation and the Master Trustee shall release existing easements, licenses, rights-of-way and other rights and privileges with respect to the real property included in the Leased Property, free from this Lease, the Loan Agreement and the Bond Indenture and any security interest or encumbrance created hereunder or thereunder, with or without consideration; and the Corporation and the Master Trustee agree to execute and deliver any instrument necessary or appropriate to confirm and grant or release any such easement, license, right-of-way or other grant or privilege upon receipt of: (a) a copy of the instrument of grant or release; (b) a written certificate signed by the Authorized Representative of the Charter School requesting such instrument and stating that such grant or release will not impair the effective use or interfere with the operation of the Leased Property; (c) an updated ALTA Survey indicating the location of such easement, license, right-of-way or other grant or privilege; and (d) an opinion of Bond Counsel to the effect that the grant or release will not cause an adverse impact on the tax-exempt status of the Series 2023A Bonds. Provided however, nothing in this Section shall be deemed to permit the granting of easements which materially, adversely affect the enjoyment and intended use of the Leased Property by the Charter School, and provided, further, however, the requirements set forth in this section shall not apply to easements granted to municipalities or utility service providers until the Completion Date for the Project, if such easements are required for the completion of the Project.

Section 10.05. Compliance with Requirements of Law. During the Lease Term, the Charter School and the Corporation shall observe and comply promptly with all current and future Requirements of Law applicable to the Leased Property or any portion thereof and all current and future requirements of all insurance companies writing policies covering the Leased Property or any portion thereof.

Section 10.06. Charter School Acknowledgement of the Bonds; Assignment and Subordination of Lease. The Charter School acknowledges and consents to the assignment by the Corporation to the Master Trustee, pursuant to the Leasehold Deed of Trust, of all rights, title and interest of the Corporation in, to and under this Lease (other than the rights of the Issuer and the Corporation with respect to payments for or reimbursement of certain fees and expenses under Section 6.02 hereof and indemnity rights under Section 13.01 hereof). The Charter School acknowledges and consents to the issuance and sale of the Bonds pursuant to the Master Indenture and the Bond Indenture. The Charter School acknowledges and approves the form of the Bonds contained in the Bond Indenture, and the authentication of the Bonds by the Bond Trustee is hereby approved, authorized and directed.

This Lease is expressly subordinated to the lien of the Leasehold Deed of Trust given by the Corporation to secure the Loan Agreement and the Bonds issued under the Master Indenture and the Bond Indenture. This Lease shall be subordinate to the lien of the Loan Agreement and the Leasehold Deed of Trust and any liens or security interests created under the Master Indenture or the Bond Indenture and any other mortgage, deed of trust (now or hereafter placed upon the

Leased Property in replacement of the Leasehold Deed of Trust or Loan Agreement or otherwise consented to by the Master Trustee) and to any and all advances made under any mortgage or deed of trust and to all renewals, modifications, replacements or extensions thereof; provided, however, that in the event of foreclosure on the Leasehold Deed of Trust caused by the Corporation's default thereunder, the Charter School shall continue to have the right to possess the property or otherwise enjoy its rights under the Lease provided that it fully performs its obligations hereunder. The Charter School agrees, with respect to any of the foregoing documents, that no documentation other than this Lease shall be required to evidence such subordination. Notwithstanding the foregoing, upon the written request of the Corporation, the Issuer or the Master Trustee, the Charter School agrees to deliver a Subordination, Non-Disturbance and Attornment Agreement reasonably acceptable to the Corporation, to the holder of the Leasehold Deed of Trust or to any other holder of any debt incurred in connection with a refinancing of the debt evidenced by the Loan Agreement and the Bond Indenture.

Section 10.07. Tax Covenants.

(a) The Charter School covenants for the benefit of the Issuer and the Registered Owners from time to time that the Charter School (i) shall not make any use of the Leased Property; and (ii) shall not take (or omit to take) any other action with respect to the Bonds, the interest on which is excludable from gross income for federal income tax purposes, the proceeds thereof or otherwise, if such use, action or omission would, under the Code, cause the interest on the Bonds, the interest on which is excludable from gross income for federal income tax purposes, to be included in gross income for federal income tax purposes or to be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, including, but not limited to, any actions that would cause the Internal Revenue Service to revoke the Charter School's status as a 501(c)(3) exempt organization under the Code (except, with respect to corporations, as such interest is required to be taken into account in determining "adjusted net book income" or "adjusted current earnings" for the purpose of computing the alternative minimum tax imposed on such corporations).

(b) In particular, the Charter School hereby covenants for the benefit of the Issuer and the Master Trustee and Registered Owners from time to time that it shall not take (or omit to take) or permit or suffer any action to be taken if the result of the same would cause the Bonds, the interest on which is excludable from gross income for federal income tax purposes to be (i) "*arbitrage bonds*" within the meaning of Section 148 of the Code; or (ii) "*private activity bonds*" within the meaning of Section 141 of the Code.

(c) The Charter School hereby covenants that it is in compliance with, and it will in the future remain in compliance with, all applicable nondiscrimination laws, and that if it should hereafter be determined by final action of a court or administrative body having jurisdiction that the Charter School has failed so to comply, the Charter School will proceed diligently to take such actions as may be necessary to restore compliance and to avoid any further substantial failure of compliance.

Section 10.08. Liquidity Covenant.

(a) The Charter School shall maintain Days Cash on Hand in an amount not less than~~equal to~~ the amount set forth in the table below for the periods indicated:

<u>Testing Date</u>	<u>Days Cash on Hand Requirement</u>
June 30, 2023 and each June 30 thereafter	45 Days

(b) The Charter School shall deliver to the Obligated Group Representative and the Master Trustee an Officer's Certificate executed by the Chief Executive Officer or Chief Financial Officer of the Charter School no later than six months after the close of each Fiscal Year, commencing with the Fiscal Year ended June 30, 2023, based on audited results, setting forth a computation of the Days Cash on Hand as of such date.

If the Officer's Certificate referred to in the preceding paragraph discloses that the Days Cash on Hand is less than the required Days Cash on Hand, then the Charter School agrees the Obligated Group Representative shall, at the Charter School's expense, engage an Independent Consultant. Such Independent Consultant (including the specific individuals) and the timeframes and scope of its engagement must be acceptable to the Master Trustee and the Holders of a majority of the Outstanding Obligations. The Master Trustee and the Holders shall be granted independent access to the Independent Consultant. Within 21 days after an Independent Consultant is retained, the Obligated Group Representative shall cause such Independent Consultant to submit a written report and recommendations with respect to improvements or changes in the operations and management of Charter School, which report shall state the extent to which prior recommendations (if any) of the Independent Consultant may not have been complied with by the Charter School. The recommendations of the Independent Consultant shall include a recommendation as to whether the existing management should continue to be retained. A copy of the report shall be submitted to the Master Trustee and to each requesting Holder as soon as practicable but in no event later than 60 days after the date on which the Independent Consultant is required to be retained, and shall be posted to EMMA.

Within seven months after the submission of its initial report, the Independent Consultant shall submit to the Master Trustee and each requesting Holder a follow-up report indicating whether or not the recommendations contained in its initial report are being complied with. The Obligated Group Representative has covenanted and agreed to file the report of the Independent Consultant with the Master Trustee and requesting Holders and to post it on the EMMA. In addition, the Charter School covenants to immediately implement and follow the recommendations of the Independent Consultant to the extent permitted by law and consistent with its board's fiduciary duties. Upon submission of the Independent Consultant's report, the Charter School shall arrange for payment of the amount owed to the Independent Consultant as Additional Rents subject to appropriation therefor.

(c) So long as the Charter School is otherwise in full compliance with its obligations under this Lease, including following the recommendations of the Independent

Consultant, it shall not constitute an event of default if the Charter School is unable to meet the Days Cash on Hand required in paragraph (a) above.

Section 10.09. Coverage Ratio Covenant.

(a) The Charter School shall deliver to the Obligated Group Representative and the Master Trustee an Officer's Certificate executed by the Chief Executive Officer or Chief Financial Officer of the Charter School, no later than six months after the close of each Fiscal Year, commencing with the Fiscal Year ended June 30, 2023, setting forth the computation of the Coverage Ratio as of the FY End Calculation Date.

(b) If the Coverage Ratio as of any FY End Calculation Date is below 1.10, the Charter School, at the written direction of the Master Trustee at least a majority of the Holders of the Outstanding Obligations, shall retain, at the expense of the Charter School, an Independent Consultant acceptable to such Holders and the provisions of this Section shall apply.

(c) Notwithstanding subsection (b) immediately above relating to retaining an Independent Consultant, if the Coverage Ratio falls below 1.0, an Event of Default hereunder shall be deemed to have occurred, and further, any future management fees of the then current manager of the Charter School shall be deferred, in whole or in part, by an amount sufficient to enable it to maintain a Coverage Ratio of at least 1.0 until such time as the Coverage Ratio on any FY End Calculation Date is at or above 1.0. Any deferred management fee shall be paid to the manager of the Charter School on the earlier of (A) the next FY End Calculation Date if an increase of the Coverage Ratio above 1.10x has been demonstrated and there are no existing Events of Default or (B) five years after the deferral date. Any such deferred management fee may accrue interest or be subject to a late payment fee as required by the management agreement

Section 10.10. Provision of Financial and Related Information. The Charter School agrees to provide the Master Trustee and the Issuer the following information during each Renewal Term (the information required to be provided to the Issuer in this paragraph need only be provided to the Issuer at its written request): (a) audited financial statements within 210 days of each June 30; (c) any litigation (including any matters of criminal misconduct) against the Charter School and its board of directors, or employees of the Charter School to the extent such action is expected to materially affect operations and/or school finances; and (d) such other information required pursuant to the Continuing Disclosure Agreement.

Section 10.11. Additional Leases. The Charter School agrees that it will not enter into any capital leases or operating leases for additional facilities, unless the Corporation has satisfied the requirements of Section 3.13 of the Master Indenture relating to additional Indebtedness. The Charter School may enter into capital leases for equipment and other non-facility items without meeting the requirements of Section 3.13 of the Master Indenture.

Section 10.12. Extraordinary Monthly Rent. In the event the Master Trustee has not received payment of all required rent under the Master Indenture with respect to all Property, Plant and Equipment on or before that date that such required payment is due, then the Corporation or

the Master Trustee shall notify the Charter School of any shortfall in such rent, and the Charter School shall pay, subject to appropriation therefor, as Additional Rents, the Extraordinary Monthly Rent to the Master Trustee within three business days after the Charter School's receipt of the Extraordinary Monthly Rent Notice, which shall be the Lessee's Proportionate Share of the Extraordinary Monthly Rent.

ARTICLE XI

ASSIGNMENT, SUBLEASING, MORTGAGING AND SELLING

Section 11.01. Assignment by the Corporation. The Corporation's rights under this Lease (other than its rights with respect to certain fees and expenses under Section 6.02 hereof), including rights to receive and enforce payments hereunder, have been assigned to the Issuer pursuant to the Loan Agreement and subsequently assigned by the Issuer to the Master Trustee (other than rights of the Issuer with respect to payments for or reimbursement of certain fees and expenses under Section 6.02 hereof and indemnity rights under Section 13.01 hereof) pursuant to the Bond Indenture. The Corporation shall not assign any rights it may have under this Lease or the Loan Agreement without the prior written consent of the Issuer and the Master Trustee.

Section 11.02. Assignment and Subleasing by the Charter School. This Lease may not be assigned by the Charter School for any reason. However, the Leased Property may be subleased, as a whole or in part, by the Charter School, only with the prior written consent of the Master Trustee, the Bond Trustee, and the Corporation; and provided, further, that a nationally recognized bond counsel acceptable to the Issuer delivers an opinion addressed to the Issuer, the Bond Trustee, and the Master Trustee stating that such sublease will not cause an adverse impact on the tax exempt status of the Series 2023A Bonds.

Section 11.03. Restrictions on Mortgage or Sale of the Leased Property. The Charter School and the Corporation agree that, subject to the Corporation's rights set forth in Section 3.15 of the Master Indenture, and except for (a) the Corporation's assignment of this Lease and the encumbrance of the lien against the Leased Property granted to or for the benefit of the Issuer and the Bond Trustee pursuant to the Loan Agreement and Leasehold Deed of Trust, respectively, (b) any exercise by the Corporation, the Bond Trustee or the Master Trustee of the remedies afforded by Section 12.02 hereof, (c) the Charter School's right to sublease pursuant to Section 11.02 hereof, (d) any granting of easements pursuant to Section 10.04 hereof, (e) any substitutions or modifications the Leased Property pursuant to Section 8.02 hereof, (f) any replacement of Leased Property pursuant to Section 9.02 or 9.03 hereof, and (g) Permitted Encumbrances, neither the Corporation nor the Charter School will mortgage, sell, assign, transfer or convey the Leased Property or any portion thereof during the Lease Term.

ARTICLE XII EVENTS OF DEFAULT AND REMEDIES

Section 12.01. Events of Default Defined. Any one of the following shall constitute an "Event of Default" under this Lease:

- (a) failure by the Charter School to pay any specifically appropriated Base Rents during the Lease Term on or before the applicable Base Rents Payment Date or to

pay Additional Rents which become due during the Lease Term, up to the amount specifically appropriated for the payment of Additional Rents in accordance with the provisions of Section 6.02 hereof; provided, however, that a failure by the Charter School to pay the Base Rents on the Base Rents Payment Date specified for such payment on Exhibit B hereto shall not constitute an Event of Default if such payment of Base Rents is received by the Master Trustee within ten (10) Business Days following such Base Rents Payment Date;

(b) failure by the Charter School to vacate the Leased Property by the thirtieth (30) calendar day following an Event of Nonappropriation, as provided in Section 6.05 hereof;

(c) failure by the Charter School to maintain the Charter Contract pursuant to the Charter Schools Act; provided, however, that if the Charter School has filed a timely appeal of the termination of the Charter Contract pursuant to the Charter Schools Act, an Event of Default shall not be deemed to occur until the earlier of the following: (i) the appeals process pursuant to the Charter Schools Act has concluded or (ii) a period of 60 days, which period may be extended only with the further written consent of the Registered Owners of all of the Outstanding Bonds;

(d) failure by the Charter School to timely pay any other amounts due to be paid by the Charter School as and when due under this Lease following ten (10) days written demand therefor by the Corporation or any assignee of the Corporation;

(e) failure of the Charter School to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in clause (a), (b), (c) or (d) above or as otherwise set forth in such covenant, condition or agreement hereunder, for a period of 30 days after written notice, specifying such failure and requesting that it be remedied shall be given to the Charter School by the Bond Trustee, the Master Trustee or the Corporation (any notice sent by the Bond Trustee or the Master Trustee to the Charter School shall also be sent to the Corporation and the Issuer), unless the Master Trustee or the Bond Trustee shall agree in writing, prior to the expiration of the 30 day period, to an extension of no more than an additional 60 days; provided, however, that if the failure stated in the notice cannot be corrected within the original 30-day period after written notice, the Master Trustee, the Bond Trustee and the Corporation shall not withhold their consent to an extension of up to an additional 60 days if corrective action shall be instituted by the Charter School within such time period and diligently pursued until the default is corrected;

(f) the Charter School shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of its creditors,

or shall fail to pay its debts as they become due, or shall take any action in furtherance of any of the foregoing;

(g) an involuntary case or other proceeding shall be commenced against the Charter School seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of 120 days;

(h) the estate or interest of the Charter School in the Leased Property shall be levied upon or attached in any proceeding and such process shall not be vacated or discharged within 90 days after such levy or attachment, unless the Charter School shall be contesting such levy or attachment in accordance with the requirements of Sections 7.02 or 8.03 hereof; or

(i) the Charter School terminates the Colorado Charter School Intercept Program Application or otherwise withdraws from the Colorado Charter School Intercept Program.

The foregoing provisions of this Section are subject to the following limitations: (i) the Charter School shall be obligated to pay the Base Rents and Additional Rents only during the Lease Term, except as otherwise expressly provided in this Lease; and (ii) if, by reason of Force Majeure, the Charter School shall be unable in whole or in part to carry out any agreement on its part herein contained, other than the obligations on the part of the Charter School contained in Article VI hereof and until the expiration or end of the Lease Term pursuant to Section 4.01 hereof, the Charter School shall not be deemed in default during the continuance of such inability so long as the Charter School has provided written notice to the Corporation, Master Trustee and the Bond Trustee and the Master Trustee and Bond Trustee concurs with the conclusion that an event of Force Majeure has occurred. The Charter School agrees to remedy, as promptly as legally and reasonably possible, the cause or causes preventing the Charter School from carrying out its obligations under this Lease; provided that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the Charter School.

Section 12.02. Remedies on Default. Whenever any Event of Default referred to in Section 12.01 hereof shall have happened and be continuing, the Master Trustee, acting for the Corporation, may, or at the request of the Registered Owners of a majority in aggregate principal amount of the Bonds Outstanding shall, without any further demand or notice, exercise one or any combination of the following remedies:

(a) terminate the Lease Term and give notice to the Charter School to vacate the Leased Property, in the manner provided in Section 6.05 hereof, within 10 calendar days from the date of such notice;

(b) without further demand or notice, reenter and take possession of the Leased Property in accordance with applicable law, repossess the same, expel the Charter School and those claiming through or under the Charter School, and remove the effects of both or

either, using such force for such purposes as may be lawful and necessary, without being liable for prosecution, without being deemed guilty of any manner of trespass, and without prejudice to any remedies for arrears of Base Rents, Additional Rents or other amounts payable under this Lease or as a result of any preceding breach of covenants or conditions;

(c) to pursue any and all other rights and remedies available under Colorado law, in law or in equity, including, without limitation, taking possession and selling any and all of Charter School's real or personal property upon which the Corporation or its assignees has a Lien hereunder;

(d) acting for the Corporation, lease all or any portion of the real property included in the Leased Property;

(e) acting for the Corporation, recover from the Charter School:

(i) to the extent the recovery thereof is permitted by law, and only for so long as the Charter School remains in possession of the Leased Property, the fair rental value of the use of the Leased Property during any period beyond the 30th calendar day following the occurrence of the Event of Default; and

(ii) Base Rents and Additional Rents, to the extent specifically appropriated therefor in accordance with the provisions of Section 6.02 hereof, which would otherwise have been payable by the Charter School hereunder after the Charter School vacates the Leased Property through the remainder of the Lease Term which occurs during the current Fiscal Year in which such Event of Default occurs; and

(f) acting for the Corporation, take whatever action at law or in equity may appear necessary or desirable to enforce its rights in and to the Leased Property under this Lease, the Loan Agreement, the Leasehold Deed of Trust, the Master Indenture and the Bond Indenture, subject, however, to the limitations contained in this Lease with respect to the Charter School's obligations upon the occurrence of an Event of Nonappropriation; and

(g) in the event that the Corporation or its assignees elect to terminate and/or reenter the Leased Property as provided in Section 12.02(a) hereof, or should the Corporation or its assignees take possession of the Leased Property pursuant to legal proceedings or pursuant to any notice provided by Colorado law, the Corporation or its assignees shall automatically and with no further action required, own, subject to the Site Lease, the improvements located on the Leased Property (and the Charter School agrees to execute any documents so confirming, including, without limitation, a deed, a bill of sale and an assignment of agreements and permits to the extent such agreements and permits relate to the Leased Property generally). The Corporation or its assignees may relet the Leased Property or portions thereof for such term or terms (which may be greater or less than the period which would otherwise have constituted the balance of the Term of this Lease) and on such conditions and upon such other terms (which may include concessions of free rent and alteration and repair of the Leased Property improvements as the

Corporation or its assignees, in their sole discretion, may determine) and the Corporation or its assignees may collect and receive the rent from such reletting of the Leased Property or portions thereof.

Section 12.03. Limitations on Remedies. A judgment requiring a payment of money may be entered against the Charter School by reason of an Event of Default only as to the Charter School's liabilities described in Section 12.02(e) hereof. A judgment requiring a payment of money may be entered against the Charter School by reason of an Event of Nonappropriation only to the extent that the Charter School fails to vacate the Leased Property as required by Section 6.05 hereof, and only as to the unpaid liabilities described in Section 12.02(e)(i) hereof. The remedy described in Section 12.02(e)(ii) hereof shall not be available for an Event of Default consisting of failure by the Charter School to vacate the Leased Property by the tenth calendar day following an Event of Nonappropriation.

Section 12.04. No Remedy Exclusive. Subject to Section 12.03 hereof, no remedy herein conferred upon or reserved to the Master Trustee on behalf of the Corporation, is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Master Trustee, on behalf of the Corporation, to exercise any remedy reserved in this Article, it shall not be necessary to give any notice, other than such notice as may be required in this Article.

Section 12.05. Waivers.

(a) Subject to the terms of the Bond Indenture, the Bond Trustee may waive any Event of Default under this Lease and its consequences. In the event that any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

(b) In view of the assignment of the Corporation's rights under this Lease to the Issuer pursuant to the Loan Agreement and the Issuer's subsequent assignment to the Master Trustee pursuant to the Leasehold Deed of Trust, the Corporation shall have no right to waive any Event of Default hereunder without the prior written consent of the Master Trustee; and the waiver of any Event of Default hereunder by the Master Trustee shall constitute a waiver of such Event of Default by the Corporation, without the necessity of any action of or consent by the Corporation.

ARTICLE XIII

MISCELLANEOUS

Section 13.01. Indemnification Covenants. To the extent permitted by law, and subject to the limits of liabilities and immunities provided under the Colorado Governmental Immunity Act, Article 10, Title 24, Colorado Revised Statutes, as amended, the Charter School shall and

hereby agrees to indemnify and hold Issuer Indemnified Parties, the Corporation and the Master Trustee harmless against and from all claims, by or on behalf of any person, firm, corporation or other legal entity arising from the issuance of the Bonds and the execution of this Lease, the Master Indenture, the Bond Indenture or any other documents entered into in connection with the Bonds and the conduct or management of, or from any work or thing done on or with respect to, the Leased Property during the Lease Term from: (a) any conditions of the Leased Property; (b) any action of negligence of the Charter School or any of its agents, contractors or employees or any violation of law by the Charter School or breach of any covenant or warranty by the Charter School hereunder, or any claim or allegation of any of the foregoing; (c) any act or omission of the Charter School or any of its agents, members, officers or directors, which act or omission shall include any and all claims or potential claims arising at law or in equity which are or may be asserted against Issuer Indemnified Parties or the Corporation, their agents, officers or directors, including, but not limited to claims of negligence, breach of contract, breach of fiduciary duty and any alleged violation of any law, ordinance or regulation; and (d) any claims arising from Section 8.06 of the Loan Agreement. To the extent permitted by law, the Charter School shall indemnify and hold Issuer Indemnified Parties, the Corporation and the Master Trustee harmless from any such claim arising from (a), (b), (c) or (d) above or in connection with any action or proceeding brought thereon and, upon notice from Issuer Indemnified Parties, the Corporation or the Master Trustee, shall defend Issuer Indemnified Parties, the Corporation or the Master Trustee in any such action or proceeding. The Charter School shall, to the extent permitted by law, indemnify and hold harmless the Corporation and Issuer Indemnified Parties and their officers, employees and directors, in their official and personal capacity, for any and all actions related to the Leased Property and the authorization, issuance and delivery of the Bonds.

Section 13.02. Manner of Giving Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when (a) mailed by certified or registered mail, postage prepaid; (b) deposited with any nationally recognized overnight delivery service that routinely issues receipts; or (c) personally delivered by any courier service that routinely issues receipts: if to the Charter School, to Leman Classical School, 19560 Stroh Road, Parker, Colorado 80134, Attention: President; if to the Corporation, to The Leman Academy of Excellence—Douglas County, Colorado, 555 E. River Road, Tucson, Arizona 85704, Attention: Chief Executive Officer; if to the Issuer, to the Colorado Educational and Cultural Facilities Authority, 1800 Glenarm Place, Suite 1201, Denver, Colorado 80202, Attention: Executive Director; and if to the Master Trustee or Bond Trustee, to UMB Bank, n.a., at 2777 East Camelback Road, Suite 130, Phoenix, Arizona 85016, Attention: Corporate Trust Services. The Charter School, the Corporation, the Issuer, Bond Trustee, and the Master Trustee, may, by written notice, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 13.03. Binding Effect. This Lease shall inure to the benefit of and shall be binding upon the Corporation and the Charter School and their respective successors and assigns, subject, however, to the limitations contained in Article XI hereof.

Section 13.04. No Individual Liability. All covenants, stipulations, promises, agreements and obligations of the Charter School or the Corporation, as the case may be, contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Charter School or the Corporation, as the case may be, and not of any member, director, officer,

employee, servant or other agent of the Charter School or the Corporation in his or her individual capacity, and no recourse shall be had on account of any such covenant, stipulation, promise, agreement or obligation (including, without limitation, any obligations relating to payment of principal of, redemption premium, if any, or interest on the Bonds), or for any claim based thereon or hereunder, against any member, director, officer, employee, servant or other agent of the Charter School or the Corporation or any natural person executing this Lease, the Loan Agreement or any related document or instrument.

Section 13.05. Amendments, Changes and Modifications. Except as otherwise provided in this Lease or the Bond Indenture, subsequent to the issuance of the Bonds and prior to the discharge of the Bond Indenture, this Lease may not be effectively amended, changed, modified or altered without the written consent of the Master Trustee and the Issuer as provided in the Bond Indenture and other than by the execution of a subsequent document in the same manner as this Lease is executed which may be evidenced by a recorded document in the real property records of the Clerk and Recorder of the county in which the Leased Property is located.

Section 13.06. Events Occurring on Days that are not Business Days. If the date for making any payment or the last day for performance of any act or the exercising of any right under this Lease is a day that is not a Business Day, such payment may be made, such act may be performed or such right may be exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in this Lease.

Section 13.07. Severability. In the event that any provision of this Lease, other than the requirement of the Charter School to pay Base Rents, the requirement of the Corporation to provide quiet enjoyment of the Leased Property and the requirement that the obligations of the Charter School to pay Base Rents and Additional Rents under this Lease are conditioned upon the prior specific appropriation by the Charter School of amounts for such purposes in accordance with the requirements of State law, shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 13.08. Execution in Counterparts. This Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 13.09. Applicable Law. The laws of the State and rules and regulations issued pursuant thereto, as the same may be amended from time to time, shall be applied in the interpretation, execution and enforcement of this Lease. Any provision of this Lease whether or not incorporated herein by reference which provides for arbitration by an extra-judicial body or person or which is otherwise in conflict with said laws, rules, and regulations shall be considered null and void. Nothing contained in any provision incorporated herein by reference which purports to negate this or any other special provision in whole or in part shall be valid or enforceable or available in any action at law whether by way of complaint, defense, or otherwise. Any provision rendered null and void by the operation of this provision will not invalidate the remainder of this Lease to the extent that this Lease is capable of performance.

Section 13.10. Captions. The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Lease.

Section 13.11. Retention of Records. The Charter School will maintain or cause to be maintained records relating to the use of the proceeds of the Bonds and the use and operation of the Facility 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 issued to refund the Bonds.

Section 13.12. 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 13.13. Estoppels. Each party hereto agrees that at any time and from time to time during the Term of this Lease, it shall promptly, but in any event not later than 15 days after request by the other party hereto, execute, acknowledge and deliver to such other party or to any prospective purchaser, assignee, transferee, or the Issuer, the Master Trustee or the Bond Trustee or to any third party designated by such other party, a certificate stating, if true, that, to the actual knowledge of the signor (a) that this Lease is unmodified and in force and effect (or if there have been modifications, that this Lease is in force and effect as modified, and identifying the modification agreements); (b) the date to which Base Rents and Additional Rents have been paid; (c) to the knowledge of the signer after due inquiry and investigation, whether or not there is any existing Event of Default by the Charter School in the payment of any Base Rents, Additional Rents, or other sums payable hereunder beyond any applicable grace period, and to the actual knowledge of the signer, whether or not there is any other existing default by either party hereto with respect to which a notice of default has been served, and, if there is any such default, specifying the nature and extent thereof; and (d) whether or not there are any setoffs, defenses or counterclaims against enforcement of the obligations to be performed hereunder existing in favor of the party executing such certificate.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Corporation and the Charter School have executed this Lease as of the date first written above.

THE LEMAN ACADEMY OF
EXCELLENCE—DOUGLAS COUNTY,
COLORADO, as Lessor

By _____
President

Attest:

By: _____
Secretary

LEMAN CLASSICAL SCHOOL, as Lessee

By _____
President

Attest:

By: _____
Secretary

STATE OF COLORADO)

) ss.

COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this ____ day of March, 2023, by _____, President and _____, Secretary of The Leman Academy of Excellence—Douglas County, Colorado, a Colorado nonprofit corporation.

WITNESS MY HAND AND OFFICIAL SEAL, the day and year above written.

[NOTARIAL SEAL]

Notary Public

STATE OF COLORADO)

) ss.

COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this __ day of March, 2023, by _____, as _____, and _____, as _____ of Leman Classical School, a Colorado public charter school.

WITNESS MY HAND AND OFFICIAL SEAL, the day and year above written.

[NOTARIAL SEAL]

Notary Public

EXHIBIT A

DESCRIPTION OF THE REAL PROPERTY

EXHIBIT B
BASE RENT PAYMENT SCHEDULE

[Attached]

4887-4392-8905 v3 [78720-7]