



Crossroads Charter Schools

October 2018 Board Meeting

Date and Time

Monday October 29, 2018 at 5:00 PM CDT

Location

816 Broadway Street Kansas City, MO 64105

Agenda

I. Opening Items

Opening Items

A. Record Attendance and Guests

B. Call the Meeting to Order

C. Approve Minutes

Approve minutes for September 2018 Board Meeting on September 24, 2018

II. Finance

Finance

A. September Financials

B. September Check Register

C. Updated ProForma

D. Thayer Building Refinance

E. Historic Virginia Hotel Refinance

III. Governance

Governance

A. Enrollment Policy Update

B. ASBR Edit Letter

C. New Board Members

IV. Operations

A. Board Safety Committee

V. Development

Educational Excellence

A. Development Updates

VI. Closed Session Pursuant to 610.021 (3)

VII. Closing Items

A. Adjourn Meeting

Coversheet

Approve Minutes

Section: I. Opening Items
Item: C. Approve Minutes
Purpose: Approve Minutes
Submitted by:
Related Material: Minutes for September 2018 Board Meeting on September 24, 2018

APPROVED



Crossroads Charter Schools

Minutes

September 2018 Board Meeting

Date and Time

Monday September 24, 2018 at 5:00 PM

Location

816 Broadway Street Kansas City, MO 64105

Trustees Present

D. Charity, D. Francis, R. Cattelino, R. Moore

Trustees Absent

B. Sweetman, P. Crawford

Guests Present

Anne Nichols, C. Hughley, D. Johnson, Dean Johnson, Paul Greenwood, R. Uptergrove

I. Opening Items

A. Record Attendance and Guests

B. Call the Meeting to Order

R. Moore called a meeting of the board of trustees of Crossroads Charter Schools to order on Monday Sep 24, 2018 at 5:00 PM.

C. Approve Minutes

R. Cattelino made a motion to approve minutes from the August 2018 Board Meeting on 08-20-18 August 2018 Board Meeting on 08-20-18.

D. Francis seconded the motion.

The board **VOTED** unanimously to approve the motion.

II. Finance

A. August Financials

| | Forecast | Budget | Variance |
|------------|------------|------------|-----------|
| Revenue | 11,518,876 | 11,628,137 | (109,260) |
| Expenses | 11,602,609 | 11,602,557 | (52) |
| Net Income | (83,733) | 25,580 | (109,313) |

Summer School ADA was calculated lower than budget; will know more about state revenue drivers after the September payment

B. August Check Register

R. Moore made a motion to Approve.

D. Francis seconded the motion.

The board **VOTED** unanimously to approve the motion.

C. Insurance Review

Ron Cattelino discussed the current Insurance Plan.

III. Governance

A. Dyslexia Policy Updates

R. Cattelino made a motion to Approve.

D. Charity seconded the motion.

The board **VOTED** unanimously to approve the motion.

B. McKinney Vento Liasions

D. Charity made a motion to Approve.

R. Cattelino seconded the motion.

The board **VOTED** unanimously to approve the motion.

C. Board Committees

Board discussed their contracts and requested all Board members attend and support the 2 annual Crossroads fundraisers each year.

D. 2018-2019 Annual Board Calendar

R. Cattelino made a motion to Approve the Board Meeting date changes.

D. Charity seconded the motion.

The board **VOTED** unanimously to approve the motion.

IV. Development

A. Development Update

Dean Johnson provided updates on the current fundraising plan and goal for Crossroads.

B. Dreaming Big Update

Dean Johnson discussed the goals for the 2018 Dreaming Big event. The fundraising goal was set much higher than in year's past.

V. Closing Items

A. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 5:42 PM.

Respectfully Submitted,

R. Uptergrove

D. Francis made a motion to adjourn the meeting.

R. Cattelino seconded the motion.

The board **VOTED** unanimously to approve the motion.

Coversheet

September Financials

Section: II. Finance
Item: A. September Financials
Purpose: FYI
Submitted by:
Related Material: 2018 09 Finance Report.pdf



Crossroads Charter Schools

September 2018 Financials

PREPARED **OCTOBER 2018** BY



- **Key Performance Indicators**
- **Forecast Overview**
- **Cash Forecast**
- **Forecast History**
- **Key Forecast Changes This Month**
- **Notable Forecast Variances**
- **Appendix: Financials**

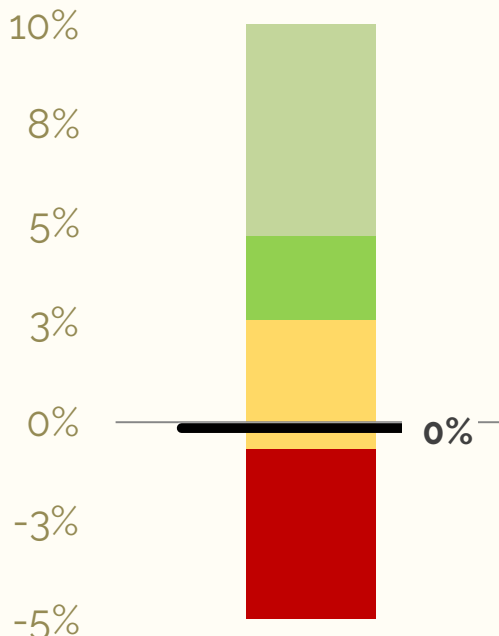
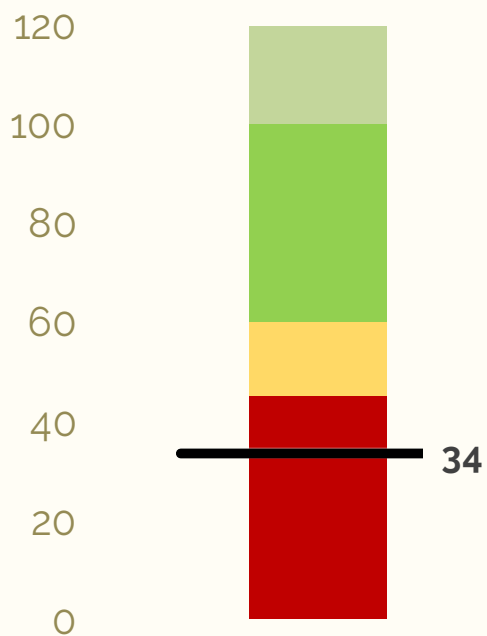
Key Performance Indicators

Days of Cash

Cash balance at year-end divided by average daily expenses

Gross Margin

Revenue less expenses, divided by revenue



34 DAYS OF CASH AT YEAR'S END

The school's 34 days of year-end cash is below the recommended 60 days.

% GROSS MARGIN

The forecasted net income is -\$22k, which is \$47k below the budget. It yields a 0% gross margin.

Forecast Overview



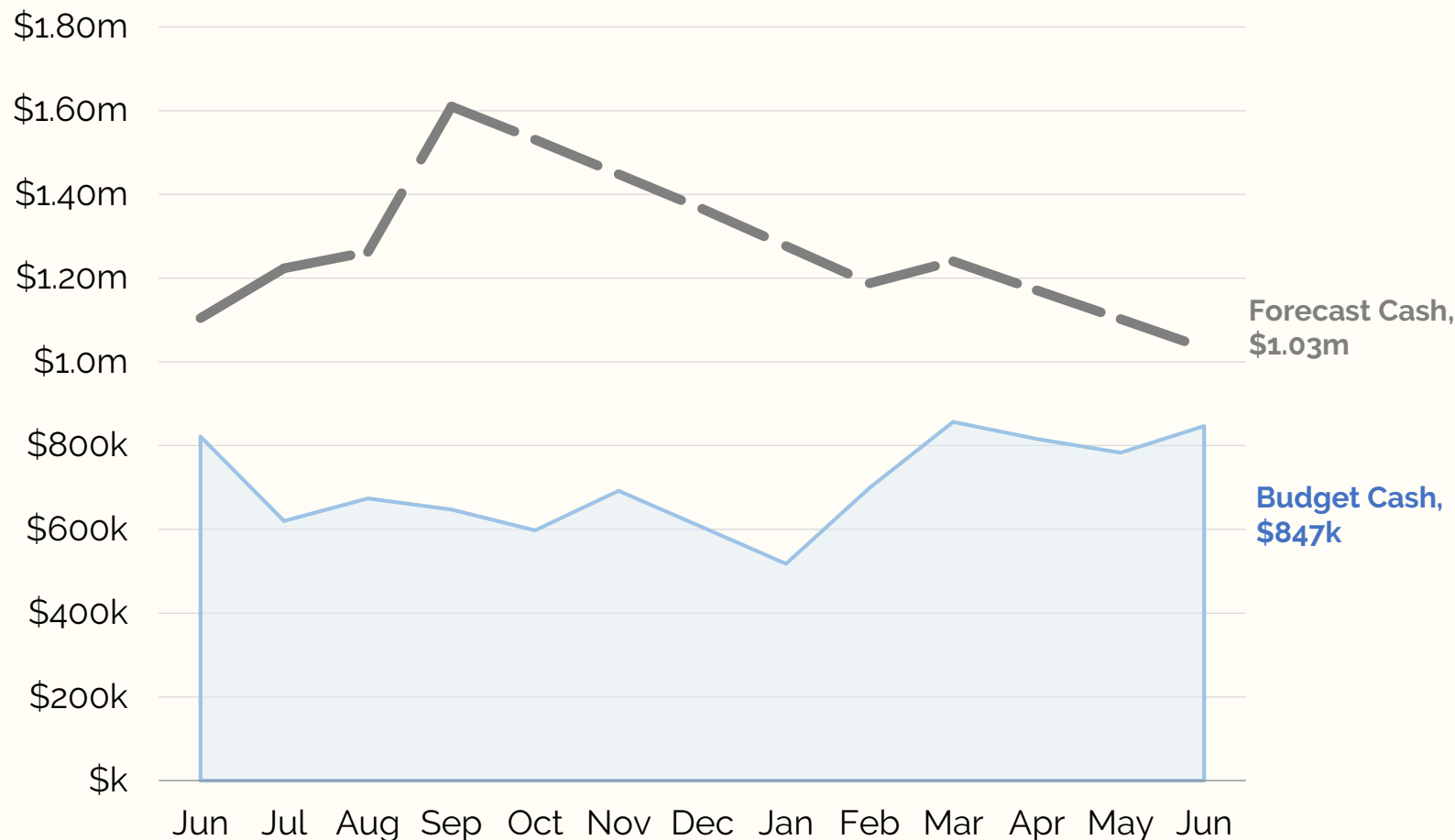
Forecast Budget Variance Variance Graphic Comments

| | | | | | |
|-----------------------|------------|------------|-----------------|-------|--|
| Revenue | 11,578,047 | 11,628,137 | (50,090) | \$50k | Summer School ADA was calculated lower than budget; but state revenue is currently paying \$100/WADA more than budgeted. Anticipate that there is upside in the revenue projection. |
| Expenses | 11,599,587 | 11,602,557 | 2,970 | \$3k | Q1 expenses are by and large tracking closely to original budget projections. While there have been savings in some areas, increased costs include Park U(43K), and Thayer janitorial (31k). |
| Net Income | (21,540) | 25,580 | (47,120) | \$47k | |
| Cash Flow Adjustments | 0 | 0 | 0 | | |
| Change in Cash | (21,540) | 25,580 | (47,120) | \$47k | |

Cash Flow Forecast

34 Days of Cash at year's end

We forecast the school's year ending cash balance as **\$1m**, **\$153k** above budgeted year end cash due to FY 18 year-end cash ending higher than forecast at time budget was approved.



Rent Variances

 **\$220k**
More Cash Annually

Selected Accounts

Forecast

Budget

Annual Variance

Adjustments This Month

Facilities Facilities Rent
includes everything but Thayer interest

578k


798k



 \$220k

 **-\$578k**

Accounts not shown provide 0 in annual variance and 0 in adjustments this month


Office & Business Expense Variances



 **\$43k**
Less Cash Annually

| Selected Accounts | Forecast | Budget | Annual Variance | Adjustments This Month |
|---|----------|--------|--|--|
| Exec Admin Facilities Rent Park U lease break and damage reimbursement added at 43K | 43k | 0 |  -\$43k |  -\$43k |

Accounts not shown provide 0 in annual variance and \$685k in adjustments this month

Interest Variances

 **\$252k**
Less Cash Annually

| Selected Accounts | Forecast | Budget | Annual Variance | Adjustments This Month |
|---|----------|--------|---|---|
| Lt Interest Lt Interest Current Thayer payments forecast to 30K over budget | 252k | 0 |  -\$252k |  -\$252k |

Accounts not shown provide 0 in annual variance and 0 in adjustments this month

- Food sales to students through q1 is 8K under budget target. While the school operated in a similar fashion last year, food service collections has always been a pain point for the school that is worthy of continued attention and monitoring. The budget includes food expense of 265K, and food revenue 215K, which means the food service program has been budgeted to have a 20% loss. The target was set with the expectation that budget performance could surpass.
- As referenced in a previous slide, the basic formula payment was \$8,588 in September, and \$8,587 in October. These numbers are \$100/WADA higher than budget. Thus, there is upside potential in state revenue this year, and perhaps, over the long-term as well, an unexpected, but positive development, both for CCS, and the charter sector as a whole.
- To date, there have been 128K costs associated with the Thayer renovation in FY 19.

| | Actual | Budget | Variance | Forecast | Budget | Variance | Remaining |
|-------------------------------------|------------------|------------------|-----------------|-------------------|-------------------|-------------------|------------------|
| Revenue | | | | | | | |
| Local Revenue | 1,163,443 | 767,938 | 395,505 | 2,714,078 | 2,699,752 | 14,326 | 1,550,635 |
| State Revenue | 1,998,899 | 1,831,025 | 167,873 | 8,206,092 | 8,270,508 | (64,416) | 6,207,194 |
| Federal Revenue | 68,888 | 58,791 | 10,097 | 657,877 | 657,877 | 0 | 588,989 |
| Total Revenue | 3,231,230 | 2,657,754 | 573,475 | 11,578,047 | 11,628,137 | (50,090) ① | 8,346,817 |
| Expenses | | | | | | | |
| Salaries | 1,208,383 | 1,235,586 | 27,204 | 5,186,850 | 5,218,656 | 31,806 | 3,978,467 |
| Benefits and Taxes | 365,403 | 386,490 | 21,087 | 1,560,544 | 1,545,960 | (14,584) | 1,195,141 |
| Staff-Related Costs | 36,637 | 25,700 | (10,937) | 102,800 | 102,800 | 0 | 66,162 |
| Rent | 149,121 | 199,470 | 50,349 | 577,880 | 797,880 | 220,000 | 428,759 |
| Occupancy Service | 346,269 | 367,780 | 21,511 | 1,202,344 | 1,471,119 | 268,775 | 856,075 |
| Student Expense, Direct | 300,283 | 215,641 | (84,642) | 1,070,533 | 862,564 | (207,969) | 770,250 |
| Student Expense, Indirect | 26,966 | 66,250 | 39,284 | 265,000 | 265,000 | (0) | 238,034 |
| Office & Business Expense | 224,575 | 171,270 | (53,305) | 728,080 | 685,080 | (43,000) | 503,506 |
| Transportation | 2,546 | 163,375 | 160,829 | 653,498 | 653,498 | 0 | 650,952 |
| Total Ordinary Expenses | 2,660,183 | 2,831,562 | 171,378 | 11,347,528 | 11,602,557 | 255,029 | 8,687,345 |
| Net Operating Income | 571,046 | (173,807) | 744,854 | 230,519 | 25,580 | 204,939 | (340,528) |
| Extraordinary Expenses | | | | | | | |
| Interest | 62,577 | - | (62,577) | 252,059 | - | (252,059) | 189,482 |
| Total Extraordinary Expenses | 62,577 | - | (62,577) | 252,059 | - | (252,059) | 189,482 |
| Total Expenses | 2,722,761 | 2,831,562 | 108,801 | 11,599,587 | 11,602,557 | 2,970 ② | 8,876,826 |
| Net Income | 508,469 | (173,807) | 682,276 | (21,540) | 25,580 | (47,120) ③ | (530,009) |
| Cash Flow Adjustments | (2,774) | - | (2,774) | 0 | - | 0 ④ | 2,774 |
| Change in Cash | 505,695 | (173,807) | 679,503 | (21,540) | 25,580 | (47,120) ⑤ | (527,236) |

① REVENUE: \$50K BEHIND
 Revenue projection down due to Summer ADA being lower than projected, but upside does exist as state payment currently \$100/WADA higher than budget

② EXPENSES: \$3K AHEAD
 Q1 expenses all in all tracking largely on track with budget projections

③ NET INCOME: \$47K behind

Monthly Financials

| | Year-to-Date | | | Forecast | | | | | | | | | | TOTAL |
|---------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | | |
| Income Statement | | | | | | | | | | | | | | |
| Revenue | | | | | | | | | | | | | | |
| Local Revenue | 387,492 | 358,181 | 417,770 | 172,293 | 172,293 | 172,293 | 172,293 | 172,293 | 172,293 | 172,293 | 172,293 | 172,293 | 172,293 | 2,714,078 |
| State Revenue | 550,777 | 547,142 | 900,980 | 669,996 | 666,985 | 666,985 | 666,985 | 666,985 | 808,280 | 686,993 | 686,993 | 686,993 | 686,993 | 8,206,092 |
| Federal Revenue | 3,809 | 0 | 65,080 | 65,443 | 65,443 | 65,443 | 65,443 | 65,443 | 65,443 | 65,443 | 65,443 | 65,443 | 65,443 | 657,877 |
| Total Revenue | 942,077 | 905,323 | 1,383,830 | 907,732 | 904,721 | 904,721 | 904,721 | 904,721 | 1,046,015 | 924,728 | 924,728 | 924,728 | 924,728 | 11,578,047 |
| Expenses | | | | | | | | | | | | | | |
| Salaries | 368,866 | 405,431 | 434,086 | 442,052 | 442,052 | 442,052 | 442,052 | 442,052 | 442,052 | 442,052 | 442,052 | 442,052 | 442,052 | 5,186,850 |
| Benefits and Taxes | 117,378 | 121,645 | 126,380 | 128,458 | 128,458 | 128,458 | 134,961 | 134,961 | 134,961 | 134,961 | 134,961 | 134,961 | 134,961 | 1,560,544 |
| Staff-Related Costs | 19,498 | 5,083 | 12,056 | 7,351 | 7,351 | 7,351 | 7,351 | 7,351 | 7,351 | 7,351 | 7,351 | 7,351 | 7,351 | 102,800 |
| Rent | 46,072 | 53,432 | 49,618 | 47,640 | 47,640 | 47,640 | 47,640 | 47,640 | 47,640 | 47,640 | 47,640 | 47,640 | 47,640 | 577,880 |
| Occupancy Service | 40,606 | 135,982 | 169,681 | 95,119 | 95,119 | 95,119 | 95,119 | 95,119 | 95,119 | 95,119 | 95,119 | 95,119 | 95,119 | 1,202,344 |
| Student Expense, Direct | 70,699 | 97,366 | 132,217 | 85,583 | 85,583 | 85,583 | 85,583 | 85,583 | 85,583 | 85,583 | 85,583 | 85,583 | 85,583 | 1,070,533 |
| Student Expense, Indirect | 0 | 0 | 26,966 | 26,448 | 26,448 | 26,448 | 26,448 | 26,448 | 26,448 | 26,448 | 26,448 | 26,448 | 26,448 | 265,000 |
| Office & Business Expense | 86,980 | 86,690 | 50,904 | 55,945 | 55,945 | 55,945 | 55,945 | 55,945 | 55,945 | 55,945 | 55,945 | 55,945 | 55,945 | 728,080 |
| Transportation | 0 | 2,458 | 88 | 72,328 | 72,328 | 72,328 | 72,328 | 72,328 | 72,328 | 72,328 | 72,328 | 72,328 | 72,328 | 653,498 |
| Interest | 20,461 | 21,063 | 21,054 | 21,054 | 21,054 | 21,054 | 21,054 | 21,054 | 21,054 | 21,054 | 21,054 | 21,054 | 21,054 | 252,059 |
| Total Ordinary Expenses | 770,560 | 929,151 | 1,023,051 | 981,978 | 981,978 | 981,978 | 988,482 | 988,482 | 988,482 | 988,482 | 988,482 | 988,482 | 988,482 | 11,599,587 |
| Total Expenses | 1,541,119 | 1,858,301 | 2,046,101 | 1,963,957 | 1,963,957 | 1,963,957 | 1,976,964 | 1,976,964 | 1,976,964 | 1,976,964 | 1,976,964 | 1,976,964 | 1,976,964 | 23,199,174 |
| Net Income | 171,518 | -23,828 | 360,779 | -74,247 | -77,257 | -77,257 | -83,761 | -83,761 | 57,534 | -63,753 | -63,753 | -63,753 | -63,753 | -21,540 |
| Cash Flow Adjustments | -52,729 | 63,096 | -13,141 | 308 | 308 | 308 | 308 | 308 | 308 | 308 | 308 | 308 | 308 | 0 |
| Change in Cash | 118,789 | 39,268 | 347,638 | -73,939 | -76,949 | -76,949 | -83,453 | -83,453 | 57,842 | -63,445 | -63,445 | -63,445 | -63,445 | -21,540 |



QUESTIONS?

Please contact your EdOps Finance Specialist:

Paul Greenwood

paul@ed-ops.com

415-359-3995

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Coversheet

September Check Register

Section: II. Finance
Item: B. September Check Register
Purpose: Vote
Submitted by:
Related Material: 201809 CHECK REGISTER.pdf

Crossroads Academy of Kansas City, Inc.
10/24/2018 9:11 AM

Check Register by Type

Page: 1
User ID: PAUL

| Payee Type: Vendor | | Check Type: Automatic Payment | | | Checking Account ID: 1 | | |
|-------------------------------------|-------------------|--------------------------------------|-------------|------------------|-------------------------------|---|---------------------------------|
| <u>Check Number</u> | <u>Check Date</u> | <u>Cleared</u> | <u>Void</u> | <u>Void Date</u> | <u>Entity ID</u> | <u>Entity Name</u> | <u>Check Amount</u> |
| 1603658 | 09/26/2018 | X | | | ATT | AT&T | 642.14 |
| 1603659 | 09/30/2018 | X | | | UHCBS | UHCBS REIMBURSEMENT | 2,121.29 |
| 1603660 | 09/05/2018 | X | | | BCBS | BLUE CROSS AND BLUE SHELDF OF KANSAS CITY | 67,534.96 |
| 1603661 | 09/27/2018 | X | | | UNUM | UNUM LIFE INSURANCE COMPANY OF AMERICA | 3,635.01 |
| 1603662 | 09/17/2018 | X | | | HVH | HISTORIC VIRGINIA HOTEL | 14,500.00 |
| 1603663 | 09/27/2018 | X | | | KCPL | KCP&L | 11,672.12 |
| 1603664 | 09/21/2018 | X | | | HARTFORD | THE HARTFORD INSURANCE COMPANY | 2,534.20 |
| 1603665 | 09/25/2018 | X | | | HANOVER | THE HANOVER INSURANCE CO | 7,562.60 |
| 1603666 | 09/11/2018 | X | | | REPUBLIC | REPUBLIC SERVICES #468 | 567.62 |
| 1603667 | 09/14/2018 | X | | | GOOGLEF | GOOGLE FIBER | 130.00 |
| 1603668 | 09/04/2018 | X | | | CAKCESTAT | CROSSROADS REAL ESTATE COMPANY | 27,899.00 |
| 1603675 | 09/04/2018 | X | | | COMMERCECC | COMMERCE BANK - COMMERCIAL CARDS | 40,955.15 |
| 1603678 | 09/12/2018 | X | | | UNITED | UNITED HEALTH CARE INSURANCE COMPANY | 915.50 |
| 1603679 | 09/06/2018 | X | | | VISA | VISA | 349.97 |
| Checking Account ID: 1 | | | | | Void Total: | 0.00 | Total without Voids: 181,019.56 |
| Check Type Total: Automatic Payment | | | | | Void Total: | 0.00 | Total without Voids: 181,019.56 |

| Payee Type: Vendor | | Check Type: Check | | | Checking Account ID: 1 | | |
|---------------------------|-------------------|--------------------------|-------------|------------------|-------------------------------|--------------------------------|---------------------|
| <u>Check Number</u> | <u>Check Date</u> | <u>Cleared</u> | <u>Void</u> | <u>Void Date</u> | <u>Entity ID</u> | <u>Entity Name</u> | <u>Check Amount</u> |
| 1726 | 09/11/2018 | X | | | MEYECH | CHELSEA MEYER | 61.25 |
| 1727 | 09/14/2018 | X | | | RAMOMAR | MARIA RAMOS | 23.00 |
| 1730 | 09/21/2018 | X | | | KIMCROSS | Kimberly Cross | 225.00 |
| 71954116 | 09/11/2018 | X | | | ISS | ISS FACILITY SERVICES - KC | 1,876.54 |
| 71954117 | 09/11/2018 | X | | | STRASSER | STRASSER TRUE VALUE | 32.80 |
| 71954118 | 09/11/2018 | X | | | ISS | ISS FACILITY SERVICES - KC | 1,914.08 |
| 71954119 | 09/11/2018 | X | | | ISS | ISS FACILITY SERVICES - KC | 443.11 |
| 71954120 | 09/11/2018 | X | | | CCGROUP | C & C GROUP | 1,440.00 |
| 71954121 | 09/11/2018 | X | | | STRASSER | STRASSER TRUE VALUE | 96.82 |
| 71954122 | 09/11/2018 | X | | | YARDI | YARDI MARKETPLACE | 256.68 |
| 71954123 | 09/11/2018 | X | | | KIENJOR | JORDAN KIENTZY | 377.40 |
| 71954124 | 09/11/2018 | X | | | PARALLEL | Parallel Employment Group | 447.64 |
| 71954125 | 09/11/2018 | X | | | MCMASTER | MCMASTER-CARR | 62.66 |
| 71954126 | 09/11/2018 | X | | | SHERWINWM | SHERWIN WILLIAMS | 32.37 |
| 71954127 | 09/11/2018 | X | | | MCREALTY | MC REALTY GROUP, LLC | 7,665.48 |
| 71954128 | 09/11/2018 | X | | | BUILKEEP | BUILDING KEEP | 615.00 |
| 71954129 | 09/11/2018 | X | | | MCMASTER | MCMASTER-CARR | 62.99 |
| 71954130 | 09/11/2018 | X | | | KCPL | KCP&L | 14,944.42 |
| 71954131 | 09/11/2018 | X | | | PINNACLE | PINNACLE | 57.50 |
| 71954132 | 09/11/2018 | X | | | PINNACLE | PINNACLE | 51.00 |
| 71954133 | 09/11/2018 | X | | | PINNACLE | PINNACLE | 57.50 |
| 71954134 | 09/11/2018 | X | | | PINNACLE | PINNACLE | 51.00 |
| 71954135 | 09/11/2018 | X | | | PINNACLE | PINNACLE | 57.50 |
| 71954136 | 09/11/2018 | X | | | PINNACLE | PINNACLE | 51.00 |
| 71954137 | 09/11/2018 | X | | | PINNACLE | PINNACLE | 57.50 |
| 71954138 | 09/11/2018 | X | | | PINNACLE | PINNACLE | 51.00 |
| 71954139 | 09/11/2018 | X | | | PINNACLE | PINNACLE | 57.50 |
| 71954140 | 09/11/2018 | X | | | PINNACLE | PINNACLE | 51.00 |
| 71954141 | 09/11/2018 | X | | | PINNACLE | PINNACLE | 51.00 |
| 71954142 | 09/11/2018 | X | | | FERGUSON | Ferguson Enterprises Inc # 215 | 71.00 |
| 71954143 | 09/11/2018 | X | | | JOHNSTON | JOHNSTON SUPPLY | 52.50 |
| 71954144 | 09/11/2018 | X | | | KCWATER | KCMO WATER SERVICES DEPARTMENT | 343.83 |
| 71954145 | 09/11/2018 | X | | | PARALLEL | Parallel Employment Group | 888.72 |
| 71954146 | 09/11/2018 | X | | | KCWATER | KCMO WATER SERVICES DEPARTMENT | 7.28 |
| 71954147 | 09/11/2018 | X | | | QUESTER | QUESTER ASSESSMENT INC | 46.80 |
| 71954148 | 09/11/2018 | X | | | OTIS | OTIS ELEVATOR | 1,534.00 |
| 71954149 | 09/11/2018 | X | | | OTIS | OTIS ELEVATOR | 109.20 |
| 71954150 | 09/11/2018 | X | | | STRASSER | STRASSER TRUE VALUE | 3.56 |

Crossroads Academy of Kansas City, Inc.
10/24/2018 9:11 AM

Check Register by Type

Page: 2
User ID: PAUL

| Payee Type: Vendor | | Check Type: Check | | | Checking Account ID: 1 | | |
|---------------------------|-------------------|--------------------------|-------------|------------------|-------------------------------|--|---------------------|
| <u>Check Number</u> | <u>Check Date</u> | <u>Cleared</u> | <u>Void</u> | <u>Void Date</u> | <u>Entity ID</u> | <u>Entity Name</u> | <u>Check Amount</u> |
| 71954151 | 09/11/2018 | X | | | STRASSER | STRASSER TRUE VALUE | 19.10 |
| 71954152 | 09/11/2018 | X | | | KCWATER | KCMO WATER SERVICES DEPARTMENT | 14.98 |
| 71954153 | 09/11/2018 | X | | | GRAINGER | GRAINGER | 647.00 |
| 71954154 | 09/11/2018 | X | | | KCWATER | KCMO WATER SERVICES DEPARTMENT | 47.64 |
| 71954155 | 09/11/2018 | X | | | PINNACLE | PINNACLE | 57.50 |
| 71954156 | 09/11/2018 | X | | | MOTREAS | TREASURER, STATE OF MISSOURI | 85.00 |
| 71954157 | 09/11/2018 | X | | | RSC | RSC | 1,120.00 |
| 71954158 | 09/11/2018 | X | | | THYSSELEV | THYSSENKRUPP ELEVATOR CORP | 321.06 |
| 71954159 | 09/11/2018 | X | | | PLAZAACADE | THE PLAZA ACADEMY | 750.00 |
| 71954160 | 09/11/2018 | X | | | PLAZAACADE | THE PLAZA ACADEMY | 750.00 |
| 71954161 | 09/11/2018 | X | | | PLAZAACADE | THE PLAZA ACADEMY | 600.00 |
| 71954162 | 09/18/2018 | X | | | PLAZAACADE | THE PLAZA ACADEMY | 750.00 |
| 71954163 | 09/11/2018 | X | | | TALIAFERRO | TALIAFERRO & BROWNE, INC. | 600.00 |
| 71954164 | 09/11/2018 | X | | | SUPERIOR | SUPERIOR MOVING AND STORAGE | 9,650.00 |
| 71954165 | 09/11/2018 | X | | | GRAINGER | GRAINGER | 94.74 |
| 71954166 | 09/11/2018 | X | | | GRAINGER | GRAINGER | 6.86 |
| 71954167 | 09/11/2018 | X | | | ATT | AT&T | 163.01 |
| 71954168 | 09/11/2018 | X | | | FERGUSON | Ferguson Enterprises Inc # 215 | 67.90 |
| 71954169 | 09/11/2018 | X | | | K12ITC | K12 ITC, INC. | 915.19 |
| 71954170 | 09/11/2018 | X | | | BNIM | BNIM, INC | 4,184.20 |
| 71954171 | 09/11/2018 | X | | | NFTM | NATIONAL FRONTIER TRAILS MUSEUM | 132.50 |
| 71954319 | 09/11/2018 | X | | | SIEMENS | SIEMENS INDUSTRY, INC | 505.00 |
| 71954645 | 09/11/2018 | X | | | SPEDTRACK | SPEDTRACK | 1,240.54 |
| 71954646 | 09/11/2018 | X | | | YARDI | YARDI MARKETPLACE | 342.24 |
| 71954647 | 09/11/2018 | X | | | MIDTOWN | MIDTOWN SIGNS | 4,015.02 |
| 71954648 | 09/11/2018 | X | | | OTIS | OTIS ELEVATOR | 519.54 |
| 71954649 | 09/11/2018 | X | | | CONCENTRA | CONCENTRA | 59.00 |
| 71954650 | 09/11/2018 | X | | | KCWATER | KCMO WATER SERVICES DEPARTMENT | 20.46 |
| 71954651 | 09/11/2018 | X | | | QUALITY | QUALITY STAFF LEASING INC. | 880.00 |
| 71954652 | 09/11/2018 | X | | | SCENARIO | SCENARIO LEARNING | 1,030.00 |
| 71954653 | 09/11/2018 | X | | | QHA | QUALITY HILL ASSOCIATES LLC | 1,100.00 |
| 71954654 | 09/11/2018 | X | | | STASON | STASON, LLC | 728.52 |
| 71954655 | 09/11/2018 | X | | | AMMICRO | American Micro Digital Document Management | 45.00 |
| 71954656 | 09/11/2018 | X | | | IRESQ | IResQ | 270.50 |
| 71954657 | 09/11/2018 | X | | | MEDELLIN | Medellin Landscaping & Gardening | 497.50 |
| 71954658 | 09/11/2018 | X | | | AMERDINING | AMERICAN FOOD & VENDING CORP | 16,835.20 |
| 71954898 | 09/11/2018 | X | | | SOMMREB | REBECCA SOMMERHAUSER | 35.10 |
| 71954899 | 09/11/2018 | X | | | APPLEBUS | APPLE BUS COMPANY | 87.72 |
| 71954900 | 09/11/2018 | X | | | ATRONIC | ATRONIC ALARMS INC | 94.00 |
| 71954901 | 09/11/2018 | X | | | VANDMOR | MORIAH VANDERBURG | 148.16 |
| 71954902 | 09/11/2018 | X | | | ZETMIR | VIRGINIA ZETMEIR | 181.61 |
| 71954903 | 09/11/2018 | X | | | SMITALY | ALYSE SMITH | 186.91 |
| 71954904 | 09/11/2018 | X | | | PAYPOOL | PAYPOOL | 1,215.76 |
| 71954905 | 09/11/2018 | X | | | COMMSCHLMA | Communities in Schools of Mid-America | 3,125.00 |
| 71954906 | 09/11/2018 | X | | | DONALD | DONALD E MAXWELL, LLC | 4,850.00 |
| 71954907 | 09/11/2018 | X | | | EDOPS | EdOps | 10,750.00 |
| 71954908 | 09/11/2018 | X | | | 21STCENT | 21ST CENTURY THERAPY, P.C. | 711.25 |
| 71954909 | 09/11/2018 | X | | | CDW | CDW GOVERNMENT | 2,007.00 |
| 71954910 | 09/11/2018 | X | | | DATAMAX | DATAMAX, INC | 3,989.25 |
| 71954911 | 09/11/2018 | X | | | MIDCON | MID-CON MANAGEMENT-DST | 5,975.00 |
| 71954912 | 09/11/2018 | X | | | KELLY | KELLY SERVICES, INC | 3,741.00 |
| 71954913 | 09/11/2018 | X | | | TIERNEY | TIERNEY OFFICE PRODUCTS | 2,758.26 |
| 71990217 | 09/18/2018 | X | | | BRENNAN | ROSEMARY BRENNAN | 55.68 |
| 71990218 | 09/18/2018 | X | | | REGAL | REGAL DISTRIBUTING SERVICE & SOLUTIONS | 658.50 |
| 71990219 | 09/18/2018 | X | | | SMITHEREEN | SMITHEREEN PEST MANAGEMENT | 50.00 |
| 71990220 | 09/18/2018 | X | | | MCREALTY | MC REALTY GROUP, LLC | 7,665.48 |
| 71990221 | 09/18/2018 | X | | | GRAINGER | GRAINGER | 785.00 |
| 71990222 | 09/18/2018 | X | | | ISS | ISS FACILITY SERVICES - KC | 384.25 |
| 71990223 | 09/18/2018 | X | | | ISS | ISS FACILITY SERVICES - KC | 1,457.08 |

Crossroads Academy of Kansas City, Inc.
10/24/2018 9:11 AM

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Page: 3
User ID: PAUL

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| 71990225 | 09/18/2018 | X | | | ISS | ISS FACILITY SERVICES - KC | 2,356.82 |
| 71990226 | 09/18/2018 | X | | | ISS | ISS FACILITY SERVICES - KC | 2,433.92 |
| 71990227 | 09/18/2018 | X | | | VEOLIA | VEOLIA ENERGY | 72.95 |
| 71990228 | 09/18/2018 | X | | | DEFFEN | DEFFENBAUGH DISPOSAL SERV | 381.11 |
| 71990229 | 09/18/2018 | X | | | HANOVER | THE HANOVER INSURANCE CO | 2,887.00 |
| 71990230 | 09/18/2018 | X | | | PLAZAACADE | THE PLAZA ACADEMY | 750.00 |
| 71990231 | 09/18/2018 | X | | | PLAZAACADE | THE PLAZA ACADEMY | 800.00 |
| 71990232 | 09/18/2018 | X | | | PLAZAACADE | THE PLAZA ACADEMY | 850.00 |
| 71990233 | 09/18/2018 | X | | | PLAZAACADE | THE PLAZA ACADEMY | 850.00 |
| 71990234 | 09/18/2018 | X | | | PLAZAACADE | THE PLAZA ACADEMY | 850.00 |
| 71990235 | 09/18/2018 | X | | | KCTR | KANSAS CITY TEACHER RESIDENCY | 25,000.00 |
| 71990236 | 09/18/2018 | X | | | UPSFREIGHT | UPS Freight | 75.50 |
| 71990237 | 09/18/2018 | X | | | PARALLEL | Parallel Employment Group | 1,121.53 |
| 71990238 | 09/18/2018 | X | | | SPIRE | SPIRE | 155.83 |
| 71990239 | 09/18/2018 | X | | | MHEFA | MH&EFA | 1,000.00 |
| 71990240 | 09/18/2018 | X | | | MARIADIC | MARIA DICKSON | 480.00 |
| 71990241 | 09/18/2018 | X | | | LENNOX | LENNOX | 250.46 |
| 71991101 | 09/18/2018 | X | | | YARDI | YARDI MARKETPLACE | 1,266.92 |
| 71991102 | 09/18/2018 | X | | | WALSWORTH | WALSWORTH | 372.79 |
| 71991103 | 09/18/2018 | X | | | KCAV | KANSAS CITY AUDIO-VISUAL | 10,566.00 |
| 71991104 | 09/18/2018 | X | | | AGUIRRECC | TONY AGUIRRE COMMUNITY CENTER | 170.00 |
| 71991105 | 09/18/2018 | X | | | EDPLUS | EDUCATIONPLUS, INC | 355.00 |
| 71991106 | 09/18/2018 | X | | | ERATE | ERATE PROGRAM LLC | 3,803.44 |
| 71991107 | 09/18/2018 | X | | | ACHIEVEMEN | The Achievement Network | 46,500.00 |
| 71991108 | 09/18/2018 | X | | | KCMETRO | KC METRO CONFERENCE | 1,950.00 |
| 71991109 | 09/18/2018 | X | | | SOLI | SOLI AND SOLI INC | 2,002.00 |
| 71991110 | 09/18/2018 | X | | | AMERDINING | AMERICAN FOOD & VENDING CORP | 5,100.80 |
| 71991111 | 09/18/2018 | X | | | IRESQ | IResQ | 788.60 |
| 71991446 | 09/18/2018 | X | | | DATAMAX | DATAMAX, INC | 100.00 |
| 71991447 | 09/18/2018 | X | | | LACRLAU | LAURA LACROIX | 140.87 |
| 71991448 | 09/18/2018 | X | | | MIDCON | MID-CON MANAGEMENT-DST | 144.00 |
| 71991449 | 09/18/2018 | X | | | SMITALY | ALYSE SMITH | 186.91 |
| 71991450 | 09/18/2018 | X | | | CDW | CDW GOVERNMENT | 1,927.14 |
| 71991451 | 09/18/2018 | X | | | POPEMIL | MILDRED POPE | 2,056.38 |
| 71991452 | 09/18/2018 | X | | | BATENIK | NIKKI BATES | 2,522.98 |
| 71991453 | 09/18/2018 | X | | | MCGOVERN | MCGOVERN, CLAIR | 2,566.30 |
| 71991454 | 09/18/2018 | X | | | TEQLEASE | TEQ LEASE INC | 138,077.00 |
| 71991455 | 09/18/2018 | X | | | TIERNEY | TIERNEY OFFICE PRODUCTS | 769.01 |
| 71991456 | 09/18/2018 | X | | | KELLY | KELLY SERVICES, INC | 3,509.00 |
| 72018984 | 09/25/2018 | X | | | RACHRITT | RACHEL RITTMAN | 450.00 |
| 72018985 | 09/25/2018 | X | | | K12ITC | K12 ITC, INC. | 13,217.24 |
| 72018986 | 09/25/2018 | X | | | KCWATER | KCMO WATER SERVICES DEPARTMENT | 493.17 |
| 72018987 | 09/25/2018 | X | | | KCWATER | KCMO WATER SERVICES DEPARTMENT | 11.88 |
| 72018988 | 09/25/2018 | X | | | K12ITC | K12 ITC, INC. | 400.00 |
| 72018989 | 09/25/2018 | X | | | KCBH | KANSAS CITY BEHAVIORAL HEALTH | 6,436.00 |
| 72018990 | 09/25/2018 | X | | | KIENJOR | JORDAN KIENTZY | 772.45 |
| 72018991 | 09/25/2018 | X | | | MILLMOL | MOLLY MILLER | 19.12 |
| 72018992 | 09/25/2018 | X | | | PARKKAR | KARIS PARKER | 155.60 |
| 72018993 | 09/25/2018 | X | | | KCPL | KCP&L | 11,710.93 |
| 72018994 | 09/25/2018 | X | | | COTERIE | COTERIE THEATER | 290.00 |
| 72018995 | 09/25/2018 | X | | | RAMAIR | RAM AIR | 558.51 |
| 72018996 | 09/25/2018 | X | | | CINTASFIRE | Cintas Fire Protection | 826.90 |
| 72018997 | 09/25/2018 | X | | | MYBRIDGE | MY BRIDGE | 400.00 |
| 72018998 | 09/25/2018 | X | | | RAMAIR | RAM AIR | 558.51 |
| 72018999 | 09/25/2018 | X | | | COTERIE | COTERIE THEATER | 325.00 |
| 72019000 | 09/25/2018 | X | | | PARALLEL | Parallel Employment Group | 1,004.64 |
| 72019001 | 09/25/2018 | X | | | CCGROUP | C & C GROUP | 360.00 |
| 72019002 | 09/25/2018 | X | | | DORMAUSA | Dorma USA Inc. | 157.50 |

Crossroads Academy of Kansas City, Inc.
10/24/2018 9:11 AM

Check Register by Type

Page: 4
User ID: PAUL

| Payee Type: Vendor | | Check Type: Check | | | Checking Account ID: 1 | | |
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| 72019281 | 09/25/2018 | X | | | SCHOLASTIC | SCHOLASTIC INC. | 326.22 |
| 72019282 | 09/25/2018 | X | | | SCHOLASTIC | SCHOLASTIC INC. | 476.04 |
| 72019721 | 09/25/2018 | X | | | CONCENTRA | CONCENTRA | 59.00 |
| 72019722 | 09/25/2018 | X | | | MEDELLIN | Medellin Landscaping & Gardening | 112.00 |
| 72019724 | 09/25/2018 | X | | | KPM | KPM CPA'S, P.C. | 5,600.00 |
| 72019725 | 09/25/2018 | X | | | AMMICRO | American Micro Digital Document Management | 45.00 |
| 72019726 | 09/25/2018 | X | | | YARDI | YARDI MARKETPLACE | 1,225.51 |
| 72019727 | 09/25/2018 | X | | | AMERDINING | AMERICAN FOOD & VENDING CORP | 5,030.40 |
| 72020160 | 09/25/2018 | X | | | DATAMAX | DATAMAX, INC | 66.00 |
| 72020161 | 09/25/2018 | X | | | WESTJEN | JENNIFER WESTLAKE | 132.19 |
| 72020162 | 09/25/2018 | X | | | TEQLEASE | TEQ LEASE INC | 1,655.97 |
| 72020163 | 09/25/2018 | X | | | ATRONIC | ATRONIC ALARMS INC | 1,193.10 |
| 72020164 | 09/25/2018 | X | | | HIGENE | HI-GENE'S JANITORIAL | 19,881.10 |
| 72020165 | 09/25/2018 | X | | | TIERNEY | TIERNEY OFFICE PRODUCTS | 930.51 |
| 72020166 | 09/25/2018 | X | | | KELLY | KELLY SERVICES, INC | 2,304.05 |
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| Check Type Total: | | Check | | | Void Total: | 0.00 | Total without Voids: 479,248.43 |
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| Grand Total: | | | | | Void Total: | 0.00 | Total without Voids: 660,267.99 |

Coversheet

Updated ProForma

Section: II. Finance
Item: C. Updated ProForma
Purpose: Vote
Submitted by:
Related Material: CCS ProForma 2018 1029 - Sheet1.pdf

| Budget Year | SY19-20 | SY20-21 | SY21-22 | SY22-23 | SY23-24 | SY24-25 | SY25-26 |
|--------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Students | 900 | 1,000 | 1,056 | 1,106 | 1,156 | 1,206 | 1,256 |
| ADA | 851 | 945 | 998 | 1,045 | 1,092 | 1,140 | 1,187 |
| WADA | 1,096 | 1,215 | 1,285 | 1,345 | 1,405 | 1,466 | 1,526 |
| \$/WADA | \$ 8,609 | \$ 8,644 | \$ 8,678 | \$ 8,713 | \$ 8,748 | \$ 8,783 | \$ 8,818 |
| Local Revenue | 934,944 | 1,104,802 | 1,236,922 | 1,321,221 | 1,396,804 | 1,473,766 | 1,553,284 |
| State Revenue | 9,382,310 | 10,444,645 | 11,092,764 | 11,660,687 | 12,233,322 | 12,820,148 | 13,402,376 |
| Federal Revenue | 750,483 | 838,383 | 890,135 | 936,244 | 981,597 | 1,027,256 | 1,073,229 |
| Private Grants and Donati | 1,600,000 | 1,150,000 | 1,000,000 | 1,000,000 | 750,000 | 750,000 | 750,000 |
| Earned Fees | 67,500 | 75,000 | 79,200 | 82,950 | 86,700 | 90,450 | 94,200 |
| Total Revenue | 12,735,236 | 13,612,830 | 14,299,021 | 15,001,102 | 15,448,423 | 16,161,621 | 16,873,088 |
| Operating Expense | | | | | | | |
| Salaries | 5,828,136 | 6,412,848 | 6,769,913 | 7,115,979 | 7,555,592 | 7,872,258 | 8,200,356 |
| Benefits and Taxes | 1,806,070 | 2,011,606 | 2,101,419 | 2,200,988 | 2,303,863 | 2,385,798 | 2,452,088 |
| Staff-Related Costs | 105,794 | 108,000 | 110,880 | 110,600 | 115,600 | 120,600 | 125,600 |
| Rent | 755,000 | 791,000 | 795,000 | 795,000 | 461,000 | 485,000 | 485,000 |
| Occupancy Service | 1,035,419 | 1,057,159 | 1,082,824 | 1,051,049 | 1,077,850 | 1,105,246 | 1,136,803 |
| Student Expense, Direct | 1,335,680 | 1,464,618 | 1,534,925 | 1,602,005 | 1,684,870 | 1,767,707 | 1,850,546 |
| Student Expense, Indirect | 307,069 | 340,000 | 359,040 | 376,040 | 393,040 | 410,040 | 427,040 |
| Office & Business Expens | 815,783 | 863,882 | 897,092 | 922,663 | 953,736 | 980,372 | 1,008,417 |
| Transportation | 587,926 | 654,849 | 693,258 | 727,957 | 762,884 | 798,049 | 833,462 |
| Total Operating Expense | 12,576,878 | 13,703,961 | 14,344,350 | 14,902,280 | 15,308,436 | 15,925,070 | 16,519,312 |
| Net Operating Income | 158,358 | (91,131) | (45,329) | 98,821 | 139,987 | 236,550 | 353,776 |
| June 30 Cash | 1,008,358 | 917,227 | 871,898 | 970,720 | 1,110,707 | 1,347,257 | 1,701,034 |
| Fund Balance | 8.0% | 6.7% | 6.1% | 6.5% | 7.3% | 8.5% | 10.3% |

Coversheet

Thayer Building Refinance

Section: II. Finance
Item: D. Thayer Building Refinance
Purpose: Vote

Submitted by:

Related Material:

Loan Agreement (MOHEFA - Crossroads Charter Schools) Series 2018AB v1a#1...[1].pdf

Bond Trust Indenture (MOHEFA - Crossroads Charter Schools) Series 2018AB v1a.pdf

Security Agreement and Assignment of Pledges Receivable#11967742v2_Walnu....pdf

Purchase Contract Crossroads 2018AB.DOC.pdf

Deed of Trust--Crossroads Charter Schools#11967741v2_Walnut_.pdf

Continuing Covenant Agreement (2)#11967740v2_Walnut_.pdf

Gilmore & Bell, P.C.
Draft: September 1, 2018

LOAN AGREEMENT

Dated as of November 1, 2018

Between

**HEALTH AND EDUCATIONAL FACILITIES AUTHORITY
OF THE STATE OF MISSOURI**

and

CROSSROADS CHARTER SCHOOLS

Relating to:

[\$3,500,000]

**Health and Educational Facilities Authority of the State of Missouri
Educational Facilities Revenue Bonds
(Crossroads Charter Schools)
Series 2018A**

and

[\$2,500,000]

**Health and Educational Facilities Authority of the State of Missouri
Educational Facilities Revenue Bonds
(Crossroads Charter Schools)
Series 2018B**

Certain rights, title and interest of the Health and Educational Facilities Authority of the State of Missouri in this Loan Agreement have been pledged and assigned to Commerce Bank, as Bond Trustee under a Bond Trust Indenture dated as of November 1, 2018, between the Authority and the Bond Trustee.

LOAN AGREEMENT

TABLE OF CONTENTS

| | <u>Page</u> |
|----------|-------------|
| Parties | 1 |
| Recitals | 1 |

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

- Section 1.1. Definitions of Words and Terms
- Section 1.2. Rules of Construction

ARTICLE II

REPRESENTATIONS

- Section 2.1. Representations by the Authority
- Section 2.2. Representations by the Institution
- Section 2.3. Survival of Representations

ARTICLE III

THE LOAN

- Section 3.1. Loan of Funds to the Institution
- Section 3.2. Use of Proceeds
- Section 3.3. Project Documents
- Section 3.4. Changes or Amendments to the Project
- Section 3.5. Enforcement of Contracts and Surety Bonds

ARTICLE IV

PAYMENT PROVISIONS

- Section 4.1. Loan Payments
- Section 4.2. Credits on Loan Payments
- Section 4.3. Additional Payments
- Section 4.4. Prepayment of the Loan
- Section 4.5. Obligations Absolute and Unconditional
- Section 4.6. Assignment of Authority's Rights

ARTICLE V

GENERAL COVENANTS AND PROVISIONS

- Section 5.1. Maintenance and Use of the Project
- Section 5.2. Compliance With Laws and Regulations
- Section 5.3. Insurance
- Section 5.4. Indemnity
- Section 5.5. Rate Covenant
- Section 5.6. Financial Statements and Other Information
- Section 5.7. Tax Covenants
- Section 5.8. Advances by Bond Trustee
- Section 5.9. Statement as to Compliance
- Section 5.10. Pledge and Assignment of Security Interest in Unrestricted Receivables.
- Section 5.11. Maintenance of Security Interests; Filing.
- Section 5.12. Additional Obligations.
- Section 5.13. Preservation of Existence and Status.
- Section 5.14. Payment of Taxes and Other Charges
- Section 5.15. Licenses and Permits
- Section 5.16. Assignment by the Institution

ARTICLE VI

DEFAULT AND REMEDIES

- Section 6.1. Events of Default
- Section 6.2. Acceleration of Maturity; Rescission and Annulment
- Section 6.3. Exercise of Remedies by the Bond Trustee
- Section 6.4. Application of Moneys Collected
- Section 6.5. Rights and Remedies Cumulative
- Section 6.6. Delay or Omission Not Waiver
- Section 6.7. Waiver of Past Defaults

ARTICLE VII

SUPPLEMENTAL LOAN AGREEMENTS

- Section 7.1. Supplemental Loan Agreements without Consent of Bondowners
- Section 7.2. Supplemental Loan Agreements with Consent of Bondowners
- Section 7.3. Execution of Supplemental Loan Agreements
- Section 7.4. Effect of Supplemental Loan Agreements
- Section 7.5. Reference in Bonds to Supplemental Loan Agreements

ARTICLE VIII

TERM AND TERMINATION OF LOAN AGREEMENT

- Section 8.1. Term of Loan Agreement
- Section 8.2. Termination and Discharge of Loan Agreement

ARTICLE IX

MISCELLANEOUS PROVISIONS

- Section 9.1. Covenants under Transaction Documents
- Section 9.2. Further Assurances
- Section 9.3. Payments Due on Saturdays, Sundays and Holidays
- Section 9.4. Notices
- Section 9.5. Immunity of Officers, Employees and Members of the Authority and the Institution
- Section 9.6. Limitation of Authority's Liability
- Section 9.7. No Violations of Law
- Section 9.8. Benefit of Loan Agreement
- Section 9.9. Severability
- Section 9.10. Electronic Transactions
- Section 9.11. Counterparts
- Section 9.12. Governing Law

Signatures and Seals

S-1

* * *

LOAN AGREEMENT

THIS LOAN AGREEMENT (the “Loan Agreement”), dated as of November 1, 2018, between the **HEALTH AND EDUCATIONAL FACILITIES AUTHORITY OF THE STATE OF MISSOURI** (the “Authority”), a body politic and corporate and a public instrumentality organized and existing under the laws of the State of Missouri, and **CROSSROADS CHARTER SCHOOLS** (the “Institution”), to Crossroads Charter Schools, a nonprofit corporation and public charter school organized and existing under the laws of the State of Missouri;

RECITALS

1. The Authority is authorized under the Missouri Health and Educational Facilities Authority Act, Chapter 360 of the Revised Statutes of Missouri, 1986, as amended (the “MOHEFA Act”), to issue revenue bonds for the purpose of making loans to “educational institutions,” as defined in the MOHEFA Act, to provide funds to pay the costs of acquiring, constructing, reconstructing, repairing, altering, improving and extending “educational facilities,” as defined in the MOHEFA Act, and to enter into agreements to provide funds to pay the principal of, redemption premium, if any, and interest on such revenue bonds.

2. Concurrently with the delivery of this Loan Agreement, the Authority will issue \$[3,500,000] principal amount of Educational Facilities Revenue Bonds (Crossroads Charter Schools) Series 2018A (the “Series 2018A Bonds”) and \$[2,500,000] principal amount of Educational Facilities Revenue Bonds (Crossroads Charter Schools) Series 2018B (the “Series 2018B Bonds”) and together with the Series 2018A Bonds, the “Series 2018 Bonds”), pursuant to the MOHEFA Act and a Bond Trust Indenture of even date herewith (the “Bond Indenture”) between the Authority and Commerce Bank (the “Bond Trustee”) as bond trustee, for the purpose of making a loan of the proceeds thereof (the “Loan”) to the Institution under this Loan Agreement to provide funds to (a) finance, refinance and reimburse the costs of certain “educational facilities” of the Institution, as further described in **Appendix A** to the Bond Indenture (the “Project”), including by refinancing the indebtedness described in **Appendix A** to the Bond Indenture (the “Refinanced Debt”), and (b) to pay certain costs related to the issuance of the Series 2018 Bonds, in consideration of payments by the Institution, which will be sufficient to pay the principal of and the interest on the Series 2018 Bonds, all as more fully described herein and in the Bond Indenture.

3. The Authority and the Institution are entering into this Loan Agreement to provide for the Loan of the proceeds of the Series 2018 Bonds by the Authority to the Institution, and the repayment of the Loan by the Institution.

NOW, THEREFORE, in consideration of the premises and the mutual representations, covenants and agreements set forth in this Loan Agreement, the Authority and the Institution covenant and agree as follows:

ARTICLE I DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1. Definitions of Words and Terms . For all purposes of this Loan Agreement, except as otherwise provided or unless the context otherwise requires, words and terms used in this Loan Agreement have the same meanings as set forth in **Section 101** of the Bond Indenture.

Section 1.2. Rules of Construction . For all purposes of this Loan Agreement, except as otherwise provided or unless the context otherwise requires, the following rules of construction set forth in **Section 102** of the Bond Indenture shall apply in construing the provisions of this Loan Agreement (as applied with reference to this Loan Agreement instead of the Bond Indenture).

ARTICLE II REPRESENTATIONS

Section 2.1. Representations by the Authority . The Authority represents and warrants to the Institution and the Bond Trustee as follows:

(a) *Organization and Authority.* The Authority (1) is a public instrumentality and body corporate and politic duly organized and existing under the laws of the State of Missouri, and (2) has lawful power and authority to issue the Series 2018 Bonds for the purposes set forth in the Bond Indenture, to enter into, execute and deliver the Bond Indenture and this Loan Agreement and to carry out its obligations thereunder and hereunder, and (3) by all necessary corporate action has been duly authorized to execute and deliver the Bond Indenture, this Loan Agreement and any other Transaction Documents required to be executed and delivered by it in connection with the issuance of the Series 2018 Bonds, acting by and through its duly authorized officers.

(b) *No Defaults or Violations of Law.* The execution and delivery of the Bond Indenture, this Loan Agreement and any other Transaction Documents by the Authority will not result in a breach of any of the terms of, or constitute a default under, any indenture, mortgage, deed of trust, lease or other agreement or instrument to which the Authority is a party or by which it or any of its property is bound or its bylaws or any of the constitutional or statutory rules or regulations applicable to the Authority or its property.

Section 2.2. Representations by the Institution . The Institution represents and warrants to the Authority and the Bond Trustee as follows:

(a) *Organization and Authority.* The Institution (1) is a nonprofit corporation and public charter school organized and existing under the laws of the State of Missouri, not operated for private or corporate profit, (2) is an “educational institution” (as defined in the MOHEFA Act) authorized by law to provide or operate “educational facilities” (as defined in the MOHEFA Act) in the State of Missouri, (3) is a Tax-Exempt Organization, (4) has not declared and has not been determined to have “unrelated business taxable income” as defined in Section 512 of the Internal Revenue Code which could have a material adverse effect on its status as a Tax-Exempt Organization or which, if such income were subject to federal income taxation, could have a

material adverse effect on the condition, financial or otherwise, of the Institution, and (5) has lawful power and authority to enter into, execute and deliver this Loan Agreement, and to execute and deliver any other Transaction Documents required to be executed and delivered by it in connection with the issuance of the Series 2018 Bonds and to carry out its obligations hereunder and thereunder, and by all necessary corporate action has been duly authorized to execute and deliver this Loan Agreement and other required Transaction Documents, acting by and through its duly authorized officers.

(b) *No Defaults or Violations of Law.* The execution and delivery of this Loan Agreement and other Transaction Documents by the Institution will not conflict with or result in a breach of any of the terms of, or constitute a default under, any indenture, mortgage, deed of trust, lease or other agreement or instrument to which the Institution is a party or by which it or any of its property is bound or its articles of incorporation, bylaws, or any of the rules or regulations applicable to the Institution or its property of any court or other governmental body.

(c) *Licenses, Permits and Approvals.* The Institution is duly authorized and has all necessary licenses and permits to occupy and operate its educational facilities under the laws, rulings, regulations and ordinances of the State of Missouri and the departments, agencies and political subdivisions thereof, and the Institution has obtained all requisite approvals of federal, state, regional and local governmental bodies relating to the acquisition, construction, equipping and operation of its educational facilities. The Institution's educational facilities are in all material respects in compliance with all applicable federal, state and local zoning, subdivision, environmental, pollution control and other laws, rules, regulations, codes and ordinances.

(d) *Use of Proceeds.* The proceeds of the Series 2018 Bonds will be used by the Institution solely (1) to finance, refinance and reimburse the costs of the Project, including by refinancing the Refinanced Debt, and (2) to pay related costs of issuance.

(e) *Pending Litigation.* No litigation, proceedings or investigations are pending or, to the knowledge of the Institution, threatened against the Institution, except: (1) litigation involving claims for liability, the probable recoveries in which and the estimated costs and expenses of defense of which, based upon the advice of litigation counsel to the Institution, will be entirely within the Institution's applicable insurance policy limits (including primary and excess insurance policies, subject to applicable deductibles and self-retentions) or are not in excess of the total of the available reserves of the Institution, or (2) litigation involving other types of claims which if adversely determined will not, based upon the advice of litigation counsel to the Institution, materially and adversely affect the financial condition or operations of the Institution. In addition, no litigation, proceedings or investigations are pending or, to the knowledge of the Institution, threatened against the Institution seeking to restrain, enjoin or in any way limit the approval or issuance and delivery of the Bond Indenture, the Series 2018 Bonds, this Loan Agreement or any other required Transaction Documents by the Authority, or this Loan Agreement or any other required Transaction Documents by the Institution, or which would in any manner challenge or adversely affect the Institution's status as a Tax-Exempt Organization, the corporate existence or powers of the Institution to enter into and carry out the transactions described in or contemplated by or the execution, delivery, validity or performance by the Institution of the terms and provisions of this Loan Agreement or any other Transaction Documents to which it is a party.

Section 2.3. Survival of Representations . All representations of the Authority and the Institution contained in this Loan Agreement or in any certificate or other instrument delivered by the Authority and the Institution pursuant to this Loan Agreement, the Bond Indenture, or any other Transaction Document, or in connection with the transactions contemplated thereby, shall survive the execution and delivery thereof and the issuance, sale and delivery of the Series 2018 Bonds, as representations of facts existing as of the date of execution and delivery of the instruments containing such representations.

ARTICLE III THE LOAN

Section 3.1. Loan of Funds to the Institution . Concurrently with the execution and delivery of this Loan Agreement, the Authority shall make the Loan to the Institution from the proceeds of the sale of the Series 2018 Bonds, and the Institution shall receive such Loan from the Authority, for the purposes and upon the terms and conditions provided in this Loan Agreement and in the Bond Indenture.

Section 3.2. Use of Proceeds . The proceeds of the Series 2018 Bonds loaned to the Institution shall be deposited with the Bond Trustee and shall be administered, disbursed and applied, together with other available funds of the Institution, for the purposes and in the manner as provided in the Bond Indenture and in this Loan Agreement.

The Institution shall cause the Project to be diligently and continuously pursued and to be completed with reasonable dispatch, and to provide (from its own funds if required) all moneys necessary to complete the Project substantially in accordance with the plans and specifications for the Project.

If the moneys on deposit in the Series 2018 Project Fund (together with other funds available to the Institution for the Project as described in the Bond Indenture) are at any time insufficient to pay for the completion of the Project, as determined by the Institution in its reasonable discretion, the Institution shall deposit the amount of such deficiency in the Series 2018 Project Fund.

The Institution agrees to comply with all of the provisions set forth in the Bond Indenture with respect to the construction of the Project and to perform all obligations of the Institution set out in the Bond Indenture.

Section 3.3. Project Documents . The Institution, at its own cost and expense, shall maintain in its files and available for inspection by the Bond Trustee or its agents upon request copies of the following documents at such time as such documents become available and in any event by the time work is commenced on the portion of the Project to which they relate:

- (a) *Plans and Specifications.* All available preliminary and final plans and specifications for the Project (the Institution agrees to make available for inspection by the Bond Trustee upon request the final versions of such preliminary plans and specifications as such final versions become available and in any event by such time as work is commenced on the portion of the Project to which such plans and specifications relate).

(b) *Construction Contracts.* All architect’s and general contractor’s contracts for the Project and all prime subcontractor’s contracts and purchase orders for any equipment included in the Project.

(c) *Licenses and Permits.* Licenses and permits to construct and occupy the Project and to operate the facilities of the Institution.

Section 3.4. Changes or Amendments to the Project . The Institution may make, authorize or permit such changes or amendments in the Project as it may reasonably determine to be necessary or desirable; provided, however, that no such change or amendment shall be made to the Project that would cause a material change in the cost, scope, nature, or function of the Project, unless the Institution shall file with the Bond Trustee:

(a) a written certificate signed by the Institution Representative to the effect that the Project will, after such change or amendment, continue to constitute “educational facilities” within the meaning of the MoHEFA Act, and such change or amendment will not result in the Project or the Institution being used for any purpose prohibited by this Loan Agreement or otherwise result in the Institution failing to comply with any provisions of this Loan Agreement; and

(b) an Opinion of Bond Counsel addressed to the Bond Trustee and the Authority to the effect that such change or amendment will not result in the interest on the Bonds becoming included in gross income for purposes of federal income taxation.

If any change or amendment would render materially inaccurate the description of the Project in **Appendix A** to the Bond Indenture, there shall be delivered to the Bond Trustee a revised **Appendix A** containing a description of the Project that reflects the change in the Project, the accuracy of which shall be certified by a written certificate signed by the Institution Representative.

Section 3.5. Enforcement of Contracts and Surety Bonds . In the event of a material default of any contractor or subcontractor under any construction contract or any other contract made in connection with the Project, or in the event of a material breach of warranty with respect to any materials, workmanship or performance, the Institution will promptly proceed, either separately or in conjunction with others, to pursue diligently the remedies of the Institution against the contractor or subcontractor in default and against any surety on a bond securing the performance of such contract.

ARTICLE IV PAYMENT PROVISIONS

Section 4.1. Loan Payments . To provide for the payment of the principal of and interest on the Series 2018 Bonds, the Institution shall make the following payments on the Loan (“Loan Payments”) directly to the Bond Trustee, for the account of the Authority, for deposit in the Series 2018 Debt Service Fund, on the following dates, and otherwise as set out below:

(a) *Series 2018 Debt Service Fund -- Interest:* On or before [10:00 a.m. central time] on each Interest Payment Date, an amount not less than the amount of interest to become due on the Series 2018 Bonds on such Interest Payment Date; provided, however that the Institution may be entitled to certain credits on such payments as permitted under **Section 4.2** hereof.

(b) *Series 2018 Debt Service Fund -- Principal:* On or before [10:00 a.m. central time] on each principal payment date, an amount not less than the next scheduled installment of principal due on the Series 2018 Bonds on such principal payment date by maturity, scheduled principal payment, or mandatory redemption; provided, however, that the Institution may be entitled to certain credits on such payments as permitted under **Section 4.2** hereof.

(c) *Series 2018 Debt Service Fund - Redemption:* On or before the date required by this Loan Agreement or the Bond Indenture, moneys received which are intended to redeem Bonds then Outstanding if the Institution exercises its right to redeem Bonds under any provision of the Bond Indenture (other than pursuant to scheduled principal payment or mandatory redemption provisions).

Unpaid Loan Payments shall bear interest at the applicable rate of interest on the Series 2018 Bonds. Any interest charged and collected on an unpaid Loan Payment shall be deposited to the credit of the Series 2018 Debt Service Fund and applied to pay interest on overdue amounts in accordance with the Bond Indenture.

In connection with optional redemptions of Series 2018 Bonds, the Institution may designate the Series 2018A Bonds or Series 2018B Bonds to be redeemed and the funds provided for such redemption shall be deposited in and applied from the Series 2018A Debt Service Account or the Series 2018B Debt Service Account established for such series. [[The Institution has indicated intent, as of the Closing Date for the Series 2018 Bonds, to apply certain expected excess receivables from fundraising and capital campaign activities of the Institution for the Project, to the optional redemption of the Series 2018B Bonds.]]

Section 4.2. Credits on Loan Payments . Notwithstanding any provision contained in this Loan Agreement or in the Bond Indenture to the contrary, in addition to any credits on the Loan resulting from the payment or prepayment of Loan Payments from other sources:

(a) any moneys deposited by the Bond Trustee or the Institution in the Series 2018 Debt Service Fund as interest shall be credited against the obligation of the Institution to pay interest on the Loan as the same become due;

(b) any moneys deposited by the Bond Trustee or the Institution in the Series 2018 Debt Service Fund as principal shall be credited against the obligation of the Institution to pay the principal of the Loan as the same becomes due in the order of maturity thereof, except that prepayments for purposes of making an optional deposit into the Series 2018 Debt Service Fund for the redemption of Series 2018 Bonds shall be applied to the respective maturities of principal of the Loan corresponding to the maturities of the Series 2018 Bonds to be redeemed or purchased, delivered and cancelled from the proceeds of such optional deposit;

(c) the principal amount of Series 2018 Bonds of any maturity purchased by the Institution and delivered to the Bond Trustee, or purchased by the Bond Trustee and cancelled, shall be credited against the obligation of the Institution to pay principal on the Loan related to such Series 2018 Bonds so purchased (including installment payments corresponding to mandatory sinking fund payments, if any, on the Series 2018 Bonds); and

(d) the amount of any moneys transferred by the Bond Trustee from any other fund held under the Bond Indenture and deposited in the Series 2018 Debt Service Fund as interest or principal shall be credited against the obligation of the Institution to pay interest or principal, as the case may be, as the same become due.

Section 4.3. Additional Payments . The Institution shall make the following additional payments (“Additional Payments”) to the following Persons:

(a) *Authority Fees.* The Institution shall pay to the Authority upon demand, its regular ongoing annual fees and charges and all reasonable expenses, including reasonable attorneys’ fees, incurred by the Authority in relation to the Series 2018 Bonds and the transactions contemplated by this Loan Agreement, the Bond Indenture and any of the Transaction Documents.

(b) *Bond Trustee Fees and Professional Fees.* The Institution shall pay to the Bond Trustee and any Paying Agent, registrars, counsel, accountants, engineers and other Persons when due, all reasonable fees, charges and expenses of such Persons for services rendered under the Bond Indenture and under any of the Transaction Documents and expenses incurred in the performance of such services under the Bond Indenture and any of the Transaction Documents for which such Persons are entitled to payment or reimbursement, including expenses of compliance with the Tax Compliance Agreement.

(c) *Advances by Bond Trustee.* The Institution shall pay to the Bond Trustee, the amount of all advances of funds made by the Bond Trustee under the provisions of this Loan Agreement or the Bond Indenture, with interest thereon at the prime rate announced from time to time by the Bond Trustee plus 2%.

(d) *Arbitrage Rebate Payments.* The Institution shall pay to the United States Government all rebate payments required under Section 148(f) of the Internal Revenue Code.

(e) *Costs of Enforcement.* In the event the Institution defaults under any of the provisions of this Loan Agreement and the Bond Trustee employs attorneys or incurs other expenses for the collection of required payments or the enforcement of performance or observance of any obligation or agreement on the part of the Institution contained in this Loan Agreement, the Institution on demand therefor shall pay to the Bond Trustee the reasonable fees of such attorneys and such other reasonable fees or expenses so incurred by the Bond Trustee. The Institution also shall pay, and shall indemnify the Authority and the Bond Trustee from and against, all costs, expenses and charges, including reasonable counsel fees, incurred for the collection of payments due or for the enforcement or performance or observance of any covenant or agreement of the Institution under this Loan Agreement or the Bond Indenture or any other Transaction Document.

(f) *Taxes and Assessments.* The Institution also covenants and agrees, at its expense, to pay all taxes and assessments of any type or character charged to the Authority or to the Bond Trustee affecting the amount available to the Authority or the Bond Trustee from payments to be received hereunder or in any way arising due to the transactions contemplated hereby (including property and other taxes and assessments assessed or levied by any public agency or governmental authority of whatsoever character having power to levy taxes or assessments) but

excluding any taxes based upon the capital and/or income of the Bond Trustee or any other Person other than the Institution; provided, however, that the Institution shall have the right to protest any such taxes or assessments and to require the Authority or the Bond Trustee, as the case may be, at the Institution's expense, to protest and contest any such taxes or assessments assessed or levied upon them and that the Institution shall have the right to withhold payment of any such taxes or assessments pending disposition of any such protest or contest unless such withholding, protest, or contest would materially adversely affect the rights or interests of the Authority or the Bond Trustee.

(g) *Other Amounts Payable.* The Institution shall pay to the Person or Persons entitled thereto, any other amounts which the Institution has agreed to pay under this Loan Agreement.

(g) *Purchase Price of Bonds.* The Institution shall pay to the Person or Persons entitled thereto, the purchase price of Bonds tendered for purchase pursuant to the terms of the Bond Indenture on the dates and in the amounts required thereunder.

Section 4.4. Prepayment of the Loan . The Institution shall have and is granted the option to prepay from time to time the amounts payable under this Loan Agreement in sums sufficient to redeem or to pay or cause to be paid all or part of the Series 2018 Bonds in accordance with the provisions of the Bond Indenture. Upon the written direction from the Institution to the Authority to redeem Series 2018 Bonds subject to optional redemption under the Bond Indenture, the Authority shall forthwith take all steps (other than the payment of the money required for such redemption) necessary under the applicable redemption provisions of the Bond Indenture to effect redemption of all or part of the then Outstanding Series 2018 Bonds, as may be specified by the Institution, on the date established for such redemption. Whenever any Series 2018 Bonds shall have been called for optional redemption under any provision of the Bond Indenture, the Institution shall deposit with the Bond Trustee moneys in such amounts required and at such times to redeem such Series 2018 Bonds, including the principal, redemption premium, if any, and accrued interest thereon to the redemption date (unless such optional redemption is cancelled pursuant to the terms of the Bond Indenture). The Institution further agrees that in the event the payment of principal of and interest on the Loan is accelerated upon the occurrence of an event of default under this Loan Agreement, all Loan Payments payable for the remainder of the term of this Loan Agreement shall be accelerated and prepayment shall be made on the Loan in such amounts. Any such prepayments shall be deposited in the Series 2018 Debt Service Fund and applied by the Bond Trustee in accordance with the provisions of the Bond Indenture. Any such prepayment shall be credited against Loan Payments to become due on the Loan. The Institution may also prepay all or any portion of its indebtedness on the Loan by providing for the payment of all or any portion of the Series 2018 Bonds in accordance with **Article X** of the Bond Indenture.

Section 4.5. Obligations Absolute and Unconditional . The obligations of the Institution under this Loan Agreement with respect to the Series 2018 Bonds are general obligations of the Institution, and the full faith and credit of the Institution, except funds appropriated to the Institution by the State of Missouri and funds specifically pledged to the payment of revenue bonds of the Institution is pledged to the payment of all sums due and payable by the Institution under this Loan Agreement. The Institution shall pay all Loan Payments and Additional Payments due under this Loan Agreement and perform its obligations, covenants and agreements under this Loan Agreement, without notice or demand, and without abatement, deduction, set-off, counterclaim, recoupment, discrimination or defense or any right of termination or cancellation arising from any circumstances whatsoever, and regardless of the

invalidity of any portion of this Loan Agreement, and, to the extent permitted by law, the Institution waives the provisions of any statute or other law now or hereafter in effect contrary to any of its obligations, covenants or agreements under this Loan Agreement or which releases or purports to release the Institution therefrom. Nothing in this Loan Agreement shall be construed as a waiver by the Institution of any rights or claims the Institution may have against the Authority under this Loan Agreement or otherwise, but any recovery upon such rights or claims shall be had from the Authority separately, it being the intent of this Loan Agreement that the Institution shall be unconditionally and absolutely obligated to perform fully all of its obligations, agreements and covenants under this Loan Agreement for the benefit of the owners of the Series 2018 Bonds.

Section 4.6. Assignment of Authority's Rights . Under the Bond Indenture, the Authority has pledged, assigned, transferred in trust and granted a security interest to the Bond Trustee in all of the Authority's rights, title and interest under this Loan Agreement accruing to or vested in the Authority (except for the Authority's rights to payment of its fees and expenses and the Authority's right to indemnification in certain circumstances and as otherwise expressly set forth in this Loan Agreement) as security for the Bonds, and such rights, title and interest may be exercised, protected and enforced for or on behalf of the owners of the Bonds in conformity with this Loan Agreement and the Bond Indenture. The Bond Trustee is hereby given the right to enforce, as assignee of the Authority, the performance of the obligations of the Institution under this Loan Agreement, and the Institution hereby consents to the same and agrees that the Bond Trustee may enforce such rights as provided in this Loan Agreement and in the Bond Indenture. This Loan Agreement recognizes that the Bond Trustee is a third-party creditor-beneficiary of this Loan Agreement.

ARTICLE V GENERAL COVENANTS AND PROVISIONS

Section 5.1. Maintenance and Use of the Project . The Institution shall cause the Project to be maintained, preserved and kept in good repair and working order and condition and in as safe condition as its operations will permit and will make all necessary repairs, renewals, replacements and improvements thereof. Nothing in this Section shall obligate the Institution to preserve, repair, renew or replace any part of the Project no longer used or, in the judgment of its governing board, no longer useful in the conduct of its business, or prevent the Institution from discontinuing the operation of any part of the Project, if in its reasonable judgment (evidenced, in the case of such a cessation other than in the ordinary course of business, by a determination by its governing board) such discontinuance is desirable in the conduct of its business and not disadvantageous in any material respect to the owners of the Bonds. The Institution may make additions, alterations and changes to the Project so long as such additions, alterations and changes are made in compliance with the provisions of this Loan Agreement and will not result in a violation of the provisions of this Loan Agreement, and the Institution may dispose of any part of the Project as permitted by this Loan Agreement.

Subject to the provisions of this Article and the Act, the Institution shall have the right to use its property financed hereby for any purpose allowed by law and contemplated by the MOHEFA Act. Except as provided in this Loan Agreement, the Authority reserves no power or authority with respect to the operation of the Project by the Institution and activities incident thereto, it being the intention of the parties to this Loan Agreement that so long as the Institution shall duly and faithfully observe and perform all of the terms, covenants, provisions and agreements of this Loan Agreement, the Institution shall

manage, administer and govern the Project and all other property of the Institution in its activities and affairs on a continuing day-to-day basis.

The Institution agrees that it will not use or permit the use of any of the properties financed, or for which it is reimbursed, in whole or in part, out of the proceeds of the Bonds: (1) for sectarian instruction or study or as a place for religious worship or primarily in connection with any part of a program of a school or department of divinity of any religious denomination, or (2) in a manner which is prohibited by the Establishment of Religion Clause of the First Amendment to the Constitution of the United States of America and the decisions of the United States Supreme Court interpreting the same or by any comparable provisions of the Constitution of the State of Missouri and the decisions in the Supreme Court of the State of Missouri interpreting the same. The foregoing restrictions, however, shall not be construed to prevent the Institution from making such other use as may at such time be permissible under all of the MOHEFA Act, the First Amendment to the Constitution of the United States of America and the decisions of the United States Supreme Court interpreting the same and any comparable provisions of the Constitution of the State of Missouri and the decisions in the Supreme Court of the State of Missouri interpreting the same.

Section 5.2. Compliance with Laws and Regulations . The Institution shall conduct its affairs and carry on its business and operations in such manner as to comply with any and all applicable laws of the United States of America and the State of Missouri and to observe and conform to all valid orders, regulations or requirements of any governmental authority applicable to the conduct of its business and operations and the ownership of its property; provided, however, that nothing contained in this Loan Agreement shall require the Institution to comply with, observe and conform to any such law, order, regulation or requirement of any governmental authority so long as the validity thereof shall be contested by the Institution in good faith by appropriate proceedings, provided that the Institution shall have set aside on its books adequate reserves with respect to such contest and such contest shall not materially impair the ability of the Institution to meet its obligations under this Loan Agreement.

Section 5.3. Insurance . The Institution shall maintain or cause to be maintained insurance, which may include one or more self-insurance programs, with respect to the Project and its operations covering such risks that are of an insurable nature and of a character customarily insured against by educational institutions in the State operating similar properties and engaged in similar operations (including but not limited to property and casualty and general liability) and in such amounts as, in its judgment, are adequate to protect the Institution and the Project and its operations.

Section 5.4. Indemnity . The Institution, to the extent permitted by law, shall pay and indemnify and save the Authority and the Bond Trustee and their respective members, directors, officers, employees and agents harmless from and against all loss, liability, damage or expense arising out of the issuance of the Bonds and the execution of this Loan Agreement and the other Transaction Documents, including, but not limited to, claims for loss or damage to any property or injury to or death of any person, asserted by or on behalf of any person, firm, corporation or governmental authority arising out of or in any way connected with the Project, or the conditions, occupancy, use, possession, conduct or management of, or any work done in or about the Project. The Institution shall also pay and indemnify and save the Authority and the Bond Trustee and their respective members, directors, officers, employees and agents harmless of, from and against, all costs, reasonable counsel fees, expenses and liabilities incurred by them or by the Institution in any action or proceeding brought by reason of any such claim, demand, expense, penalty, fine or tax. If any action or proceeding is brought against the Authority or the Bond Trustee or their respective members, directors, officers, employees or agents by reason of any such

claim or demand, the Institution, upon notice from the Authority or the Bond Trustee, covenants to resist and defend such action or proceeding on demand of the Authority or the Bond Trustee or their respective members, directors, officers, employees or agents. Notwithstanding the foregoing, neither the Authority nor the Bond Trustee nor their respective members, directors, officers, employees and agents shall be indemnified against liability for any damage, including, without limitation, damage arising out of bodily injury to persons or damage to property caused by their own willful and malicious acts or omissions or willful and malicious acts or omissions of their own members, directors, officers, employees or agents. The Institution shall also pay and indemnify the Authority and the Bond Trustee from and against, all fees, costs, expenses and charges, including reasonable counsel fees, incurred, in enforcing any covenant or agreement of the Institution contained in this Loan Agreement or the Bond Indenture after default of the Institution. Notwithstanding the preceding indemnifications, nothing contained in this Section nor **Section 4.5** hereof shall be interpreted or construed to prevent or prohibit the Institution from raising the defense of sovereign immunity, or any other statutory or common law defense as to any person, corporation, entity, or individual not a party to this Loan Agreement. In the event the Institution shall fail to employ competent counsel or actively defend such action or proceeding, or if either the Authority or the Bond Trustee reasonably determine that a conflict of interest exists, or if either the Authority or the Bond Trustee believes in good faith that there are defenses available to it which are adverse to or in conflict with those available to the Institution or which either the Authority or the Bond Trustee believes in good faith cannot be effectively asserted by common counsel, either the Authority or the Bond Trustee, or both, may employ separate counsel at the reasonable expense of the Institution. The Authority and the Bond Trustee always have the right to employ separate legal counsel but, subject to the preceding sentence, the fees and expenses of its separate legal counsel must be paid by the Authority or the Bond Trustee unless the Institution and the Authority and the Bond Trustee have mutually agreed to the employment of the Authority's or Bond Trustee's separate counsel. The Institution is not liable for any settlement of a suit, claim, demand, action or proceeding effected without its written consent and the Institution agrees that it will not settle any claim or action without the consent of the Authority or the Bond Trustee, as applicable. This indemnification survives the payment in full of the Series 2018 Bonds.

Section 5.5. Rate Covenant. Subject to all laws limiting the establishment or maintenance of the tuition, fees, rates and charges of the Institution, the Institution shall fix, establish, maintain and collect such fees, rates and charges for the use and services furnished by or through the Institution as will produce revenues sufficient to (a) pay the costs of the operation and maintenance of the facilities refinanced with the proceeds of the Series 2018 Bonds; and (b) pay the principal of and interest on the Series 2018 Bonds as and when the same become due.

Section 5.6. Financial Statements and Other Information . The Institution shall keep proper books of record and account, in which full and correct entries shall be made of all dealings or transactions of or in relation to the properties, business and affairs of the Institution in accordance with generally accepted accounting principles. The Institution shall furnish to the Bond Trustee and the Purchaser, the following:

- (a) *Annual Financial Statements.* As soon as practicable after they are available but in no event more than **180** days after the last day of each fiscal year, the audit report and audited financial statements of the Institution for such fiscal year certified by the Institution's independent certified public accountants; and

(b) *Disclosure Document.* A copy of any official statement or other disclosure, if any, prepared in connection with the issuance of additional debt within 30 days after the sale thereof; and

(c) *Supplemental Proceedings.* A complete copy of the transcript of proceedings relating to any amendments to the Bond Indenture or this Loan Agreement.

Neither the Bond Trustee nor the Purchaser shall be responsible for review of the content of the foregoing documents.

The Institution shall at any and all times, upon the written request of the Authority or the Bond Trustee and at the expense of the Institution, permit the Authority, the Bond Trustee and the Purchaser by their representatives to inspect the properties, books of account, records, reports and other papers of the Institution, except, student records, donor records, personnel records, and any other confidential records, and to take copies and extracts therefrom, and will afford and procure a reasonable opportunity to make any such inspection, and the Institution will furnish to the Authority or the Bond Trustee any and all information as the Authority or the Bond Trustee may reasonably request, with respect to the performance by the Institution of its covenants in this Loan Agreement.

Section 5.7. Tax Covenants. The Institution covenants and agrees that it will not knowingly take any action or permit any action to be taken that would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds and will take whatever action, or refrain from whatever action, necessary to comply with the requirements of the Internal Revenue Code to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds, and the Institution shall comply with the Tax Compliance Agreement (defined in the Bond Indenture) and will pay or provide for payment to the United States Government or the Bond Trustee, all rebate payments required under Section 148(f) of the Internal Revenue Code and the Tax Compliance Agreement. This covenant shall survive payment in full or defeasance of the Bonds.

Section 5.8. Advances by Bond Trustee . If the Institution fails to make any payment or perform any of its covenants in this Loan Agreement, the Bond Trustee may but shall not be required, at any time and from time to time, use and apply any moneys held by it under the Bond Indenture, or make advances, to effect payment or performance of any such covenant on behalf of the Institution. All moneys so used or advanced by the Bond Trustee, together with interest at the Bond Trustee's announced prime rate per annum plus 2%, shall be repaid by the Institution upon demand and such advances shall be secured under the Bond Indenture prior to the Bonds. For the repayment of all such advances the Bond Trustee shall have the right to use and apply any moneys at any time held by it under the Bond Indenture but no such use of moneys or advance shall relieve the Institution from any default hereunder.

Section 5.9. Statement as to Compliance . The Institution shall deliver to the Authority and the Bond Trustee, within **180** days after the end of each fiscal year, a written certificate signed by the Institution Representative, stating, as to the signer thereof, that

(a) a review of the activities of the Institution during such fiscal year and of performance under this Loan Agreement has been made under such Institution Representative's supervision, and

(b) to the best of his knowledge, based on such review, the Institution has fulfilled all its obligations under this Loan Agreement throughout such fiscal year, or, if there has been a default in the fulfillment of any such obligation, specifying each such default known to such Institution Representative and the nature and status thereof.

Section 5.10. Pledge and Assignment of Security Interest in Unrestricted Receivables.

In order to secure the payment and performance of the duties and obligations of the Institution under this Loan Agreement and the Bond Indenture, the Institution does hereby pledge and assign unto the Authority and its successors and assigns (including the Bond Trustee), and grant a security interest thereunto in all of the Institution's Unrestricted Receivables. Notwithstanding the security interest granted in such Unrestricted Receivables pursuant to this Section, it is understood and agreed that, subject to **Article VI** hereof, the Institution shall be entitled to utilize Unrestricted Receivables for its proper purposes.

Section 5.11. Maintenance of Security Interests; Filing. The Institution will, at its expense, take all necessary action to maintain and preserve the lien and security interest of the Bond Indenture and this Loan Agreement so long as any Bond or Additional Obligation is Outstanding. The Institution will cause all financing statements and continuation statements covering security interests in the Institution's Unrestricted Receivables under **Section 5.10** of this Loan Agreement to be promptly recorded and filed, and at all times to be kept recorded and filed, and will execute and file such financing statements and cause to be issued and filed such continuation statements, all in such manner and in such places as may be required by law fully to preserve and protect the security interest pledged under such Section. The Institution hereby authorizes the Bond Trustee to file any such financing statements and continuation statements and appoints the Bond Trustee as its attorney-in-fact and in its name, place and stead to do so.

Section 5.12. Additional Obligations. So long as no Event of Default has occurred and is continuing the Institution may issue or incur Additional Obligations for any proper purpose if the conditions set forth in this Section are met.

Such Additional Obligations may, at the option of the Institution, be secured on a parity basis with the Bonds (but not a senior basis) including the pledge of Unrestricted Receivables hereunder and the liens and security interests of the other Security Documents. The holders of such Additional Obligations shall not be entitled to share on a parity with the Owners of the Bonds in any project fund, costs of issuance fund, bond fund or debt service fund, debt service reserve fund or similar fund or account established under the Bond Indenture for a series of Bonds unless such parity of the Additional Obligations is specifically provided in a Supplemental Bond Indenture for a series of Bonds. Such Additional Obligations may be further secured in any manner not inconsistent with the provisions and intent of the Bond Indenture or this Loan Agreement.

In the event that the Institution shall propose to secure any such Additional Obligation by a lien, mortgage or other security interest as described above, the Authority, the Bond Trustee, the Purchaser and the Institution shall take, or shall cause to be taken, such actions (including entering into a Supplemental Loan Agreement, Additional Obligations/intercreditor agreement, or Supplemental Bond Indenture) and execute, deliver, file and record such instruments of security as their respective counsel agree to be necessary or appropriate to grant to and/or otherwise secure for the holder or holders of the Additional Obligation a security interest similar to that of the Authority, the Purchaser and the Bond Trustee, and the Institution shall as a condition of securing such Additional Obligation execute, deliver, file and record,

and cause to be executed, delivered, filed and recorded by such holder or holders, such documents as counsel for the Authority, the Purchaser and the Institution agree to be necessary or appropriate therefor.

Any default under any instrument or agreement providing for repayment of any Additional Obligation secured on a parity with the Bonds as provided in this Section shall be a default under this Loan Agreement and there shall be included in any instrument or agreement providing for repayment of such Additional Obligation a provision that any default under this Loan Agreement which is not cured during any applicable cure or grace period shall be a default under such instrument or agreement. Any action which cures a default under any such instrument or agreement shall also cure such default under this Loan Agreement.

Section 5.13. Preservation of Existence and Status. Except as otherwise expressly provided in this Loan Agreement, the Institution shall: (a) preserve and keep in full force and effect its corporate or other separate legal existence; (b) remain qualified to do business and conduct its affairs in each jurisdiction where ownership of its property or the conduct of its business or affairs requires such qualification; (c) maintain its status as a nonprofit corporation and public charter school organized and existing under the laws of the State of Missouri, a Tax-Exempt Organization, and an “educational institution” under the MOHEFA Act. The Institution shall, immediately upon obtaining knowledge thereof, provide written notice to the Authority, the Bond Trustee and the Purchaser, of any failure to comply with the forgoing or of any threatened action which could adversely affect the Institution’s compliance with the forgoing, including without limitation notices threatening revocation of the Institution’s status as public charter school or as a Tax-Exempt Organization.

Section 5.14. Payment of Taxes and Other Charges . The Institution shall pay or cause to be paid as they become due and payable all taxes, assessments and other governmental charges lawfully levied or assessed or imposed upon the Institution or its property or any part thereof or upon any income therefrom; provided, however, that the Institution shall not be required to pay and discharge or cause to be paid and discharged any such tax, assessment or governmental charge to the extent that the amount, applicability or validity thereof shall currently be contested in good faith by appropriate proceedings and the Institution shall have established and shall maintain adequate reserves on its books for the payment of the same.

Section 5.15. Licenses and Permits . The Institution shall procure and maintain all licenses and permits material to the operation of its business and affairs and will maintain accreditation of its facilities by the appropriate accrediting body; provided, however, that the Institution shall not be required to procure or maintain in effect any right, license or accreditation that the governing board of the Institution determines in good faith, is not in the best interests of the Institution and is no longer desirable in the conduct of its business and the lack of which will not materially impair the ability of the Institution to pay or perform its obligations under this Loan Agreement.

5.16. Assignment by the Institution . The Institution shall not assign this Loan Agreement, as a whole or in part, without the prior written consent of the Authority, the Purchaser and the Bond Trustee.

ARTICLE VI DEFAULT AND REMEDIES

Section 6.1. Events of Default . The term “**event of default,**” wherever used in this Loan Agreement, means any one of the following events (whatever the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) default in the payment of any interest on the Loan after ten (10) days written notice to the Institution by the Bond Trustee or to the Institution and the Bond Trustee by the owners of at least **10%** in principal amount of the Bonds Outstanding that such payment is due and payable; or

(b) default in the payment of the principal of (or premium, if any, on) the Loan after ten (10) days written notice to the Institution by the Bond Trustee or to the Institution and the Bond Trustee by the owners of at least **10%** in principal amount of the Bonds Outstanding that such payment is due and payable (whether at maturity, upon proceedings for redemption, by acceleration or otherwise); or

(c) default in the performance, or breach, of any covenant or agreement of the Institution in this Loan Agreement (other than a covenant or agreement a default in the performance or breach of which is specifically dealt with elsewhere in this Section), and continuance of such default or breach for a period of **30** days after there has been given to the Institution by the Bond Trustee or to the Institution and the Bond Trustee by the owners of at least **10%** in principal amount of the Bonds Outstanding, a written notice specifying such default or breach and requiring it to be remedied; provided, that if such default cannot be fully remedied within such **30**-day period, but can reasonably be expected to be fully remedied, such default shall not constitute an event of default if the Institution shall immediately upon receipt of such notice commence the curing of such default and shall thereafter prosecute and complete the same within a period of **60**-days from the date of the written notice of such breach or default (or such greater period accepted by the Purchaser); or

(d) any representation or warranty made by the Institution in this Loan Agreement or in any written statement or certificate furnished to the Authority or the Bond Trustee or the purchaser of any Bond in connection with the sale of any Bond or furnished by the Institution

pursuant to this Loan Agreement proves untrue in any material respect as of the date of the issuance or making thereof and shall not be corrected or brought into compliance within **30** days after there has been given to the Institution by the Bond Trustee or to the Institution and the Bond Trustee by the owners of at least **10%** in principal amount of the Bonds Outstanding, a written notice specifying such default or breach and requiring it to be remedied; provided, that if such default cannot be fully remedied within such **30**-day period, but can reasonably be expected to be fully remedied, such default shall not constitute an event of default if the Institution shall immediately upon receipt of such notice commence the curing of such default and shall thereafter prosecute and complete the same with due diligence and dispatch and within a **60**-day period the written notice specifying such default or breach; provided further however, if the Purchaser of such Bonds determines in its sole discretion that the facts and circumstances giving rise to the untruth of such representation or warranty materially adversely affected the Purchaser or cannot be fully remedied, corrected or brought into compliance, then the additional cure period described in the preceding proviso shall not be available to the Institution; or

(e) the entry of a decree or order by a court having jurisdiction in the premises for relief in respect of the Institution, or adjudging the Institution a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, adjustment or composition of or in respect of the Institution under the United States Bankruptcy Code or any other applicable federal or state law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of or for the Institution or any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of **60** consecutive days; or

(f) the commencement by the Institution of a voluntary case, or the institution by it of proceedings to be adjudicated a bankrupt or insolvent, or the consent by it to the institution of bankruptcy or insolvency proceedings against it, or the filing by it of a petition or answer or consent seeking reorganization, arrangement or relief under the United States Bankruptcy Code or any other applicable federal or state law, or the consent or acquiescence by it to the filing of any such petition or the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Institution or any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability or its failure to pay its debts generally as they become due, or the taking of corporate action by the Institution in furtherance of any such action; or

(g) the occurrence and continuance of any “event of default” specified in **Section 701** of the Bond Indenture that has not been waived and is not cured during any applicable cure or grace period.

Promptly after any officer of the Institution may reasonably be deemed to have knowledge of a default hereunder, the Institution will deliver to the Bond Trustee a written notice specifying the nature and period of existence thereof and the action the Institution is taking and proposes to take with respect thereto.

Section 6.2. Acceleration of Maturity; Rescission and Annulment . If an event of default under this Loan Agreement occurs and is continuing, the Bond Trustee, as assignee of the Authority, may, and if requested by the owners of not less than **25%** in principal amount of the Bonds Outstanding shall, by written notice to the Institution and the Authority, declare the principal of the Loan and the interest

accrued thereon to be due and payable, and upon any such declaration such principal and interest shall become immediately due and payable.

At any time after such a declaration of acceleration has been made, but before any judgment or decree for payment of money due on the Loan has been obtained by the Bond Trustee as hereinafter in this Article provided, the Bond Trustee may, by written notice to the Institution, rescind and annul such declaration and its consequences if

- (a) the Institution has deposited with the Bond Trustee a sum sufficient to pay
 - (1) all overdue installments of interest on the Loan,
 - (2) the principal of (and premium, if any, on) the Loan which have become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates prescribed therefor in the Loan,
 - (3) interest upon overdue installments of interest at the rate or rates prescribed therefor in the Loan, and
 - (4) all sums paid or advanced by the Bond Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Bond Trustee, its agents and counsel; and
- (b) all events of default, other than the non-payment of the principal of the Loan which have become due solely by such declaration of acceleration, have been cured or have been waived as provided in **Section 6.7** hereof.

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

Section 6.3. Exercise of Remedies by the Bond Trustee . Upon the occurrence and continuance of any event of default under this Loan Agreement, unless the same is waived as provided in this Loan Agreement, the Bond Trustee, as assignee of the Authority, shall have the following rights and remedies, in addition to any other rights and remedies provided under this Loan Agreement or by law:

- (a) *Right to Bring Suit, Etc.* The Bond Trustee may pursue any available remedy at law or in equity by suit, action, mandamus or other proceeding to enforce the payment of the principal of, premium, if any, and interest on the Loan, including interest on overdue principal (and premium, if any) and on overdue installments of interest, and any other sums due under this Loan Agreement, to enforce and compel the performance of the duties and obligations of the Institution as set forth in this Loan Agreement and to enforce or preserve any other rights or interests of the Bond Trustee under this Loan Agreement existing at law or in equity.
- (b) *Exercise of Remedies at Direction of Bondowners.* If requested in writing to do so by the owners of not less than **25%** in principal amount of Bonds Outstanding and if indemnified as provided in **Section 802(c)** of the Bond Indenture, the Bond Trustee shall be obligated to exercise such one or more of the rights and remedies conferred by this Article as the Bond Trustee shall deem most expedient in the interests of the bondowners.

(c) *Restoration of Positions.* If the Bond Trustee has instituted any proceeding to enforce any right or remedy under this Loan Agreement by suit, or otherwise, and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Bond Trustee, then and in every case the Institution and the Bond Trustee shall, subject to any determination in such proceeding, be restored to their former positions and rights hereunder, and thereafter all rights and remedies of the Bond Trustee shall continue as though no such proceeding had been instituted.

Section 6.4. Application of Moneys Collected . Any moneys collected by the Bond Trustee pursuant to this Article (after the deductions for payment of costs and expenses of proceedings resulting in the collection of such moneys) together with any other sums then held by the Bond Trustee as part of the Trust Estate, shall be applied as provided in **Article VII** of the Bond Indenture and, in case of the distribution of such money on account of principal (or premium, if any) or interest on the Bonds, shall be credited against amounts due on the Loan.

Section 6.5. Rights and Remedies Cumulative . No right or remedy herein conferred upon or reserved to the Bond Trustee is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 6.6. Delay or Omission Not Waiver . No delay or omission of the Bond Trustee to exercise any right or remedy accruing upon an event of default shall impair any such right or remedy or constitute a waiver of any such event of default or an acquiescence therein. Every right and remedy given by this Article or by law to the Bond Trustee or to the bondowners may be exercised from time to time and as often as may be deemed expedient by the Bond Trustee.

Section 6.7. Waiver of Past Defaults . Before any judgment or decree for payment of money due has been obtained by the Bond Trustee as provided in this Article, the owners of a majority in principal amount of the Bonds Outstanding may, by written notice delivered to the Bond Trustee and the Institution, on behalf of the owners of all the Bonds waive any past default hereunder and its consequences, except a default

- (a) in the payment of the principal of (or premium, if any) or interest on the Loan, or
- (b) in respect of a covenant or provision hereof which under **Article VII** cannot be modified or amended without the consent of the owner of each Outstanding Bond affected.

Upon any such waiver, such default shall cease to exist, and any event of default arising therefrom shall be deemed to have been cured, for every purpose of this Loan Agreement; but no such waiver shall extend to or affect any subsequent or other default or impair any right or remedy consequent thereon.

ARTICLE VII SUPPLEMENTAL LOAN AGREEMENTS

Section 7.1. Supplemental Loan Agreements without Consent of Bondowners . The Authority and the Institution may from time to time, without the necessity of obtaining the written consent of the owners of any Bonds, enter into one or more Supplemental Loan Agreements, in form satisfactory to the Bond Trustee, for any of the following purposes:

(a) to correct or amplify the description of the Project or to more precisely identify the Project financed or refinanced out of the proceeds of the Bonds, or to substitute or add additional property thereto; or

(b) to add to the conditions, limitations and restrictions on the authorized amount, terms or purposes of the Loan, as herein set forth, additional conditions, limitations and restrictions thereafter to be observed; or

(c) to add to the covenants of the Institution or to the rights, powers and remedies of the Bond Trustee for the benefit of the owners of all Bonds or to surrender any right or power herein conferred upon the Institution; or

(d) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein or to make any other provisions, with respect to matters or questions arising under this Loan Agreement, which shall not be inconsistent with the provisions of this Loan Agreement, provided such action shall not in the judgment of the Institution adversely affect the interests of the owners of the Bonds.

(e) to issue Additional Bonds in accordance with the Bond Indenture or incur Additional Obligations in accordance with this Loan Agreement; or

(f) to make necessary or advisable amendments or additions in connection with the issuance of Additional Bonds in accordance with the Bond Indenture or the incurrence of Additional Obligations in accordance with this Loan Agreement.

Section 7.2. Supplemental Loan Agreements with Consent of Bondowners . With the consent of the owners of not less than a majority in principal amount of the Bonds then Outstanding affected by such Supplemental Loan Agreement, the Authority and the Institution may enter into Supplemental Loan Agreements, in form satisfactory to the Bond Trustee, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Loan Agreement or of modifying in any manner the rights of the Bond Trustee and the owners of the Bonds under this Loan Agreement; provided, however, that no such Supplemental Loan Agreement shall, without the consent of the owner of each Outstanding Bond affected thereby:

(a) change the stated maturity of the principal of, or any installment of interest on, the Loan, or reduce the principal amount thereof or the interest thereon, or change any place of payment where, or the coin or currency in which, the Loan, or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the stated maturity thereof (or, in the case of redemption, on or after the redemption date); or

(b) reduce the percentage in principal amount of the Outstanding Bonds, the consent of whose owners is required for any such Supplemental Loan Agreement, or the consent of whose owners is required for any waiver provided for in this Loan Agreement of compliance with certain provisions of this Loan Agreement or certain defaults hereunder and their consequences; or

(c) modify any of the provisions of this Section, except to increase any percentage provided thereby or to provide that certain other provisions of this Loan Agreement cannot be modified or waived without the consent of the owner of each Bond affected thereby.

The Bond Trustee may in its discretion determine whether or not any Bonds would be affected by any Supplemental Loan Agreement and any such determination shall be conclusive upon the owners of all Bonds, whether theretofore or thereafter authenticated and delivered hereunder. The Bond Trustee shall not be liable for any such determination made in good faith.

It shall not be necessary for the required percentage of owners of Bonds under this Section to approve the particular form of any proposed Supplemental Loan Agreement, but it shall be sufficient if such act shall approve the substance thereof.

Section 7.3. Execution of Supplemental Loan Agreements . In executing or consenting to any Supplemental Loan Agreement permitted by this Article, the Authority and the Bond Trustee shall receive, and, subject to **Section 801** of the Bond Indenture, shall be fully protected in relying upon the Opinion of Bond Counsel stating that the execution of such Supplemental Loan Agreement is authorized or permitted by this Loan Agreement, the Indenture and the MOHEFA Act and that the execution and delivery thereof will not adversely affect the exclusion from federal gross income of interest on the Bonds and that such Supplemental Loan Agreement will, upon execution and delivery thereof, be valid and binding upon the Authority in accordance with its terms, and an Opinion of Counsel to the effect that such Supplemental Loan Agreement will, upon execution and delivery thereof, be valid and binding upon the Institution in accordance with its terms. The Bond Trustee may, but shall not be obligated to, consent to any such Supplemental Loan Agreement which affects the Bond Trustee's own rights, duties or immunities under this Loan Agreement or otherwise.

Section 7.4. Effect of Supplemental Loan Agreements . Upon the execution of any Supplemental Loan Agreement under this Article, this Loan Agreement shall be modified in accordance therewith and such Supplemental Loan Agreement shall form a part of this Loan Agreement for all purposes; and the Institution, the Authority, the Bond Trustee and every owner of Bonds theretofore or thereafter authenticated and delivered under the Bond Indenture shall be bound thereby.

Section 7.5. Reference in Bonds to Supplemental Loan Agreements . Bonds authenticated and delivered after the execution of any Supplemental Loan Agreement pursuant to this Article may, and if required by the Bond Trustee shall, bear a notation in form approved by the Bond Trustee as to any matter provided for in such Supplemental Loan Agreement. If the Authority shall so determine, new Bonds so modified as to conform, in the opinion of the Bond Trustee and the Authority, to any such Supplemental Loan Agreement may be prepared and executed by the Authority and authenticated and delivered by the Bond Trustee in exchange for Outstanding Bonds.

ARTICLE VIII TERM AND TERMINATION OF LOAN AGREEMENT

Section 8.1. Term of Loan Agreement . This Loan Agreement shall be effective concurrently with the initial issuance and delivery of the Bonds and shall continue in force and effect until the principal of and interest on all of the Bonds have been fully paid (or provision for their payment shall have been made in accordance with **Article X** of the Bond Indenture) together with all sums to which the Authority and the Bond Trustee are entitled from the Institution under this Loan Agreement; provided, however, the provisions of **Sections 4.3(e)** and **5.4** related to indemnification of the Authority and the Bond Trustee shall remain in full force and effect.

Section 8.2. Termination and Discharge of Loan Agreement . If the Institution shall pay and discharge or provide for the payment or redemption and discharge of the whole amount of the principal of and interest on the Bonds at the time Outstanding as provided in the Bond Indenture, and shall pay or cause to be paid all other sums payable under this Loan Agreement, then all right, title and interest of the Authority and the Bond Trustee under this Loan Agreement shall thereupon cease, terminate and become void (except as provided in **Section 8.1** hereof), and this Loan Agreement, and the covenants of the Institution contained in this Loan Agreement, shall be discharged and the Authority and the Bond Trustee shall execute and deliver to the Institution a proper instrument or proper instruments acknowledging the satisfaction and termination of this Loan Agreement, and shall assign and transfer or cause to be assigned or transferred, and shall deliver or cause to be delivered to the Institution, all property, including money, then held by the Authority or the Bond Trustee with respect to the Bonds other than moneys deposited with the Bond Trustee for the payment of the principal of or interest on the Bonds. Notwithstanding the foregoing, the provisions of **Sections 9.5 and 9.6** hereof shall remain in full force and effect following the termination of this Loan Agreement and the termination and discharge of the Bond Indenture.

ARTICLE IX MISCELLANEOUS PROVISIONS

Section 9.1. Covenants under Transaction Documents . The Institution shall deliver to the Authority and the Bond Trustee all notices, reports, opinions and other documents and information required by the Bond Indenture to be submitted to the Authority and the Bond Trustee at the times required by the Bond Indenture and all other Transaction Documents, and shall perform or cause to be performed all covenants and agreements required on the part of the Institution contained in this Loan Agreement and the Bond Indenture and any other Transaction Documents. This Loan Agreement, all supplements to this Loan Agreement and all other Transaction Documents shall be delivered to and held by the Bond Trustee.

Section 9.2. Further Assurances . The Institution will do, execute, acknowledge and deliver such further acts, instruments, financing statements and assurances as the Bond Trustee may reasonably require for accomplishing the purposes of the Bond Indenture and this Loan Agreement.

Section 9.3. Payments Due on Saturdays, Sundays and Holidays . If the day for any payment due or the taking of any action under this Loan Agreement is not a Business Day, then such

payment may be made or action taken on the next succeeding Business Day without additional interest and with the same force and effect as if made on the specified date for payment.

Section 9.4. Notices. It shall be sufficient service of any notice, request, complaint, demand or other paper required by this Loan Agreement to be given to or filed with the Authority, the Bond Trustee, the Institution or the owners of the Bonds if the same is given or filed in the manner and at the addresses specified in the Bond Indenture.

Section 9.5. Immunity of Officers, Employees and Members of the Authority and the Institution . No recourse shall be had for the payment of the principal of or premium or interest on the Loan or for any claim based thereon or upon any representation, obligation, covenant or agreement in this Loan Agreement contained against any past, present or future officer, member, director, employee or agent of the Authority or the Institution, or, respectively, of any successor public or private corporation thereto, as such, either directly or through the Authority, the Institution, or respectively, any successor public or private corporation thereto, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, members, directors, employees or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Loan Agreement and the making of the Loan.

Section 9.6. Limitation of Authority's Liability . No agreements or provisions contained herein nor any agreement, covenant or undertaking of the Authority contained in any Transaction Document executed by the Authority in connection with the issuance, sale and delivery of the Bonds shall give rise to any pecuniary liability of the Authority or a general obligation of or a charge against its general credit or shall obligate the Authority financially in any way, except with respect to the funds available hereunder or under the Bond Indenture and pledged to the payment of the Bonds, and their application as provided under the Bond Indenture. The Authority has no taxing power. No failure of the Authority to comply with any term, covenant or agreement herein or in any Transaction Document executed by the Authority in connection with the Bonds shall subject the Authority to any pecuniary charge or liability except to the extent that the same can be paid or recovered from the funds available hereunder or under the Bond Indenture and pledged to the payment of the Bonds. Nothing herein shall preclude a proper party in interest from seeking and obtaining, to the extent permitted by law, specific performance against the Authority for any failure to comply with any term, condition, covenant or agreement herein or in the Bond Indenture; provided, that no costs, expenses or other monetary relief shall be recoverable from the Authority except as may be payable from the funds available hereunder or under the Bond Indenture and pledged to the payment of the Bonds.

Notwithstanding any other provision of this Loan Agreement or any other Transaction Document, (a) the Authority shall not be required to take action under this Loan Agreement unless the Authority (i) is requested in writing by an appropriate Person to take such action and (ii) is assured of payment of or reimbursement for any expense incurred in taking such action, and (b) except with respect to any action for specific performance or any action in the nature of a prohibitory or mandatory injunction, neither the Authority nor any official, officer, member, director, agent, employee or servant of the Authority shall be liable to the Institution, the Bond Trustee or any other Person for any action taken by the Authority or by its officials, officers, members, directors, agents, employees or servants, or for any failure to take action under this Loan Agreement or the Bond Indenture. In acting under this Loan Agreement, or in refraining from acting under this Loan Agreement, the Authority may conclusively rely on the advice of its counsel.

Section 9.7. No Violations of Law . Any other term or provision in this Loan Agreement to the contrary notwithstanding:

- (a) In no event shall this Loan Agreement be construed as:
 - (1) depriving the Authority of any right or privilege; or
 - (2) requiring the Authority or any member, agent, employee, representative or advisor of the Authority to take or omit to take, or to permit or suffer the taking of, any action by itself or by anyone else,

which deprivation or requirement would violate, or result in the Authority's being in violation of the MOHEFA Act or any other applicable state or federal law; and

- (b) At no time and in no event will the Institution permit, suffer or allow any of the proceeds of the Loan to be transferred to any Person in violation of, or to be used in any manner which is prohibited by, the MOHEFA Act or any other state or federal law.

Section 9.8. Benefit of Loan Agreement . This Loan Agreement shall inure to the benefit of the Authority, the Institution and the Bond Trustee and their respective successors and assigns and shall be binding upon the Authority and the Institution and their respective successors and assigns. Nothing in this Loan Agreement or in the Bond Indenture or the Bonds, express or implied, shall give to any Person, other than the Authority, the Institution and the Bond Trustee and their successors and assigns, any benefit or any legal or equitable right, remedy or claim under this Loan Agreement.

Section 9.9. Severability . If any provision in this Loan Agreement, the Bond Indenture or the Bonds shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 9.10. Electronic Transactions . The parties agree that the transaction described herein may be conducted and related documents may be sent, received and 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 9.11. Counterparts . This Loan Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 9.12. Governing Law . This Loan Agreement shall be governed by and construed in accordance with the laws of the State of Missouri.

[remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the Authority and the Institution have caused this Loan Agreement to be executed by their duly authorized officers, as of the day and year first above written.

**HEALTH AND EDUCATIONAL FACILITIES
AUTHORITY OF THE STATE OF MISSOURI**

By:
Name: Michael J. Stanard
Title: Executive Director

CROSSROADS CHARTER SCHOOLS

By:
Name: Dean Johnson

Title: Executive Director

Gilmore & Bell, P.C.
Draft: September 1, 2018

BOND TRUST INDENTURE

Dated as of November 1, 2018

Between

**HEALTH AND EDUCATIONAL FACILITIES AUTHORITY
OF THE STATE OF MISSOURI**

and

**COMMERCE BANK,
as Bond Trustee**

Relating to:

[\$3,500,000]

**Health and Educational Facilities Authority of the State of Missouri
Educational Facilities Revenue Bonds
(Crossroads Charter Schools)
Series 2018A**

and

[\$2,500,000]

**Health and Educational Facilities Authority of the State of Missouri
Educational Facilities Revenue Bonds
(Crossroads Charter Schools)
Series 2018B**

BOND TRUST INDENTURE

TABLE OF CONTENTS

| | <u>Page</u> |
|------------------|-------------|
| Parties | 1 |
| Recitals | 1 |
| Granting Clauses | 1 |

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

| | |
|--------------|--------------------------------|
| Section 101. | Definitions of Words and Terms |
| Section 102. | Rules of Construction |

ARTICLE II

THE BONDS

| | |
|--------------|---|
| Section 201. | Authorization of Series 2018 Bonds and Additional Bonds |
| Section 202. | Method and Place of Payment |
| Section 203. | Form of Bonds |
| Section 204. | Execution and Authentication |
| Section 205. | Registration, Transfer and Exchange |
| Section 206. | Mutilated, Destroyed, Lost and Stolen Bonds |
| Section 207. | Cancellation of Bonds |

ARTICLE III

REDEMPTION OF BONDS

| | |
|--------------|----------------------------------|
| Section 301. | Redemption of Bonds |
| Section 302. | Election to Redeem |
| Section 303. | Redemption Amounts |
| Section 304. | Notice of Redemption |
| Section 305. | Deposit of Redemption Price |
| Section 306. | Bonds Payable on Redemption Date |

ARTICLE IV

FUNDS AND ACCOUNTS AND APPLICATION OF BOND PROCEEDS AND OTHER MONEYS

| | |
|--------------|--|
| Section 401. | Creation of Funds and Accounts |
| Section 402. | Deposit of Series 2018 Bond Proceeds and Other Moneys |
| Section 403. | Series 2013B-1 Costs of Issuance Fund; Series 2013B-1 Project Fund |
| Section 404. | Series 2018 Debt Service Fund |

- Section 405. Records and Reports of Bond Trustee.
- Section 406. Payments Due on Saturdays, Sundays and Holidays.
- Section 407. Nonpresentment of Bonds.
- Section 408. Moneys to be Held in Trust.
- Section 409. Investment of Moneys.

ARTICLE V

RESERVED

ARTICLE VI

GENERAL COVENANTS AND PROVISIONS

- Section 601. Authority to Issue Series 2018 Bonds and Execute Bond Indenture
- Section 602. Limited Obligations
- Section 603. Payment of Bonds
- Section 604. Performance of Covenants
- Section 605. Inspection of Books
- Section 606. Enforcement of Rights
- Section 607. Amendments to the Loan Agreement
- Section 608. Tax Covenants
- Section 609. Information Provided To Authority

ARTICLE VII

DEFAULT AND REMEDIES

- Section 701. Events of Default
- Section 702. Acceleration of Maturity; Rescission and Annulment
- Section 703. Exercise of Remedies by the Bond Trustee
- Section 704. Bond Trustee May File Proofs of Claim
- Section 705. Limitation on Suits by Bondowners
- Section 706. Control of Proceedings by Bondowners
- Section 707. Application of Moneys Collected
- Section 708. Rights and Remedies Cumulative
- Section 709. Delay or Omission Not Waiver
- Section 710. Waiver of Past Defaults

ARTICLE VIII

THE BOND TRUSTEE

- Section 801. Acceptance of Trusts; Certain Duties and Responsibilities
- Section 802. Certain Rights of Bond Trustee
- Section 803. Notice of Defaults
- Section 804. Compensation and Reimbursement
- Section 805. Corporate Bond Trustee Required; Eligibility
- Section 806. Resignation and Removal of Bond Trustee

- Section 807. Appointment of Successor Bond Trustee
- Section 808. Acceptance of Appointment by Successor
- Section 809. Merger, Consolidation and Succession to Business
- Section 810. Co-Bond Trustees and Separate Bond Trustees
- Section 811. Designation of Paying Agents
- Section 812. Advances by Bond Trustee

ARTICLE IX

SUPPLEMENTAL BOND INDENTURES

- Section 901. Supplemental Bond Indentures without Consent of Bondowners
- Section 902. Supplemental Bond Indentures with Consent of Bondowners
- Section 903. Execution of Supplemental Bond Indentures
- Section 904. Effect of Supplemental Bond Indentures
- Section 905. Reference in Bonds to Supplemental Bond Indentures
- Section 906. University's Consent to Supplemental Bond Indentures

ARTICLE X

SATISFACTION AND DISCHARGE

- Section 1001. Payment, Discharge and Defeasance of Bonds
- Section 1002. Satisfaction and Discharge of Bond Indenture
- Section 1003. Rights Retained After Discharge

ARTICLE XI

NOTICES, CONSENTS AND OTHER ACTS

- Section 1101. Notices
- Section 1102. Acts of Bondowners

ARTICLE XII

MISCELLANEOUS PROVISIONS

- Section 1201. Further Assurances
- Section 1202. Immunity of Officers, Employees and Members of Authority
- Section 1203. Limitation on Authority Obligations
- Section 1204. Benefit of Bond Indenture
- Section 1205. Severability
- Section 1206. Electronic Transactions
- Section 1207. Execution in Counterparts
- Section 1208. Governing Law

Signatures and Seals

S-1

Schedule 1 - Terms of the Series 2018 Bonds

Sch1 - 1

Schedule 1-A (Amortization) - Mandatory Redemption Schedule for Series 2018 Bonds Sch1A - 1

| | |
|--|-----|
| Appendix A - The Refinanced Debt; The Project | A-1 |
| Appendix B - Form of Bonds | B-1 |
| Appendix C - Form of Disbursement Request - Costs of Issuance | C-1 |
| Appendix D - Form of Disbursement Request - Project Costs | D-1 |
| Appendix E - Form of Purchaser Letter | E-1 |

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BOND TRUST INDENTURE

THIS BOND TRUST INDENTURE (the “Bond Indenture”), entered into as of November 1, 2018, between the **HEALTH AND EDUCATIONAL FACILITIES AUTHORITY OF THE STATE OF MISSOURI**, a body politic and corporate and a public instrumentality duly organized and existing under the laws of the State of Missouri (the “Authority”), and **COMMERCE BANK**, a state banking corporation duly organized and existing and authorized to accept and execute trusts of the character herein set out under the laws of the State of Missouri, and having its designated corporate trust office located in Kansas City, Missouri, as bond trustee (the “Bond Trustee”);

RECITALS

1. The Authority is authorized by the Missouri Health and Educational Facilities Authority Act, Chapter 360 of the Revised Statutes of Missouri, as amended (the “MOHEFA Act”), to issue revenue bonds for the purpose of making loans to certain “health institutions” and “educational institutions,” as defined in the MOHEFA Act, to provide funds to pay the costs of acquiring, constructing, reconstructing, repairing, altering, improving and extending “health facilities” and “educational facilities,” as defined in the MOHEFA Act, said revenue bonds to be payable solely out of the revenues of the Authority pledged in favor of the owners of said bonds.

2. Pursuant to the MOHEFA Act and a resolution duly adopted by the Authority, the Authority is authorized to issue \$[3,500,000] principal amount of Educational Facilities Revenue Bonds (Crossroads Charter Schools), Series 2018A (the “Series 2018A Bonds”) and \$[2,500,000] principal amount of Educational Facilities Revenue Bonds (Crossroads Charter Schools), Series 2018B (the “Series 2018B Bonds”) and together with the Series 2018A Bonds, the “Series 2018 Bonds”), under this Bond Indenture for the purpose of making a loan (the “Loan”) to Crossroads Charter Schools, a nonprofit corporation and public charter school organized and existing under the laws of the State of Missouri and an “educational institution” as defined in the MOHEFA Act (the “Institution”), under a Loan Agreement of even date herewith (the “Loan Agreement”) between the Authority and the Institution, to provide funds (a) to finance, refinance and reimburse the costs of certain “educational facilities” of the Institution, as further described in **Appendix A** hereto (the “Project”), including by refinancing the indebtedness described in **Appendix A** hereto (the “Refinanced Debt”), and (b) to pay certain costs related to the issuance of the Series 2018 Bonds.

3. All acts and proceedings necessary to make the Series 2018 Bonds, when authenticated by the Bond Trustee and issued as provided in this Bond Indenture, the valid, legal and binding obligations of the Authority, and to constitute this Bond Indenture a valid, legal and binding pledge and assignment of the property, rights, interests and revenues made herein for the security of the payment of the Series 2018 Bonds, have been done and performed, and the execution and delivery of this Bond Indenture and the execution and issuance of the Series 2018 Bonds, subject to the terms of this Bond Indenture, have in all respects been duly authorized.

GRANTING CLAUSES

To declare the terms and conditions upon which Bonds are to be authenticated, issued and delivered and to secure the payment of all of the Bonds issued and Outstanding under this Bond Indenture

from time to time according to their tenor and effect and to secure the performance and observance by the Authority of all the covenants, agreements and conditions contained in this Bond Indenture and in the Bonds, and in consideration of the premises, the acceptance by the Bond Trustee of the trusts created by this Bond Indenture, the purchase and acceptance of the Bonds by the owners thereof, the Authority hereby transfers in trust, pledges and assigns to the Bond Trustee, and hereby grants a security interest to the Bond Trustee in, the property described in paragraphs (a) and (b) below (said property referred to herein as the "Trust Estate"):

(a) All rights, title and interest of the Authority (including, but not limited to, the right to enforce any of the terms thereof) in, to and under (1) the Loan Agreement, including, without limitation, all Loan Payments and other payments to be received by the Authority and paid by the Institution under and pursuant to and subject to the provisions of the Loan Agreement (except the Authority's rights to payment of its fees and expenses and to indemnification as set forth in the Loan Agreement and as otherwise expressly set forth therein) and the Institution's pledge of Unrestricted Receivables, and (2) all financing statements or other instruments or documents evidencing, securing or otherwise relating to the loan of the proceeds of the Bonds; and

(b) All moneys and securities from time to time held by the Bond Trustee under the terms of this Bond Indenture, and any and all other property (real, personal or mixed) of every kind and nature from time to time, by delivery or by writing of any kind, pledged, assigned or transferred as and for additional security under this Bond Indenture by the Authority or by anyone in its behalf or with its written consent, to the Bond Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof.

The Bond Trustee shall hold in trust and administer the Trust Estate, upon the terms and conditions set forth in this Bond Indenture for the equal and pro rata benefit and security of each and every owner of Bonds, without preference, priority or distinction as to participation in the lien, benefit and protection of this Bond Indenture of one Bond over or from the others, except as otherwise expressly provided herein.

NOW, THEREFORE, the Authority covenants and agrees with the Bond Trustee, for the equal and proportionate benefit of the respective owners of the Bonds, that all Bonds are to be issued, authenticated and delivered and the Trust Estate is to be held and applied by the Bond Trustee, subject to the further covenants, conditions and trusts hereinafter set forth, as follows:

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 101. Definitions of Words and Terms . In addition to the definitions set forth in **Schedule 1** hereto, for all purposes of this Bond Indenture, except as otherwise provided or unless the context otherwise requires, the following words and terms used in this Bond Indenture shall have the following meanings.

“Additional Bonds” means additional bonds which may be issued by the Authority on behalf of the Institution as described under **Section 201(c)** of this Bond Indenture.

“Additional Obligations” means additional obligations of the Institution issued or incurred pursuant to the provisions of the Loan Agreement to persons other than the Authority and secured all or in part on a parity basis with the Bonds.

“Additional Payments” means those payments required to be made by the Institution pursuant to **Section 4.3** of the Loan Agreement.

“Authority” means the Health and Educational Facilities Authority of the State of Missouri created by the MOHEFA Act, and its successors and assigns or any body, agency or instrumentality of the State of Missouri succeeding to or charged with the powers, duties and functions of the Authority.

“Authority Representative” means the chairman, vice chairman or executive director of the Authority, and such other person or persons at the time designated to act on behalf of the Authority in matters relating to this Bond Indenture and the Loan Agreement as evidenced by a written certificate furnished to the Institution and the Bond Trustee containing the specimen signature of such person or persons and signed on behalf of the Authority by its chairman, vice chairman or executive director. Such certificate may designate an alternate or alternates, each of whom shall be entitled to perform all duties of the Authority Representative.

“Bond” or **“Bonds”** means any bond or bonds of the series of the Series 2018A Bonds, the Series 2018B Bonds, and any Additional Bonds.

“Bond Indenture” means this Bond Trust Indenture as originally executed by the Authority and the Bond Trustee, as from time to time amended and supplemented by Supplemental Bond Indentures in accordance with the provisions of **Article IX** of this Bond Indenture.

“Bond Trustee” means Commerce Bank, and its successor or successors and any other corporation or association which at any time may be substituted in its place pursuant to and at the time serving as trustee under this Bond Indenture.

“Business Day” means a day other than a Saturday, Sunday, or legal holiday on which the Bond Trustee or any Paying Agent shall be scheduled in the normal course of its operations to be open to the public for conduct of its banking operations.

“Closing Date” means (i) with respect to the Series 2018 Bonds, [November __, 2018], and (ii) with respect to any series of Additional Bonds, the date of original issuance of such Additional Bonds.

“Continuing Covenant Agreement” means the Continuing Covenant Agreement dated as of November 1, 2018 between the Institution and the Purchaser, executed in connection with the Series 2018 Bonds, and as may be further supplemented and amended.

“Defeasance Obligations” means cash, direct non-callable obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, to which direct obligation or guarantee the full faith and credit of the United States of America has been pledged.

“Institution” means Crossroads Charter Schools, a nonprofit corporation and public charter school organized and existing under the laws of the State of Missouri, and its successors and assigns.

“Institution Representative” means the president and vice president of the Institution’s board of directors, the Institution’s executive director, and the Institution’s chief operating officer, and such other person or persons at the time designated to act on behalf of the Institution in matters relating to this Bond Indenture and the Loan Agreement as evidenced by a written certificate furnished to the Authority and the Bond Trustee containing the specimen signature of such person or persons and signed on behalf of the Institution by any of the foregoing officers. Such certificate may designate an alternate or alternates each of whom shall be entitled to perform all duties of the Institution Representative, and any other duly authorized officer of the Institution whose authority to execute any particular instrument or take a particular action under this Bond Indenture or the Loan Agreement shall be evidenced to the satisfaction of the Bond Trustee.

“Internal Revenue Code” means the Internal Revenue Code of 1986, as amended, and, when appropriate, any statutory predecessor or successor thereto, and all applicable regulations (whether proposed, temporary or final) thereunder and any applicable official rulings, announcements, notices, procedures and judicial determinations relating to the foregoing.

“Loan” means (i) for the Series 2018 Bonds, the loan of the proceeds of the Series 2018 Bonds made by the Authority to the Institution under the Loan Agreement, and (ii) for any series of Additional Bonds, the loan of the proceeds of the Additional Bonds made by the Authority to the Institution under the Loan Agreement and any Supplemental Loan Agreement providing for the issuance of such Additional Bonds.

“Loan Agreement” means the Loan Agreement of even date herewith, between the Authority and the Institution as from time to time amended by Supplemental Loan Agreements in accordance with the provisions of **Article VII** of the Loan Agreement and of **Section 607** of this Bond Indenture.

“Loan Payments” means the payments of principal and interest on the Loan referred to in **Section 4.1** of the Loan Agreement.

“MOHEFA Act” means the Missouri Health and Educational Facilities Authority Act, Chapter 360 of the Revised Statutes of Missouri, as from time to time amended.

“Opinion of Bond Counsel” means a written opinion of Gilmore & Bell, P.C., or any other legal counsel acceptable to the Authority who shall be nationally recognized as expert in matters pertaining to the validity of obligations of governmental issuers and the exemption from federal income taxation of interest on such obligations.

“Opinion of Counsel” means a written opinion of any legal counsel acceptable to the Institution and the Bond Trustee and, to the extent the Authority is asked to take action in reliance thereon, the Authority, who may be an employee of or counsel to the Institution.

“Outstanding” means, as of the date of determination, all Bonds theretofore authenticated and delivered under this Bond Indenture, except:

(1) Bonds theretofore cancelled by the Bond Trustee or delivered to the Bond Trustee for cancellation as provided in **Section 207** of this Bond Indenture;

(2) Bonds for whose payment or redemption money or Permitted Investments in the necessary amount has been deposited with the Bond Trustee or any Paying Agent in trust for the owners of such Bonds as provided in **Section 1001** of this Bond Indenture, provided that, if such Bonds are to be redeemed, notice of such redemption has been duly given pursuant to this Bond Indenture or provision therefor satisfactory to the Bond Trustee has been made;

(3) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered under this Bond Indenture; and

(4) Bonds alleged to have been mutilated, destroyed, lost or stolen which have been paid as provided in **Section 206** of this Bond Indenture.

“Paying Agent” means the Bond Trustee and any other commercial bank or trust institution organized under the laws of any state of the United States of America or any national banking association designated as paying agent for a series of Bonds.

“Permitted Investments” means, if and to the extent the same are at the time legal for investment of funds held under this Bond Indenture:

(A) Cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in paragraph (B) below).

(B) Direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America.

(C) Obligations of any of the following federal agencies which obligations represent full faith and credit of the United States of America, including

- Export - Import Bank
- Farmers Home Administration
- General Services Administration
- U.S. Maritime Administration
- Small Business Administration
- Government National Mortgage Association (GNMA)
- U.S. Department of Housing & Urban Development (PHA’s)
- Federal Housing Administration.

(D) Bonds notes or other evidences of indebtedness rated “AAA” by Standard & Poor’s Ratings Services (“Standard & Poor’s”) and “Aaa” by Moody’s Investors Service

(“Moody’s”) issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with remaining maturities not exceeding three years.

(E) U.S. dollar denominated deposit accounts, federal funds and banker’s acceptances with domestic commercial banks (including the Bond Trustee or any of its affiliates) which have a rating on their short term certificates of deposit on the date of purchase of “A-1” or “A-1+” by Standard & Poor’s and “P-1” by Moody’s and maturing no more than 360 days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank).

(F) Commercial paper which is rated at the time of purchase in the single highest classification, “A-1+” by Standard & Poor’s and “P-1” by Moody’s and which matures not more than 270 days after the date of purchase.

(G) Investments in a money market fund rated “AAAm” or “AAAm-G” or better by Standard & Poor’s.

(H) Pre-refunded Municipal Obligations defined as follows: Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and

(1) which are rated, based on an irrevocable escrow account or fund (the “escrow”), in the highest rating category of Standard & Poor’s and Moody’s or any successors thereto; or

(2) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph (A) above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate.

(I) With the written consent of the Purchaser, such other investments as then permitted by applicable law for funds of the Authority or the Institution, as then applicable.

“Person” means any natural person, firm, association, corporation, partnership, joint stock company, a joint venture, trust, unincorporated organization or firm, or a government or any agency or political subdivision thereof or other public body.

“Project” shall mean with respect to the Series 2018 Bonds, the facilities the costs of which were paid in whole or in part, or for which the Institution was reimbursed in whole or in part from the proceeds of the sale of the Series 2018 Bonds or from the proceeds of loans refinanced, in whole or in part, from the proceeds of the sale of the Series 2018 Bonds, and which constitute “educational facilities” as defined in the MOHEFA Act, as further described in **Appendix A** hereto and in the Tax Compliance Agreement; provided, however, that the Institution may make changes and amendments to the Project as provided in the Loan Agreement.

“Purchase Contract” means the Purchase Contract among the Authority, the Institution and the Purchaser with respect to the Series 2018 Bonds.

“Purchaser” means, (i) with respect to the Series 2018 Bonds, Clayton Holdings, LLC, the Purchaser of the Series 2018 Bonds, and its successors or assigns, and (ii) with respect to any series of Additional Bonds, the purchaser of such series of Additional Bonds and its successors or assigns.

“Purchaser Letter” means a letter of representations executed by the transferee, if any, of the Purchaser or a subsequent transferee in connection with the purchase of the Bonds, which Purchaser Letter shall be in substantially the form set forth in **Appendix E** hereto.

“Record Date” means the **15th** day (whether or not a Business Day) of the calendar month next preceding the month in which an interest payment on any Bond is to be made.

“Refinanced Debt” means the indebtedness of the Institution refinanced with proceeds of the Series 2018 Bonds, as further described in hereto **Appendix A**.

“Security Documents” has the meaning set forth in **Schedule 1** of this Bond Indenture.

“Series 2018 Bonds” means, collectively, the Series 2018A Bonds and the Series 2018B Bonds.

“Series 2018 Costs of Issuance Fund” means the fund by that name created by **Section 401** of this Bond Indenture.

“Series 2018 Debt Service Fund” means the fund by that name created by **Section 401** of this Bond Indenture.

“Series 2018 Project Fund” means the fund by that name created by **Section 401** of this Bond Indenture.

“Series 2018A Bonds” means the \$[3,500,000] principal amount Educational Facilities Revenue Bonds (Crossroads Charter Schools), Series 2018A, authenticated and delivered under and pursuant to this Bond Indenture.

“Series 2018B Bonds” means the \$[2,500,000] principal amount Educational Facilities Revenue Bonds (Crossroads Charter Schools), Series 2018B, authenticated and delivered under and pursuant to this Bond Indenture.

“Supplemental Bond Indenture” means any indenture supplemental or amendatory to this Bond Indenture entered into by the Authority and the Bond Trustee pursuant to **Article IX** of this Bond Indenture, and with respect to the issuance of Additional Bonds may be a separate instrument.

“Supplemental Loan Agreement” means any agreement supplemental or amendatory to the Loan Agreement entered into by the Authority and the Institution pursuant to **Article VII** of the Loan Agreement and **Section 607** of this Bond Indenture, and with respect to the issuance of Additional Bonds may be a separate instrument.

“Tax Compliance Agreement” means the Tax Compliance Agreement dated as of November 1, 2018 by and among the Authority, the Institution and the Bond Trustee, as supplemented and amended from time to time.

“Tax-Exempt Organization” means a nonprofit organization, organized under the laws of the United States of America or any state thereof, that is an organization described in Section 501(c)(3) of the Internal Revenue Code, is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code, and is not a “private foundation” within the meaning of Section 509(a) of the Internal Revenue Code, or corresponding provisions of federal income tax laws from time to time in effect.

“Transaction Documents” means this Bond Indenture, the Series 2018 Bonds, the Loan Agreement, the Tax Compliance Agreement, the Purchase Contract, the Continuing Covenant Agreement, the Security Documents, and any and all other documents or instruments that evidence or are a part of the transactions referred to in this Bond Indenture or the Loan Agreement or contemplated by this Bond Indenture or the Loan Agreement; and any and all future renewals and extensions or restatements of, or amendments or supplements to, any of the foregoing; provided, however, that when the words “Transaction Documents” are used in the context of the authorization, execution, delivery, approval or performance of Transaction Documents by a particular party, the same shall mean only those Transaction Documents that provide for or contemplate authorization, execution, delivery, approval or performance by such party; and provided further, that when the words “Transaction Documents” are used in connection with a particular series of Bonds, the same shall mean only those transaction documents that provide for or contemplate authorization, execution, delivery, approval or performance in connection with that series of Additional Bonds.

“Trust Estate” means the Trust Estate described in the Granting Clauses of this Bond Indenture.

“Unrestricted Receivables” means all income, revenues, receipts and other moneys received by or on behalf of the Institution from any source and all rights to receive the same whether in the form of accounts, deposit accounts, contract rights, chattel paper, instruments, general intangibles or other rights now owned or hereafter acquired by the Institution, and all proceeds therefrom whether cash or noncash, all as defined in Article 9 of the Uniform Commercial Code of the applicable state where the Institution is located; but excluding gifts, grants, bequests, donations and contributions to the Institution made that are specifically restricted by the donor, testator or grantor to a particular purpose that is inconsistent with their use for payments required under this Bond Indenture or the Loan Agreement, and, if also so restricted, the income and gains derived therefrom.

Section 102. Rules of Construction . For all purposes of this Bond Indenture, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction apply in construing the provisions of this Bond Indenture:

- (a) The terms defined in this Article include the plural as well as the singular.
- (b) All accounting terms not otherwise defined herein shall have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with generally accepted accounting principles.
- (c) All references herein to “generally accepted accounting principles” refer to such principles in effect on the date of the determination, certification, computation or other action to be taken hereunder using or involving such terms.
- (d) All references in this instrument to designated “Articles,” “Sections” and other subdivisions are to be the designated Articles, Sections and other subdivisions of this instrument as originally executed.
- (e) The words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Bond Indenture as a whole and not to any particular Article, Section or other subdivision.
- (f) The Article and section headings herein and in the Table of Contents are for convenience only and shall not affect the construction hereof.
- (g) Whenever an item or items are listed after the word “including” such listing is not intended to be a listing that excludes items not listed.

ARTICLE II

THE BONDS

Section 201. Authorization of Series 2018 Bonds and Additional Bonds .

- (a) *General.* The Authority may issue bonds in series from time to time under this Bond Indenture, but subject to the provisions of this Bond Indenture and any Supplemental Bond Indenture authorizing a series of Additional Bonds. No Bonds may be issued under this Bond Indenture except in accordance with the provisions of this Article.
- (b) *Series 2018 Bonds.* The Series 2018 Bonds shall be issued and secured by this Bond Indenture and shall have the principal, interest, redemption and other terms and provisions provided in **Schedule 1** of this Bond Indenture. The Series 2018 Bonds shall be executed in the manner set forth herein and delivered to the Bond Trustee for authentication, but prior to or simultaneously with the authentication and delivery of the Series 2018 Bonds by the Bond Trustee the following documents shall be filed with the Bond Trustee:
 - (i) A copy of the resolution adopted by the Authority authorizing the issuance of the Series 2018 Bonds and the execution of the Transaction Documents to which it is a party;

(ii) A copy of the resolutions adopted by the Institution authorizing the execution and delivery of the Transaction Documents to which it is a party, and approving this Bond Indenture and the issuance and sale of the Series 2018 Bonds;

(iii) An execution copy of the Bond Indenture, the Loan Agreement and the Tax Compliance Agreement;

(iv) A request and authorization to the Bond Trustee on behalf of the Authority, executed by an Authority Representative, to authenticate and deliver the Series 2018A Bonds;

(v) The Opinions of Bond Counsel dated the Closing Date, in substantially the forms attached as an Appendix to the Purchase Contract;

(vi) Such other certificates, statements, receipts, opinions and documents required by any of the Transaction Documents or as the Purchaser or bond counsel shall reasonably require in connection with the delivery of the Series 2018 Bonds.

When the documents specified in (i) through (v) above have been filed with the Bond Trustee, and when the Series 2018 Bonds shall have been executed and authenticated as required by this Bond Indenture, the Bond Trustee shall deliver the Series 2018 Bonds to or upon the order of the Purchaser thereof, but only upon payment to the Bond Trustee of the purchase price of the Series 2018 Bonds as set forth in the request and authorization.

(c) *Additional Bonds.* The Authority may, at the request of the Institution, issue, sell and deliver one or more series of Additional Bonds secured by any of the funds and accounts created hereunder for the purposes, upon satisfaction of the conditions and in the manner provided herein.

Any series of Additional Bonds shall bear interest from their date or from the most recent Interest Payment Date to which interest has been paid or duly provided for at the interest rates and payable on the Interest Payment Dates determined in accordance with the Supplemental Bond Indenture authorizing the issuance of such series of Additional Bonds.

Any series of Additional Bonds shall be executed in the manner set forth herein and delivered to the Bond Trustee for authentication, but prior to or simultaneously with the authentication and delivery of a series of Additional Bonds by the Bond Trustee the following documents shall be filed with the Bond Trustee:

(i) For Additional Bonds, a copy of the resolution adopted by the Authority authorizing the issuance of the series of Additional Bonds and the transaction documents to which it is a party in connection with the issuance of the series of Additional Bonds;

(ii) A copy of the resolutions adopted by the Institution authorizing the execution and delivery of any transaction documents to which it is a party in connection with the issuance of the series of Additional Bonds, and approving the issuance and sale of the series of Additional Bonds.

(iii) An execution copy of the Supplemental Bond Indenture and the Supplemental Loan Agreement and the other transaction documents to be delivered in connection with

the issuance of the series of Additional Bonds upon the authentication and delivery of the series of Additional Bonds.

- (iv) A request and authorization to the Bond Trustee on behalf of the Authority, executed by an Authority Representative, to authenticate and deliver the Additional Bonds.
- (v) An Opinion of Bond Counsel dated the Closing Date of the Additional Bonds, regarding the validity and, if applicable, the excludability from gross income of the interest on the Additional Bonds for federal income tax purposes, if the Additional Bonds are issued as tax-exempt bonds.
- (vi) Such other certificates, statements, receipts, opinions and documents required by any of the Transaction Documents or as the Purchaser or bond counsel shall reasonably require in connection with the delivery of the Additional Bonds.

When the documents specified in (i) through (v) above have been filed with the Bond Trustee, and when the Additional Bonds shall have been executed and authenticated as required by this Bond Indenture and the Supplemental Bond Indenture for the Additional Bonds, the Bond Trustee shall deliver the Additional Bonds to or upon the order of the Purchaser of such Additional Bonds.

Section 202. Method and Place of Payment . The principal of, redemption premium, if any, and interest on the Bonds shall be payable (A) in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts, and (B) (1) by check or draft mailed to such registered owner at such owner’s address as it appears on the bond register or at such other address as is furnished to the Bond Trustee in writing by such owner, or (2) at the written request addressed to the Bond Trustee by any owner of Bonds in the aggregate principal amount of at least **\$500,000**, by electronic transfer to such owner upon written notice to the Bond Trustee from such owner containing the electronic transfer instructions (which shall be in the continental United States) to which such owner wishes to have such transfer directed and such written notice is given by such owner to the Bond Trustee not less than **15** days prior to the Record Date; any such written notice for electronic transfer shall be signed by such owner and shall include the name of the bank, its address, its ABA routing number, accounting number and the name, number and contact name related to such owner’s account at such bank to which the payment is to be credited.

Section 203. Form of Bonds . The Series 2018 Bonds issued under this Bond Indenture shall be issuable as fully registered bonds in substantially the form set forth in **Appendix B** attached to this Bond Indenture, with such necessary or appropriate variations, omissions and insertions as are permitted or required by this Bond Indenture or any Supplemental Bond Indenture. Additional Bonds issued under this Bond Indenture shall be issuable as fully registered bonds in substantially the form set forth in the Supplemental Bond Indenture providing for the issuance of such Additional Bonds. Bonds may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any custom, usage or requirement of law, or other transaction terms, with respect thereto.

Section 204. Execution and Authentication . The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of an Authority Representative and attested by the manual or facsimile signature of its secretary or an assistant secretary and shall have the corporate seal of the Authority affixed thereto or imprinted thereon. If any officer whose manual or facsimile signature

appears on any Bonds shall cease to hold such office before the authentication and delivery of such Bonds, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such person had remained in office until delivery. Any Bond may be signed by such persons as at the actual time of the execution of such Bond shall be the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

No Bond shall be secured by, or be entitled to any lien, right or benefit under, this Bond Indenture or be valid or obligatory for any purpose, unless there appears on such Bond a certificate of authentication executed by the Bond Trustee by manual signature of an authorized officer or signatory of the Bond Trustee, and such certificate upon any Bond shall be conclusive evidence, and the only evidence, that such Bond has been duly authenticated and delivered hereunder. At any time and from time to time after the execution and delivery of this Bond Indenture, the Authority may deliver Bonds executed by the Authority to the Bond Trustee for authentication and the Bond Trustee shall authenticate and deliver such Bonds as in this Bond Indenture provided and not otherwise.

Section 205. Registration, Transfer and Exchange . The Bond Trustee shall cause to be kept at its principal corporate trust office a register (referred to herein as the “**bond register**”) in which, subject to such reasonable regulations as it may prescribe, the Bond Trustee shall provide for the registration, transfer and exchange of Bonds as herein provided. The Bond Trustee is hereby appointed “**bond registrar**” for the purpose of registering Bonds and transfers of Bonds as herein provided.

Bonds may be transferred or exchanged only upon the bond register maintained by the Bond Trustee as provided in this Section. Upon surrender for transfer or exchange of any Bond at the principal corporate trust office of the Bond Trustee, the Authority shall execute, and the Bond Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of the same maturity, of any authorized denominations and of a like aggregate principal amount.

Every Bond presented or surrendered for transfer or exchange shall (if so required by the Authority or the Bond Trustee, as bond registrar) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Authority and the Bond Trustee, as bond registrar, duly executed by the owner thereof or such owner’s attorney or legal representative duly authorized in writing.

All Bonds surrendered upon any exchange or transfer provided for in this Bond Indenture shall be promptly cancelled by the Bond Trustee and thereafter disposed of as directed by the Authority.

All Bonds issued upon any transfer or exchange of Bonds shall be the valid obligations of the Authority, evidencing the same debt, and entitled to the same security and benefits under this Bond Indenture, as the Bonds surrendered upon such transfer or exchange.

No service charge shall be made for any registration, transfer or exchange of Bonds, but the Bond Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds, and such charge shall be paid before any such new Bond shall be delivered. The fees and charges of the Bond Trustee for making any transfer or exchange and the expense of any bond printing necessary to effect any such transfer or exchange shall be paid by the Institution. In the event any registered owner fails to provide a correct taxpayer identification number to the Bond Trustee, the Bond Trustee may impose a charge against such registered owner sufficient to pay any governmental charge required to be paid as a result of such failure. In

compliance with Section 3406 of the Internal Revenue Code, such amount may be deducted by the Bond Trustee from amounts otherwise payable to such registered owner hereunder or under the Bonds.

The Authority, the Institution, the Bond Trustee and any agent of the Authority, the Institution or the Bond Trustee may treat the Person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of principal of (and premium, if any), and interest on, such Bond and for all other purposes whatsoever, except as otherwise provided in this Bond Indenture, whether or not such Bond is overdue, and, to the extent permitted by law, neither any Authority, the Institution, the Bond Trustee nor any such agent shall be affected by notice to the contrary.

The Person in whose name any Bond shall be registered on the bond register shall be deemed and regarded as the absolute owner thereof for all purposes, except as otherwise provided in this Bond Indenture, and payment of or on account of the principal of and premium, if any, and interest on any such Bond shall be made only to or upon the order of the registered owner thereof or such owner's legal representative, but such registration may be changed as herein provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

The Series 2018 Bonds initially shall be privately placed with the Purchaser. No beneficial ownership interest in a Series 2018 Bond may be transferred unless the proposed transferee shall have delivered to the Authority, the Institution and the Bond Trustee an express agreement substantially in the form of the Purchaser Letter attached as **Appendix E** hereto by the proposed transferee to be bound by and to abide by the provisions of this Section and the restrictions and transferee requirements noted in the form, including the requirements and making the representations set forth in each paragraph of the form with only such material variations from the form as are evidenced in writing to be acceptable to the Authority. Each Person who is or who becomes a beneficial owner of a Series 2018 Bond shall be deemed by the acceptance or acquisition of such beneficial ownership interest to have agreed to be bound by the provisions of this Section.

Section 206. Mutilated, Destroyed, Lost and Stolen Bonds . If (i) any mutilated Bond is surrendered to the Bond Trustee, or the Authority and the Bond Trustee receive evidence to their satisfaction of the destruction, loss or theft of any Bond, and (ii) there is delivered to the Authority and the Bond Trustee such security or indemnity as may be required by them to save each of them harmless, then, in the absence of notice to the Authority or the Bond Trustee that such Bond has been acquired by a bona fide purchaser, the Authority shall execute and the Bond Trustee shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Bond, a new Bond of the same maturity and of like tenor and principal amount, bearing a number not contemporaneously outstanding. Upon the issuance of any new Bond under this Section, the Authority and the Bond Trustee may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses connected therewith. The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds.

Section 207. Cancellation of Bonds . All Bonds surrendered for payment, redemption, transfer, exchange or replacement, if surrendered to the Bond Trustee, shall be promptly cancelled by the Bond Trustee, and, if surrendered to any Paying Agent other than the Bond Trustee, shall be delivered to the Bond Trustee and, if not already cancelled, shall be promptly cancelled by the Bond Trustee. The Authority or the Institution may at any time deliver to the Bond Trustee for cancellation any Bonds

previously authenticated and delivered hereunder, which the Authority or the Institution may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly cancelled by the Bond Trustee. No Bond shall be authenticated in lieu of or in exchange for any Bond cancelled as provided in this Section, except as expressly provided by this Bond Indenture. Upon request, the Bond Trustee shall execute and deliver to the Authority and the Institution a certificate describing the Bonds so cancelled. All cancelled Bonds held by the Bond Trustee shall be disposed of as directed by the Authority or in accordance with applicable record retention requirements

ARTICLE III

REDEMPTION OF BONDS

Section 301. Redemption of Bonds . The Bonds are subject to redemption prior to maturity in accordance with their terms and the terms and provisions set forth in this Section.

(a) *Optional Redemption of Series 2018 Bonds.* The Series 2018 Bonds shall be subject to optional redemption prior to maturity as provided in **Schedule 1** of this Bond Indenture.

(b) *Mandatory Redemption of Series 2018 Bonds.* The Series 2018 Bonds shall be subject to mandatory redemption prior to maturity as provided in **Schedule 1** of this Bond Indenture.

(c) *Optional Redemption of Additional Bonds.* Additional Bonds of a series shall be subject to optional redemption and payment prior to maturity, at the option of the Institution on the dates, in the amounts, and at the redemption prices as shall be set forth in the Supplemental Bond Indenture for that series of Additional Bonds.

(d) *Mandatory Redemption of Additional Bonds.* Any Additional Bonds shall be subject to mandatory redemption and payment prior to maturity on the dates, in the amounts, and at the redemption prices as shall be set forth in the Supplemental Bond Indenture for that series of Additional Bonds.

(e) *Purchase in Lieu of Redemption.* When the Bonds are subject to optional redemption, such Bonds may be purchased in lieu of redemption from moneys paid by or on behalf of the Institution on the applicable redemption date at a purchase price equal to the applicable redemption price established for such optional redemption, and such Bonds shall be purchased, and not redeemed, with moneys deposited for such purchase. The purchase of Bonds by the Institution pursuant to this subsection or advance or use of any moneys to effectuate such purpose shall not be deemed to be a redemption of such Bonds or any portion thereof, and such purchase shall not operate to extinguish or discharge the indebtedness evidenced by such Bonds.

Section 302. Election to Redeem . The Authority shall elect to redeem Bonds subject to optional redemption upon receipt of a written direction of the Institution.

Section 303. Redemption Amounts . Except with the consent of the Purchaser, Bonds may be redeemed only in principal amounts equal to authorized denominations thereof.

Section 304. Notice of Redemption . Unless waived by any owner of Bonds to be redeemed, or otherwise provided for Additional Bonds in the Supplemental Bond Indenture for such Additional Bonds, official notice of any such redemption shall be given by or with acknowledgement from the Authority upon written direction from the Institution to the Purchaser and the Bond Trustee at least **10** days prior to the redemption date (or such lesser period accepted by the Purchaser and the Bond Trustee).

Notice of any redemption of the Bonds pursuant to this **Section 304** shall be conditioned on either (i) there being on deposit on the redemption date sufficient money to pay the full redemption price of the Bonds to be redeemed or (ii) such notice stating that if sufficient funds are not available on the redemption date to pay the full redemption price, then the redemption and the original notice thereof are void, rescinded and of no force and effect.

All official notices of redemption shall be dated and shall state: (1) the redemption date; (2) the redemption price; (3) the principal amount of Bonds to be redeemed; (4) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date; and (5) the place where the Bonds to be redeemed are to be surrendered (if required hereunder) for payment of the redemption price. The failure of any owner of Bonds to receive notice given as provided in this Section, or any defect therein, shall not affect the validity of any proceedings for the redemption of any Bonds. Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given and shall become effective upon mailing, whether or not any owner receives such notice.

Section 305. Deposit of Redemption Price . On or prior to any redemption date, the Authority shall deposit with the Bond Trustee or with a Paying Agent, the moneys provided by the Institution to pay the redemption price of all the Bonds which are to be redeemed on that date. Such money shall be held in trust for the benefit of the Persons entitled to such redemption price and shall not be deemed to be part of the Trust Estate.

Section 306. Bonds Payable on Redemption Date . Notice of redemption having been given as aforesaid, the Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless insufficient funds are provided for payment of the redemption price) such Bonds shall cease to bear interest. Upon surrender of any such Bond for redemption in accordance with said notice, such Bond shall be paid by the Authority at the redemption price; provided, no surrender or presentation of Bonds shall be required for partial redemptions of a Bond prior to maturity or payment in full of such Bond unless requested in writing by the Bond Trustee, the Authority or the Institution. Installments of interest with a due date on or prior to the redemption date shall be payable to the owners of the Bonds registered as such on the relevant Record Dates according to the terms of such Bonds and the provisions of **Section 202**. If any Bond which is to be redeemed only in part shall be surrendered at the place of payment therefor (with, if the Authority or the Bond Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Authority and the Bond Trustee duly executed by, the owner thereof or such owner's attorney or legal representative duly authorized in writing), the Authority shall execute and the Bond Trustee shall authenticate and deliver to the owner of such Bond, without service charge, a new Bond or Bonds of the same maturity of any authorized denomination or denominations as requested by such owner in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered. If the owner of any such Bond shall fail to surrender and present such Bond to the Bond Trustee for payment and exchange in the circumstances set forth above, said Bond shall, nevertheless,

become due and payable on the redemption date to the extent of the principal amount called for redemption (and to that extent only).

ARTICLE IV

FUNDS AND ACCOUNTS AND APPLICATION OF BOND PROCEEDS AND OTHER MONEYS

Section 401. Creation of Funds and Accounts . There is hereby created and ordered to be established in the custody of the Bond Trustee the following special trust funds in the name of the Authority to be designated as follows

(a) *Series 2018 Project Fund.* The “Health and Educational Facilities Authority of the State of Missouri -- Crossroads Charter Schools -- Project Fund, Series 2018” (the “Series 2018 Project Fund”)[[, and within such fund two separate subaccounts, the “Refinanced Debt Account” and the “Series 2018 Project Account”]].

(b) *Series 2018 Costs of Issuance Fund.* The “Health and Educational Facilities Authority of the State of Missouri -- Crossroads Charter Schools -- Costs of Issuance Fund, Series 2018” (the “Series 2018 Costs of Issuance Fund”).

(c) *Series 2018 Debt Service Fund.* The “Health and Educational Facilities Authority of the State of Missouri -- Crossroads Charter Schools -- Debt Service Fund, Series 2018” (the “Series 2018 Debt Service Fund”), and within such fund two separate subaccounts, the “Series 2018A Debt Service Account” and the “Series 2018B Debt Service Account”.

The Bond Trustee is authorized to establish a closing settlement account and separate accounts or subaccounts within such funds or otherwise segregate moneys within such funds, on a book-entry basis or in such other manner as the Bond Trustee may deem necessary or convenient, or as the Bond Trustee shall be instructed by the Authority.

Section 402. Deposit of Series 2018 Bond Proceeds and Other Moneys .

The Authority shall cause to be paid to the Bond Trustee from amounts received by the Authority from the sale of the Series 2018 Bonds pursuant to the Purchase Contract the purchase price of the Series 2018 Bonds in the aggregate amount of **[\$6,000,000]** (\$[3,500,000] proceeds of the Series 2018A Bonds and \$[2,500,000] proceeds of the Series 2018B Bonds). Such amount shall be applied by the Bond Trustee as follows:

(i) **[\$_____.__]** shall be deposited by the Bond Trustee into the Series 2018 Costs of Issuance Fund and used to pay the costs of issuing the Series 2018 Bonds and disbursed for the purposes and in the manner set forth in **Section 403** of this Bond Indenture; [and]

(ii) \$[_____.] shall be deposited by the Bond Trustee into the Refinanced Debt Account of the Series 2018 Project Fund, immediately following issuance of the Series 2018 Bonds, such amount shall be transferred for payment of the Refinanced Debt, as further described in the closing settlement memorandum for the Series 2018 Bonds.]; and

(iii) \$[_____.] shall be deposited by the Bond Trustee into the Series 2018 Project Account of the Series 2018 Project Fund and disbursed for the purposes and in the manner set forth in **Section 403** of this Bond Indenture.]]

Section 403. Series 2018 Costs of Issuance Fund; Series 2018 Project Fund.

Moneys in the Series 2018 Costs of Issuance Fund shall be used for paying the costs and expenses incident to the issuance of the Series 2018 Bonds. The Bond Trustee shall disburse moneys on deposit in the Series 2018 Costs of Issuance Fund from time to time to pay or as reimbursement for payment made for the costs of issuing the Series 2018 Bonds, after receipt of written disbursement requests of the Institution signed by the Institution Representative, in substantially the form of **Appendix C** hereto, together with invoices for which payment is being requested. The Bond Trustee shall by fully protected in relying on a properly executed written disbursement request of the Institution Representative and shall have no duty or obligation to confirm that any requested disbursements constitute costs of issuing the Bonds. Any moneys remaining in the Series 2018 Costs of Issuance Fund on the first day of the calendar month next preceding the date which is six months after the Closing Date of the Series 2018 Bonds, shall be transferred by the Bond Trustee to the Series 2018 Debt Service Fund.

[[Moneys in the Series 2018 Project Account of the Series 2018 Project Fund shall be used as provided in this Section for paying the costs of the Project.

The Bond Trustee shall disburse moneys on deposit in the Series 2018 Project Account of the Series 2018 Project Fund from time to time to pay or as reimbursement for payment made for the costs of the Project (other than costs of issuance and costs of the Project financed or refinanced with the Refinanced Debt), after receipt of written disbursement requests of the Institution signed by the Institution Representative, in substantially the form of **Appendix D** hereto, together with invoices describing the items for which payment is being requested.

Upon completion of the Project, the Institution shall deliver to the Bond Trustee within 90 days thereafter a certificate of an Institution Representative stating that the Project has been fully completed substantially in accordance with the plans and specifications for the Project, as then amended, and the date of completion of the Project.

Upon completion of the Project as hereinbefore provided, any surplus moneys remaining in the Series 2018 Project Fund and not required for the payment of unpaid costs thereof, shall be transferred by the Bond Trustee to the Series 2018 Debt Service Fund and used to pay the next successive principal payment on the Series 2018 Bonds to become due or, at the written direction of the Authority given upon the written request of the Institution, to redeem Series 2018 Bonds at the earliest permissible date under **Section 301** of this Bond Indenture, or, in the discretion of the Institution, shall be applied for any other purpose that, based on an Opinion of Bond Counsel, will not adversely affect the excludability of the interest on the Series 2018 Bonds from gross income for federal income tax purposes.

If an event of default specified in **Section 701** of this Bond Indenture shall have occurred and the Series 2018 Bonds shall have been declared due and payable pursuant to **Section 702** of this Bond Indenture, any balance remaining in the Series 2018 Project Fund, shall without further authorization be deposited in the Series 2018 Debt Service Fund by the Bond Trustee with advice to the Institution and to the Authority of such action.]]

Section 404. Series 2018 Debt Service Fund. The Bond Trustee shall deposit and credit to the Series 2018 Debt Service Fund, as and when received, as follows:

- (a) All Loan Payments made by the Institution pursuant to **Section 4.1** of the Loan Agreement.
- (b) Any amount required to be transferred from the Series 2018 Costs of Issuance Fund or the Series 2018 Project Fund to the Series 2018 Debt Service Fund pursuant to **Section 403**.
- (c) Interest earnings and other income on Permitted Investments required to be deposited in the Series 2018 Debt Service Fund pursuant to **Section 409** hereof.
- (d) All other moneys received by the Bond Trustee under and pursuant to any of the provisions of this Bond Indenture or the Loan Agreement, when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the Series 2018 Debt Service Fund.

In connection with optional redemptions of Series 2018 Bonds, the Institution may designate the Series 2018A Bonds or Series 2018B Bonds to be redeemed and the funds provided for such redemption shall be deposited in and applied from the Series 2018A Debt Service Account or the Series 2018B Debt Service Account established for such series.

The Bond Trustee is authorized and directed to withdraw sufficient funds from the Series 2018 Debt Service Fund to pay principal of, redemption premium, if any, and interest on the Series 2018 Bonds as the same become due and payable at maturity or upon redemption and to make said funds so withdrawn available to the Bond Trustee and any Paying Agent for the purpose of paying said principal, redemption premium, if any, and interest.

The Bond Trustee, upon the written instructions from the Authority given pursuant to written direction of the Institution, shall use excess moneys in the Series 2018 Debt Service Fund to redeem all or part of the Series 2018 Bonds Outstanding and to pay interest to accrue thereon prior to such redemption and redemption premium, if any, on the next succeeding redemption date for which the required redemption notice may be given or on such later redemption date as may be specified by the Institution, in accordance with the provisions of **Article III** hereof, so long as the Institution is not in default with respect to any payments under the Loan Agreement and to the extent said moneys are in excess of the amount required for payment of Series 2018 Bonds theretofore matured or called for redemption and past due interest.

After payment in full of the principal of, redemption premium, if any, and interest on the Series 2018 Bonds (or after provision has been made for the payment thereof as provided in this Bond Indenture), all rebatable arbitrage to the United States and the fees, charges and expenses of the Bond

Trustee, any Paying Agents and the Authority, and any other amounts required to be paid under this Bond Indenture and the Loan Agreement, all amounts remaining in the Series 2018 Debt Service Fund shall be paid to the Institution upon the expiration or sooner termination of the Loan Agreement.

Section 405. Records and Reports of Bond Trustee. The Bond Trustee agrees to maintain such records with respect to any and all moneys or investments held by the Bond Trustee pursuant to the provisions of this Bond Indenture, including monthly transaction statements, which will detail all investment transactions relating to any funds or accounts held by the Bond Trustee under this Bond Indenture, and such other records and reports as are reasonably requested by the Authority or the Institution. The Bond Trustee and the Institution shall each render an annual accounting for each calendar year ending December 31 to the Authority and any bondowner requesting the same, showing in reasonable detail all financial transactions relating to the Trust Estate during the accounting period, including investment earnings and the balance in any funds or accounts held by the Bond Trustee or the Institution, respectively, under this Bond Indenture as of the beginning and close of such accounting period.

Section 406 Payments Due on Saturdays, Sundays and Holidays. In any case where the date of maturity of principal of, redemption premium, if any, or interest on the Bonds or the date fixed for redemption of any Bonds shall be a day other than a Business Day, then payment of principal, redemption premium, if any, or interest need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

Section 407. Nonpresentment of Bonds. No surrender or presentation of Bonds shall be required for partial redemptions of a Bond prior to maturity or payment in full of such Bond unless elected by the Purchaser or requested in writing by the Bond Trustee, the Authority or the Institution. In the event any Bond shall not be presented for payment when the principal thereof in the circumstances set forth above, if funds sufficient to pay such Bond shall have been made available to the Bond Trustee, all liability of the Authority to the owner thereof for the payment of such Bond, shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Bond Trustee to hold such funds in trust, without liability for interest thereon, for the benefit of the owner of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on such owner's part under this Bond Indenture or on or with respect to said Bond. If any Bond shall not be presented for payment within three years following the date when such Bond is required to be surrendered or presented for payment, the Bond Trustee shall repay to the Institution the funds theretofore held by it for payment of such Bond, without liability for interest thereon, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Institution, and the owner thereof shall be entitled to look only to the Institution for payment, and then only to the extent of the amount so repaid, and the Institution shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

Section 408. Moneys to be Held in Trust. All moneys deposited with or paid to the Bond Trustee for the funds and accounts held under this Bond Indenture, and all moneys deposited with or paid to any Paying Agent under any provision of this Bond Indenture shall be held by the Bond Trustee or Paying Agent in trust and shall be applied only in accordance with the provisions of this Bond Indenture and the Loan Agreement, and, until used or applied as herein provided, shall constitute part of the Trust Estate and be subject to the lien, terms and provisions hereof and shall not be commingled with any other funds of the Authority or the Institution except as provided under **Section 409** hereof for investment

purposes. Neither the Bond Trustee nor any Paying Agent shall be under any liability for interest on any moneys received hereunder.

Section 409. Investment of Moneys. Moneys held in the Series 2018 Costs of Issuance Fund, the Series 2018 Project Fund and the Series 2018 Debt Service Fund, shall be invested by the Bond Trustee pursuant to written directions of the Institution Representative, in accordance with the provisions of this Bond Indenture in Permitted Investments which mature or are subject to redemption by the owner thereof prior to the date such funds are expected to be needed; provided, however, in the absence of written directions from the Institution, the Bond Trustee shall hold such funds uninvested in cash until the Bond Trustee receives written directions regarding investment. The Bond Trustee shall promptly give written notice to the Institution that any fund or account hereunder is uninvested; provided, that the Bond Trustee shall not be liable for losses resulting from failure to promptly give such written notice. The Institution acknowledges that any such investment direction is required to comply with the terms of the Tax Compliance Agreement. The Bond Trustee may make any investments permitted by the provisions of this Section through its own bond department or short-term investment department and may pool moneys for investment purposes, except moneys held in any fund or account that are required to be yield restricted in accordance with the Tax Compliance Agreement, which shall be invested separately, or that the Institution notifies the Bond Trustee to invest separately because such funds are required to be yield restricted in accordance with the Tax Compliance Agreement. Any such Permitted Investments shall be held by or under the control of the Bond Trustee or the Institution and shall be deemed at all times a part of the fund or account in which such moneys are originally held. The interest accruing on each fund or account and any profit realized from such Permitted Investments shall be credited to such fund or account, and any loss resulting from such Permitted Investments shall be charged to such fund or account. The Bond Trustee or the Institution shall sell or present for redemption and reduce to cash a sufficient amount of such Permitted Investments whenever it shall be necessary to provide moneys in any fund or account for the purposes of such fund or account and the Bond Trustee shall not be liable for any loss resulting from such investments. The Bond Trustee may rely on the investment directions of the Institution Representative as to both the suitability and legality of the directed investments and such written direction shall be deemed to be a certification that such directed investments constitute Permitted Investments. Ratings of Permitted Investments shall be determined at the time of initial purchase of such Permitted Investments and without regard to ratings subcategories and the Bond Trustee shall have no shall have no responsibility to monitor the ratings of Permitted Investments after the initial purchase of such Permitted Investments, including at the time of reinvestment of earnings thereof. The parties hereto acknowledge that regulations of the Comptroller of the Currency grant them the right to receive brokerage confirmations of security transactions as they occur. The parties hereto specifically waive such notification to the extent permitted by law and acknowledge that they will receive periodic transaction statements as provided in **Section 405**, which will detail all investment transactions.

ARTICLE V

RESERVED

ARTICLE VI

GENERAL COVENANTS AND PROVISIONS

Section 601. Authority to Issue Series 2018 Bonds and Execute Bond Indenture . The Authority covenants that it is duly authorized under the Constitution and laws of the State of Missouri to execute this Bond Indenture, to issue the Series 2018 Bonds and to pledge and assign the Trust Estate in the manner and to the extent herein set forth; that all action on its part for the execution and delivery of this Bond Indenture and the issuance of the Series 2018 Bonds has been duly and effectively taken; and that the Series 2018 Bonds in the hands of the owners thereof are and will be valid and enforceable obligations of the Authority according to the import thereof, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights to the extent applicable and their enforcement may be subject to the exercise of judicial discretion in appropriate cases.

Section 602. Limited Obligations . The Bonds and the interest thereon shall be special, limited obligations of the Authority payable (except to the extent paid out of Bond proceeds or the income from the temporary investment thereof and under certain circumstances from insurance proceeds and condemnation awards) solely out of the Loan Payments and other payments derived by the Authority under the Loan Agreement (except for fees and expenses payable to the Authority, the Authority's right to indemnification as set forth in the Loan Agreement and as otherwise expressly set forth therein), and are secured by a transfer, pledge and assignment of and a grant of a security interest in the Trust Estate to the Bond Trustee and in favor of the owners of the Bonds, as provided in this Bond Indenture. The Bonds and interest thereon shall not be deemed to constitute a debt or liability of the State of Missouri or of any political subdivision thereof within the meaning of any state constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the State of Missouri or of any political subdivision thereof, but shall be payable solely from the funds provided for in the Loan Agreement and in this Bond Indenture. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the State of Missouri or any political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment. No provision of this Bond Indenture, nor any of the Transaction Documents nor of the Bonds shall be construed to create a debt of the State of Missouri within the meaning of the constitution or statutes of the State of Missouri. The State of Missouri shall not in any event be liable for the payment of the principal of, redemption premium, if any, or interest on the Bonds or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever which may be undertaken by the Authority. No breach by the Authority of any such pledge, mortgage, obligation or agreement may impose any liability, pecuniary or otherwise, upon the State of Missouri or any charge upon its general credit or against its taxing power. The Authority has no power to tax.

Section 603. Payment of Bonds . The Authority shall duly and punctually pay, but solely from the sources specified in this Bond Indenture, the principal of, redemption premium, if any, and interest on the Bonds in accordance with the terms of the Bonds and this Bond Indenture.

Section 604. Performance of Covenants . The Authority shall (to the extent within its control) faithfully perform or cause to be performed at all times any and all covenants, undertakings, stipulations and provisions contained in this Bond Indenture, in the Bonds and in all proceedings pertaining thereto.

Section 605. Inspection of Books . The Authority covenants and agrees that all books and documents in its possession relating to the Bonds, this Bond Indenture and the Loan Agreement, and the transactions relating thereto shall at all reasonable times be open to inspection by such accountants or other agencies as the Bond Trustee may from time to time designate. The Bond Trustee covenants and agrees that all books and documents in its possession relating to the Bonds, this Bond Indenture and the Loan Agreement, and the transactions relating thereto, including financial statements of the Institution, shall be open to inspection by the Authority during business hours upon reasonable notice.

Section 606. Enforcement of Rights. The Authority agrees that the Bond Trustee, as assignee, transferee, pledgee, and owner of a security interest under this Bond Indenture in its name or in the name of the Authority may enforce all rights of the Authority and the Bond Trustee and all obligations of the Institution under and pursuant to the Loan Agreement and any other Transaction Documents for and on behalf of the bondowners, whether or not the Authority is in default hereunder. The Loan Agreement and all other documents, instruments or policies of insurance required by the Bond Trustee shall be delivered to and held by the Bond Trustee.

Section 607. Amendments to the Loan Agreement . The Loan Agreement may be supplemented or amended by Supplemental Loan Agreements executed by the Authority and the Institution as provided in **Article VII** of the Loan Agreement; provided that subsequent to the issuance of any Bonds and prior to their payment in full (or provision thereof having been made in accordance with the provisions of this Bond Indenture), the Loan Agreement may not be amended, changed, modified, altered or terminated without the written consent of the Bond Trustee.

Section 608. Tax Covenants. The Authority (to the extent within its power or direction) shall not use or permit the use of any proceeds of Bonds or any other funds of the Authority, directly or indirectly, in any manner, and shall not take or permit to be taken any other action or actions, which would adversely affect the exclusion of the interest on any Bond from gross income for federal income tax purposes. The Authority agrees that so long as any of the Bonds remain Outstanding, it will comply with the provisions of the Tax Compliance Agreement applicable to the Authority.

The Bond Trustee agrees to comply with the provisions of the Tax Compliance Agreement applicable to the Bond Trustee, and upon receipt of any Opinion of Bond Counsel upon which the Bond Trustee may rely which sets forth requirements, to comply with any statute, regulation or ruling that may apply to it as Bond Trustee hereunder and relating to reporting requirements or other requirements necessary to preserve the exclusion from federal gross income of the interest on the Bonds.

Section 609. Information Provided to Authority . The Bond Trustee shall provide to the Authority, promptly upon request by the Authority, copies of the financial statements and other data as presently required by the Loan Agreement. The Authority is under no obligation to request or review

information pursuant to this Section. Each Opinion of Bond Counsel required to be addressed and delivered to the Bond Trustee under any provision of this Bond Indenture shall also be addressed and delivered to the Authority.

ARTICLE VII

DEFAULT AND REMEDIES

Section 701. Events of Default . The term “**event of default,**” wherever used in this Bond Indenture, means any one of the following events (whatever the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) default in the payment of any interest on any Bond when such interest becomes due and payable; or

(b) default in the payment of the principal of (or premium, if any, on) any Bond when the same becomes due and payable (whether at maturity, upon proceedings for redemption, by acceleration or otherwise); or

(c) default in the performance, or breach, of any covenant or agreement of the Authority in this Bond Indenture (other than a covenant or agreement a default in the performance or breach of which is specifically dealt with elsewhere in this Section), and continuance of such default or breach for a period of **30** days after there has been given to the Authority and the Institution by the Bond Trustee or to the Authority, the Institution and the Bond Trustee by the owners of at least **10%** in principal amount of the Bonds Outstanding, a written notice specifying such default or breach and requiring it to be remedied; provided, that if such default cannot be fully remedied within such **30**-day period, but can reasonably be expected to be fully remedied, such default shall not constitute an event of default if the Authority shall immediately upon receipt of such notice commence the curing of such default and shall thereafter prosecute and complete the same with due diligence and dispatch within a **60**-day period from the date of the written notice specifying the default or breach (or such greater period accepted in writing by the Purchaser); or

(d) any event of default under the Loan Agreement shall occur and is continuing and has not been waived.

With regard to any alleged default concerning which notice is given to the Institution under the provisions of this Section, the Authority hereby grants the Institution full authority for the account of the Authority to perform any covenant or obligation, the nonperformance of which is alleged in said notice to constitute a default, in the name and stead of the Authority, with full power to do any and all things and acts to the same extent that the Authority could do and perform any such things and acts in order to remedy such default.

Section 702. Acceleration of Maturity; Rescission and Annulment . If an event of default occurs and is continuing, the Bond Trustee may, and if requested in writing by the owners of not less than **25%** in principal amount of the Bonds Outstanding shall, by written notice to the Authority and the Institution, declare the principal of all Bonds Outstanding and the interest accrued thereon to be due and payable, and upon any such declaration such principal and interest shall become immediately due and payable.

At any time after such a declaration of acceleration has been made, but before any judgment or decree for payment of money due on any Bonds has been obtained by the Bond Trustee as provided in this Article, the owners of a majority in principal amount of the Bonds Outstanding may, by written notice to the Authority, the Institution and the Bond Trustee, rescind and annul such declaration and its consequences if

- (a) the Authority has deposited with the Bond Trustee a sum sufficient to pay
 - (1) all overdue installments of interest on all Bonds,
 - (2) the principal of (and premium, if any, on) any Bonds which have become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates prescribed therefor in such Bonds,
 - (3) interest upon overdue installments of interest at the rate or rates prescribed therefor in the Bonds, and
 - (4) all sums paid or advanced by the Bond Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Bond Trustee, its agents and counsel; and
- (b) all events of default, other than the non-payment of the principal of Bonds which have become due solely by such declaration of acceleration, have been cured or have been waived as provided in **Section 710** of this Bond Indenture.

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

Section 703. Exercise of Remedies by the Bond Trustee . Upon the occurrence and continuance of any event of default under this Bond Indenture, unless the same is waived as provided in this Bond Indenture, the Bond Trustee shall have the following rights and remedies, in addition to any other rights and remedies provided under this Bond Indenture or by law:

- (a) *Right to Bring Suit, Etc.* The Bond Trustee may pursue any available remedy at law or in equity by suit, action, mandamus or other proceeding to enforce the payment of the principal of, premium, if any, and interest on the Bonds Outstanding, including interest on overdue principal (and premium, if any) and on overdue installments of interest, and any other sums due under this Bond Indenture, to realize on or to foreclose any of its interests or liens under this Bond Indenture or any other Transaction Document, to enforce and compel the performance of the duties and obligations of the Authority as set forth in this Bond Indenture and to enforce or

preserve any other rights or interests of the Bond Trustee under this Bond Indenture with respect to any of the Trust Estate or otherwise existing at law or in equity.

(b) *Exercise of Remedies at Direction of Bondowners.* If requested in writing to do so by the owners of not less than **25%** in principal amount of Bonds Outstanding and if indemnified as provided in and subject to the terms of **Section 802(c)** of this Bond Indenture, the Bond Trustee shall be obligated to exercise such one or more of the rights and remedies conferred by this Article as the Bond Trustee shall deem most expedient in the interests of the bondowners.

(c) *Appointment of Receiver.* Upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Bond Trustee and of the bondowners under this Bond Indenture, the Bond Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate, pending such proceedings, with such powers as the court making such appointment shall confer.

(d) *Enforcement Without Possession of Bonds.* All rights of action under this Bond Indenture or any of the Bonds may be enforced and prosecuted by the Bond Trustee without the possession of any of the Bonds or the production thereof in any suit or other proceeding relating thereto, and any such suit or proceeding instituted by the Bond Trustee shall be brought in its own name as trustee of an express trust. Any recovery of judgment, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Bond Trustee, its agents and counsel, and subject to the provisions of **Section 707** hereof, shall be for the equal and ratable benefit of the owners of the Bonds in respect of which such judgment has been recovered.

(e) *Restoration of Positions.* If the Bond Trustee or any bondowner has instituted any proceeding to enforce any right or remedy under this Bond Indenture by suit, foreclosure, the appointment of a receiver, or otherwise, and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Bond Trustee or to such bondowner, then and in every case the Authority, the Institution, the Bond Trustee and the bondowners shall, subject to any determination in such proceeding, be restored to their former positions and rights under this Bond Indenture, and thereafter all rights and remedies of the Bond Trustee and the bondowners shall continue as though no such proceeding had been instituted.

Section 704. Bond Trustee May File Proofs of Claim . In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Authority or any other obligor upon the Bonds or of such other obligor or their creditors, the Bond Trustee (irrespective of whether the principal of the Bonds shall then be due and payable, as therein expressed or by declaration or otherwise, and irrespective of whether the Bond Trustee shall have made any demand on the Authority for the payment of overdue principal, premium or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise,

(a) to file and prove a claim for the whole amount of principal (and premium, if any) and interest owing and unpaid in respect of the Outstanding Bonds and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Bond Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Bond Trustee, its agents and counsel) and of the bondowners allowed in such judicial proceeding, and

(b) to collect and receive any moneys payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each bondowner to make such payments to the Bond Trustee, and in the event that the Bond Trustee shall consent to the making of such payments directly to the bondowners, to pay to the Bond Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Bond Trustee, its agents and counsel, and any other amounts due the Bond Trustee under **Section 804**.

Nothing herein contained shall be deemed to authorize the Bond Trustee to authorize or consent to or accept or adopt on behalf of any bondowner any plan of reorganization, arrangement, adjustment or composition affecting the Bonds or the rights of any owner thereof, or to authorize the Bond Trustee to vote in respect of the claim of any bondowner in any such proceeding.

Section 705. Limitation on Suits by Bondowners . No owner of any Bond shall have any right to institute any proceeding, judicial or otherwise, under or with respect to this Bond Indenture, or for the appointment of a receiver or trustee or for any other remedy under this Bond Indenture, unless

(a) such owner has previously given written notice to the Bond Trustee of a continuing event of default;

(b) the owners of not less than **25%** in principal amount of the Bonds Outstanding shall have made written request to the Bond Trustee to institute proceedings in respect of such event of default in its own name as Bond Trustee under this Bond Indenture;

(c) such owner or owners have offered to the Bond Trustee indemnity as provided in **Section 802(e)** and **Section 804** of this Bond Indenture against the costs, expenses and liabilities to be incurred in compliance with such request;

(d) the Bond Trustee for **60** days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and

(e) no direction inconsistent with such written request has been given to the Bond Trustee during such **60**-day period by the owners of a majority in principal amount of the Outstanding Bonds;

it being understood and intended that no one or more owners of Bonds shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Bond Indenture to affect, disturb or prejudice the lien of this Bond Indenture or the rights of any other owners of Bonds, or to obtain or to seek to obtain priority or preference over any other owners or to enforce any right under this Bond Indenture, except in the manner herein provided and for the equal and ratable benefit of all Outstanding Bonds.

Notwithstanding the foregoing or any other provision in this Bond Indenture, however, the owner of any Bond shall have the right which is absolute and unconditional to receive payment of the principal of (and premium, if any) and interest on such Bond on the respective stated maturities expressed in such

Bond (or, in the case of redemption, on the redemption date) and nothing contained in this Bond Indenture shall affect or impair the right of any owner to institute suit for the enforcement of any such payment.

Section 706. Control of Proceedings by Bondowners . Subject to the provisions of **Section 705** hereof, the owners of a majority in principal amount of the Bonds Outstanding shall have the right, during the continuance of an event of default,

(a) to require the Bond Trustee to proceed to enforce this Bond Indenture, either by judicial proceedings for the enforcement of the payment of the Bonds and the foreclosure of this Bond Indenture, or otherwise; and

(b) to direct the time, method and place of conducting any proceeding for any remedy available to the Bond Trustee, or exercising any trust or power conferred upon the Bond Trustee under this Bond Indenture, provided that

(1) such direction shall not be in conflict with any rule of law or this Bond Indenture,

(2) the Bond Trustee may take any other action deemed proper by the Bond Trustee which is not inconsistent with such direction, and

(3) the Bond Trustee shall not determine that the action so directed would be unjustly prejudicial to the owners not taking part in such direction.

Section 707. Application of Moneys Collected . Any moneys collected by the Bond Trustee pursuant to this Article (after the deductions for payment of costs and expenses of proceedings resulting in the collection of such moneys) together with any other sums then held by the Bond Trustee as part of the Trust Estate, shall be applied in the following order, at the date or dates fixed by the Bond Trustee and, in case of the distribution of such money on account of principal (or premium, if any) or interest, upon presentation of the Bonds and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

(a) **First:** To the payment of all undeducted amounts due the Bond Trustee under **Section 804** of this Bond Indenture;

(b) **Second:** To the payment of the whole amount then due and unpaid upon the Outstanding Bonds for principal (and premium, if any) and interest, in respect of which or for the benefit of which such money has been collected, with interest (to the extent that such interest has been collected by the Bond Trustee or a sum sufficient therefor has been so collected and payment thereof is legally enforceable at the respective rate or rates prescribed therefor in the Bonds) on overdue principal (and premium, if any) and on overdue installments of interest; and in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon such Bonds, then to the payment of such principal and interest, without any preference or priority, ratably according to the aggregate amount so due; and

(c) **Third:** To the payment of the remainder, if any, to the Institution or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

Whenever moneys are to be applied by the Bond Trustee pursuant to the provisions of this Section, such moneys shall be applied by it at such times, and from time to time, as the Bond Trustee shall determine, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Bond Trustee shall apply such moneys, it shall fix the date (which shall be an interest payment date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Bond Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the owner of any unpaid Bond until such Bond shall be presented to the Bond Trustee for appropriate endorsement or for cancellation if fully paid.

Section 708. Rights and Remedies Cumulative . No right or remedy herein conferred upon or reserved to the Bond Trustee or to the bondowners is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 709. Delay or Omission Not Waiver . No delay or omission of the Bond Trustee or of any owner of any Bond to exercise any right or remedy accruing upon an event of default shall impair any such right or remedy or constitute a waiver of any such event of default or an acquiescence therein. Every right and remedy given by this Article or by law to the Bond Trustee or to the bondowners may be exercised from time to time, and as often as may be deemed expedient, by the Bond Trustee or by the bondowners, as the case may be.

Section 710. Waiver of Past Defaults . Before any judgment or decree for payment of money due has been obtained by the Bond Trustee as provided in this Article, the owners of a majority in principal amount of the Bonds Outstanding may, by written notice delivered to the Bond Trustee and the Authority, on behalf of the owners of all the Bonds waive any past default hereunder and its consequences, except the following which cannot be waived without the consent of the owner of each Outstanding Bond affected

- (a) in the payment of the principal of (or premium, if any) or interest on any Bond,
or
- (b) in respect of a covenant or provision hereof which under **Article IX** cannot be modified or amended without the consent of the owner of each Outstanding Bond affected.

Upon any such waiver, such default shall cease to exist, and any event of default arising therefrom shall be deemed to have been cured, for every purpose of this Bond Indenture; but no such waiver shall extend to or affect any subsequent or other default or impair any right or remedy consequent thereon.

ARTICLE VIII

THE BOND TRUSTEE

Section 801. Acceptance of Trusts; Certain Duties and Responsibilities . The Bond Trustee accepts and agrees to execute the trusts imposed upon it by this Bond Indenture, but only upon the following terms and conditions:

(a) Except during the continuance of an event of default,

(1) the Bond Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Bond Indenture, and no implied covenants or obligations shall be read into this Bond Indenture against the Bond Trustee; and

(2) in the absence of bad faith on its part, the Bond Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates, resolutions, statements, notices, other instruments or opinions furnished to the Bond Trustee and conforming to the requirements of this Bond Indenture; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Bond Trustee, the Bond Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Bond Indenture.

(b) If an event of default has occurred and is continuing, the Bond Trustee shall exercise such of the rights and powers vested in it by this Bond Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances.

(c) No provision of this Bond Indenture shall be construed to relieve the Bond Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that

(1) this Subsection shall not be construed to limit the effect of Subsection (a) of this Section;

(2) the Bond Trustee shall not be liable for any error of judgment made in good faith by an authorized officer of the Bond Trustee, unless it shall be proved that the Bond Trustee was negligent in ascertaining the pertinent facts;

(3) the Bond Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the owners of a majority in principal amount of the Outstanding Bonds relating to the time, method and place of conducting any proceeding for any remedy available to the Bond Trustee, or exercising any trust or power conferred upon the Bond Trustee, under this Bond Indenture; and

(4) no provision of this Bond Indenture shall require the Bond Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(d) Whether or not therein expressly so provided, every provision of this Bond Indenture relating to the conduct of, affecting the liability of, or conveying rights and duties or affording protection to the Bond Trustee, whether acting as Bond Trustee, Paying Agent or bond registrar, shall be subject to the provisions of this **Article VIII**.

Section 802. Certain Rights of Bond Trustee . Except as otherwise provided in **Section 801** of this Bond Indenture:

(a) The Bond Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties, including certificates and requests from the Purchaser, an Authority Representative, or an Institution Representative. Any action taken by the Bond Trustee pursuant to this Bond Indenture upon the request or authority or consent of any person who, at the time of making such request or giving such authority or consent is the owner of any Bond, shall be conclusive and binding upon all future owners of the same Bond and upon Bonds issued in exchange therefor or upon transfer or in place thereof.

(b) The Bond Trustee may consult with counsel, and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by the Bond Trustee hereunder in good faith and in reliance thereon.

(c) Notwithstanding anything in this Bond Indenture to the contrary, the Bond Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Bond Indenture, whether at the request or direction of any of the bondowners pursuant to this Bond Indenture, or otherwise unless such bondowners shall have offered to the Bond Trustee reasonable security or indemnity against the fees, costs, expenses and liabilities (except as may result from the Bond Trustee's own negligence or willful misconduct) which might be incurred by it in compliance with such request or direction or in connection with the exercise of such requests or powers, provided, however, that the Bond Trustee shall not be required to take any action which it shall in good faith and upon the advice of counsel concludes could result in personal or environmental liability to the Bond Trustee.

(d) The Bond Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, or other paper or document, but the Bond Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Bond Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Authority, personally or by agent or attorney.

(e) The Bond Trustee assumes no responsibility for the correctness of the recitals contained in this Bond Indenture and in the Bonds, except the certificate of authentication on the Bonds. The Bond Trustee makes no representations to the value or condition of the Trust Estate or any part thereof, or as to the title thereto or as to the security afforded thereby or hereby, or as to the validity or sufficiency of this Bond Indenture or of the Bonds. The Bond Trustee shall not be accountable for the use or application by the Authority or the Institution of any of the Bonds or the proceeds thereof or of any money paid to or upon the order of the Authority or the Institution under any provision of this Bond Indenture.

(f) The Bond Trustee, in its individual or any other capacity, may become the owner or pledgee of Bonds and may otherwise deal with the Authority or the Institution with the same rights it would have if it were not Bond Trustee.

(g) All money received by the Bond Trustee shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received. Money held by the Bond Trustee in trust hereunder need not be segregated from other funds except to the extent required by law or by this Bond Indenture. The Bond Trustee shall be under no liability for interest on any money received by it hereunder.

(h) The permissive right of the Bond Trustee to do things enumerated in the Bond Indenture shall not be construed as a duty.

(i) The Bond Trustee shall not be required to give any bond or security in respect of the execution of its trusts and powers hereunder or otherwise.

Section 803. Notice of Defaults . The Bond Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except failure by the Authority to cause to be made any of the payments to the Bond Trustee required to be made by **Article IV** of this Bond Indenture, unless the Bond Trustee shall be specifically notified in writing of such default by the Authority, the Institution, the annual written compliance certificate required by the Loan Agreement, or the owners of at least **10%** in principal amount of all Bonds Outstanding, and in the absence of such notice so delivered, the Bond Trustee may conclusively assume there is no default except as aforesaid. Within **10** days after the occurrence of any default hereunder of which the Bond Trustee is required to take notice or for which the Bond Trustee has received notice as provided in this Section, the Bond Trustee shall give written notice of such default by mail to the Authority, the Institution and all owners of Bonds as shown on the bond register maintained by the Bond Trustee, unless such default shall have been cured or waived; provided, however, that, except in the case of a default in the payment of the principal of (or premium, if any) or interest on any Bond, the Bond Trustee shall be protected in withholding such notice if and so long as the Bond Trustee in good faith determines that the withholding of such notice is in the interests of the bondowners. For the purpose of this Section, the term **“default”** means any event which is, or after notice or lapse of time or both would become, an event of default.

Section 804. Compensation and Reimbursement . The Bond Trustee shall be entitled to payment of and/or reimbursement for any reasonable fees, expenses, disbursements and advances incurred or made by the Bond Trustee in accordance with any provision of this Bond Indenture, including agent and counsel fees and other ordinary expenses reasonably and necessarily made or incurred by the

Bond Trustee in the performance of its duties hereunder, except any such fees, expenses, disbursements or advances as may be attributable to the Bond Trustee's negligence or bad faith.

Pursuant to the provisions of the Loan Agreement, the Institution has agreed to pay to the Bond Trustee as Additional Payments all reasonable fees, charges, advances and expenses of the Bond Trustee, and the Bond Trustee agrees to look only to the Institution for the payment of all reasonable fees, charges, advances and expenses of the Bond Trustee and any Paying Agent as provided in the Loan Agreement. The Bond Trustee agrees that the Authority shall have no liability for any fees, charges and expenses of the Bond Trustee or for any indemnification of the Bond Trustee hereunder, and the Bond Trustee agrees to look only to the Institution for the payment of all fees, charges, expenses and indemnification of the Bond Trustee as provided in the Loan Agreement. Upon the occurrence of an event of default and during its continuance, the Bond Trustee shall have a lien with right of payment prior to payment on account of principal of, redemption premium, if any, or interest on any Bond, upon all moneys in its possession under any provisions hereof for the foregoing advances, fees, charges and expenses incurred.

Section 805. Corporate Bond Trustee Required; Eligibility. There shall at all times be a Bond Trustee hereunder which shall be a shall be a national or state bank or trust company authorized under such laws to exercise corporate trust powers, subject to supervision or examination by federal or state authority, and (i) having a combined capital and surplus of at least \$75,000,000, or (ii) providing an unconditional guarantee of the full and prompt performance by the Bond Trustee of all of its obligations under this Bond Indenture and each of the other Transaction Documents to which the Bond Trustee is a party or by which it assumes any obligation. If at any time the Bond Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect specified in this Article.

Section 806. Resignation and Removal of Bond Trustee .

(a) The Bond Trustee may resign at any time by giving written notice thereof to the Authority, the Institution and each owner of Bonds Outstanding as shown by the bond register required by this Bond Indenture to be kept at the office of the Bond Trustee. If an instrument of acceptance by a successor Bond Trustee shall not have been delivered to the Bond Trustee within **30** days after the giving of such notice of resignation, the resigning Bond Trustee may petition any court of competent jurisdiction for the appointment of a successor Bond Trustee.

(b) If the Bond Trustee has or shall acquire any conflicting interest (as defined in the Trust Indenture Act of 1939, as amended), it shall, within **90** days after ascertaining that it has a conflicting interest, or within **30** days after receiving written notice from the Authority or the Institution (so long as the Institution is not in default under this Bond Indenture) that it has a conflicting interest, either eliminate such conflicting interest or resign in the manner and with the effect specified in Subsection (a).

(c) The Bond Trustee may be removed at any time upon **30** days notice by an instrument or concurrent instruments in writing signed by the owners of a majority in principal amount of the Outstanding Bonds (or by an Institution Representative so long as the Institution is not in default hereunder), delivered to the Authority and the Bond Trustee. The Authority or any bondowner may at any time petition any court of competent jurisdiction for the removal for cause of the Bond Trustee.

(d) If at any time:

(1) the Bond Trustee shall fail to comply with Subsection (b) after written request therefor by the Authority or by any bondowner, or

(2) the Bond Trustee shall cease to be eligible under **Section 805** and shall fail to resign after written request therefor by the Authority or by any such bondowner, or

(3) the Bond Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Bond Trustee or of its property shall be appointed or any public officer shall take charge or control of the Bond Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (a) the Authority may remove the Bond Trustee, or (b) any bondowner may petition any court of competent jurisdiction for the removal of the Bond Trustee and the appointment of a successor Bond Trustee.

(e) The Bond Trustee shall give notice of each resignation and each removal of the Bond Trustee and each appointment of a successor Bond Trustee by mailing written notice of such event to the registered owners of Bonds as their names and addresses appear in the bond register. Each notice shall include the name of the successor Bond Trustee and the address of its principal corporate trust office.

(f) No resignation or removal of the Bond Trustee and no appointment of a successor Bond Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Bond Trustee under **Section 808**.

Section 807. Appointment of Successor Bond Trustee . If the Bond Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Bond Trustee for any cause, the Authority (with the Institution's written consent so long as the Institution is not in default hereunder), or the owners of a majority in principal amount of Bonds Outstanding (if the Institution is in default hereunder), by an instrument or concurrent instruments in writing delivered to the Authority and the retiring Bond Trustee, shall promptly appoint a successor Bond Trustee. In case all or substantially all of the Trust Estate shall be in the possession of a receiver or trustee lawfully appointed, such receiver or trustee, by written instrument, may similarly appoint a successor to fill such vacancy until a new Bond Trustee shall be so appointed by the bondowners.

Section 808. Acceptance of Appointment by Successor . Every successor Bond Trustee appointed hereunder shall execute, acknowledge and deliver to the Authority and to the retiring Bond Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Bond Trustee shall become effective and the duties and obligations of such retiring Bond Trustee shall thereafter cease and terminate, and such successor Bond Trustee, without any further act, deed or conveyance, shall become vested with all the estates, properties, rights, powers, trusts and duties of the retiring Bond Trustee; but, on request of the Authority or the successor Bond Trustee, such retiring Bond Trustee shall, upon payment of its charges, execute and deliver an instrument conveying and transferring to such successor Bond Trustee upon the trusts herein expressed all the estates, properties, rights, powers and trusts of the retiring Bond Trustee, and shall duly assign, transfer and deliver to such successor Bond Trustee all property and money held by such retiring Bond Trustee hereunder, subject nevertheless to its

lien, if any, provided for in **Section 804**. Upon request of any such retiring or successor Bond Trustee, the Authority shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Bond Trustee all such estates, properties, rights, powers and trusts.

Section 809. Merger, Consolidation and Succession to Business . Any corporation or association into which the Bond Trustee may be merged or with which it may be consolidated, or any corporation or association resulting from any merger or consolidation to which the Bond Trustee shall be a party, or any corporation or association succeeding to all or substantially all of the municipal corporate trust business of the Bond Trustee, shall be the successor of the Bond Trustee hereunder, provided such corporation or association shall be otherwise qualified and eligible under this Article, and shall be vested with all of the title to the whole property or Trust Estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any paper or any further act on the part of any of the parties hereto.

Section 810. Co-Bond Trustees and Separate Bond Trustees . The Bond Trustee shall have power to appoint (and remove), with the consent of the Authority, one or more Persons to act as co-trustee, jointly with the Bond Trustee, or as separate trustee, in either case with such powers as may be provided in the instrument of appointment, and to vest in such person or persons in the capacity aforesaid, any property, title, right or power deemed necessary or desirable, subject to the other provisions of this Section.

Section 811. Designation of Paying Agents . The Bond Trustee (including any successor Bond Trustee) is hereby designated and agrees to act as principal Paying Agent for and in respect to the Bonds. The Authority may, in its discretion, cause the necessary arrangements to be made through the Bond Trustee and to be thereafter continued for the designation of alternate Paying Agents, if any, and for the making available of funds hereunder for the payment of the principal of, premium, if any, and interest on the Bonds, or at the principal corporate trust office of said alternate Paying Agents.

Section 812. Advances by Bond Trustee . If the Institution shall fail to make any payment or perform any of its covenants in the Loan Agreement, the Bond Trustee may, but shall not be required, at any time and from time to time, use and apply any moneys held by it under this Bond Indenture, or make advances, to effect payment or performance of any such covenant on behalf of the Institution. All moneys so used or advanced by the Bond Trustee, together with interest at the Bond Trustee's announced prime rate per annum plus 2%, shall be repaid by the Institution upon demand and such advances shall be secured under this Bond Indenture prior to the Bonds. For the repayment of all such advances the Bond Trustee shall have the right to use and apply any moneys at any time held by it under this Bond Indenture but no such use of moneys or advance shall relieve the Institution from any default hereunder.

ARTICLE IX

SUPPLEMENTAL BOND INDENTURES

Section 901. Supplemental Bond Indentures without Consent of Bondowners

Without the consent of the owners of any Bonds, the Authority and the Bond Trustee may from time to time enter into one or more Supplemental Bond Indentures for any of the following purposes:

- (a) to correct or amplify the description of the Project or of any property at any time subject to the lien of this Bond Indenture, or better to assure, convey and confirm unto the Bond Trustee any property subject or required to be subjected to the lien of this Bond Indenture, or to subject to the lien of this Bond Indenture additional property; or
- (b) to add to the conditions, limitations and restrictions on the authorized amount, terms or purposes of issue, authentication and delivery of Bonds, as herein set forth, additional conditions, limitations and restrictions thereafter to be observed; or
- (c) to evidence the appointment of a separate trustee or the succession of a new trustee under this Bond Indenture; or
- (d) to add to the covenants of the Authority or to the rights, powers and remedies of the Bond Trustee for the benefit of the owners of all Bonds or to surrender any right or power herein conferred upon the Authority; or
- (e) to cure any ambiguity, to correct or supplement any provision in this Bond Indenture which may be inconsistent with any other provision herein or to make any other change, with respect to matters or questions arising under this Bond Indenture, which shall not be inconsistent with the provisions of this Bond Indenture, provided such action shall not in the judgment of the Institution materially adversely affect the interests of the owners of the Bonds; or
- (f) to issue or evidence the incurrence of Additional Bonds in accordance with **Section 201** hereof or Additional Obligations pursuant to the provisions of the Loan Agreement; or
- (g) to make necessary or advisable amendments or additions in connection with the issuance of Additional Bonds in accordance with **Section 201** hereof or in connection with Additional Obligations incurred pursuant to the provisions of the Loan Agreement; or
- (h) to modify, eliminate or add to the provisions of this Bond Indenture to such extent as shall be necessary to effect the qualification of this Bond Indenture under the Trust Indenture Act of 1939, as amended, or under any similar federal statute hereafter enacted, or to permit the qualification of the Bonds for sale under the securities laws of the United States or any state of the United States.

Section 902. Supplemental Bond Indentures with Consent of Bondowners . With the consent of the owners of not less than a majority in principal amount of the Bonds then Outstanding affected by such Supplemental Bond Indenture, the Authority and the Bond Trustee may enter into one or more Supplemental Bond Indentures for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Bond Indenture or of modifying in any manner the rights of the owners of the Bonds under this Bond Indenture; provided, however, that no such Supplemental Bond Indenture shall, without the consent of the owner of each Outstanding Bond affected thereby,

(a) change the stated maturity of the principal of, or any installment of interest on, any Bond, or reduce the principal amount thereof or the interest thereon or any premium payable upon the redemption thereof, or change any place of payment where, or the coin or currency in which, any Bond, or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the stated maturity thereof (or, in the case of redemption, on or after the redemption date); or

(b) reduce the percentage in principal amount of the Outstanding Bonds, the consent of whose owners is required for any such Supplemental Bond Indenture, or the consent of whose owners is required for any waiver provided for in this Bond Indenture of compliance with certain provisions of this Bond Indenture or certain defaults hereunder and their consequences; or

(c) modify the obligation of the Authority to make payment on or provide funds for the payment of any Bond; or

(d) modify or alter the provisions of the proviso to the definition of the term “Outstanding”; or

(e) modify any of the provisions of this Section or **Section 710**, except to increase any percentage provided thereby or to provide that certain other provisions of this Bond Indenture cannot be modified or waived without the consent of the owner of each Bond affected thereby; or

(f) except as authorized hereunder for Additional Bonds and Additional Obligations, permit the creation of any lien ranking prior to or on a parity with the lien of this Bond Indenture with respect to any of the Trust Estate or terminate the lien of this Bond Indenture on any property at any time subject hereto or deprive the owner of any Bond of the security afforded by the lien of this Bond Indenture.

The Bond Trustee may in its discretion determine whether or not any Bonds would be affected by any Supplemental Bond Indenture and any such determination shall be conclusive upon the owners of all Bonds, whether theretofore or thereafter authenticated and delivered hereunder. The Bond Trustee shall not be liable for any such determination made in good faith.

It shall not be necessary for the required percentage of owners of Bonds under this Section to approve the particular form of any proposed Supplemental Bond Indenture, but it shall be sufficient if such act shall approve the substance thereof.

Section 903. Execution of Supplemental Bond Indentures . Prior to executing, or accepting the additional trusts created by, any Supplemental Bond Indenture permitted by this Article or

the modification thereby of the trusts created by this Bond Indenture, the Bond Trustee shall be provided with, and, subject to **Section 801**, shall be fully protected in relying upon, an Opinion of Counsel addressed to the Bond Trustee and the Authority stating that the execution of such Supplemental Bond Indenture is authorized or permitted by this Bond Indenture and the MOHEFA Act and will, upon execution and delivery thereof, be valid and binding upon the Authority in accordance with its terms. The Bond Trustee may, but shall not, except to the extent required in the case of any Supplemental Bond Indenture entered into under **Section 901(h)**, be obligated to, enter into any such Supplemental Bond Indenture which affects the Bond Trustee' own rights, duties or immunities under this Bond Indenture or otherwise.

Section 904. Effect of Supplemental Bond Indentures . Upon the execution of any Supplemental Bond Indenture under this Article, this Bond Indenture shall be modified in accordance therewith and such Supplemental Bond Indenture shall form a part of this Bond Indenture for all purposes; and every owner of Bonds theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

Section 905. Reference in Bonds to Supplemental Bond Indentures . Bonds authenticated and delivered after the execution of any Supplemental Bond Indenture pursuant to this Article may, and if required by the Bond Trustee shall, bear a notation in form approved by the Bond Trustee as to any matter provided for in such Supplemental Bond Indenture. If the Authority shall so determine, new Bonds so modified as to conform, in the opinion of the Bond Trustee and the Authority, to any such Supplemental Bond Indenture may be prepared and executed by the Authority and authenticated and delivered by the Bond Trustee in exchange for Outstanding Bonds.

Section 906. Institution's Consent to Supplemental Bond Indentures . So long as the Institution is not in default under the Loan Agreement, a Supplemental Bond Indenture under this Article which affects any rights of the Institution will not become effective unless and until the Institution consents in writing to the execution and delivery of such Supplemental Bond Indenture; provided that receipt by the Bond Trustee of a Supplemental Loan Agreement executed by the Institution in connection with the issuance of Additional Bonds shall be deemed to be the consent of the Institution to the execution of the related Supplemental Bond Indenture.

ARTICLE X

SATISFACTION AND DISCHARGE

Section 1001. Payment, Discharge and Defeasance of Bonds . Bonds will be deemed to be paid and discharged and no longer Outstanding under this Bond Indenture and will cease to be entitled to any lien, benefit or security of this Bond Indenture if the Authority shall pay or provide for the payment of such Bonds in any one or more of the following ways:

- (a) by paying or causing to be paid the principal of (including redemption premium, if any) and interest on such Bonds, as and when the same become due and payable;
- (b) by delivering such Bonds to the Bond Trustee for cancellation; or

(c) by depositing in trust with the Bond Trustee or other Paying Agent moneys and Defeasance Obligations in an amount, together with the income or increment to accrue thereon, without consideration of any reinvestment thereof, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on such Bonds at or before their respective maturity or redemption dates (including the payment of the principal of, premium, if any, and interest payable on such Bonds to the maturity or redemption date thereof); provided that, if any such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption is given in accordance with the requirements of this Bond Indenture or provision satisfactory to the Bond Trustee is made for the giving of such notice.

The foregoing notwithstanding, the liability of the Authority in respect of such Bonds shall continue, but the owners thereof shall thereafter be entitled to payment only out of the moneys and Permitted Investments deposited with the Bond Trustee as aforesaid.

Defeasance Obligations so deposited with the Bond Trustee pursuant to this Section shall not be a part of the Trust Estate but shall constitute a separate trust fund for the benefit of the Persons entitled thereto. Such Defeasance Obligations and the earnings therefrom shall be applied by the Bond Trustee to the payment (either directly or through any Paying Agent, as the Bond Trustee may determine) to the Persons entitled thereto, of the principal (and premium, if any) and interest for whose payment such moneys and Permitted Investments have been deposited with the Bond Trustee.

Section 1002. Satisfaction and Discharge of Bond Indenture. This Bond Indenture and the lien, rights and interests created by this Bond Indenture shall cease, determine and become null and void (except as to any surviving rights of transfer or exchange of Bonds herein provided for) if the following conditions are met:

(a) the principal of, premium, if any, and interest on all Bonds has been paid or is deemed to be paid and discharged by meeting the conditions of **Section 1001**;

(b) all other sums payable under this Bond Indenture with respect to the Bonds are paid or provision satisfactory to the Bond Trustee is made for such payment;

(c) receipt by the Bond Trustee and the Authority of an Opinion of Bond Counsel (which may be based upon a ruling or rulings of the Internal Revenue Service) addressed to each of them to the effect that so providing for the payment of any Bonds will not cause the interest on the Bonds to be included in gross income for federal income tax purposes, notwithstanding the satisfaction and discharge of this Bond Indenture; and

(d) receipt by the Bond Trustee and the Authority of an Opinion of Bond Counsel addressed to each of them to the effect that all conditions precedent in this Section to the satisfaction and discharge of this Bond Indenture have been complied with.

Thereupon, the Bond Trustee shall execute and deliver to the Authority a termination statement and such instruments of satisfaction and discharge of this Bond Indenture as may be necessary and shall pay, assign, transfer and deliver to the Authority, or other Persons entitled thereto, all moneys, securities and other property then held by it under this Bond Indenture as a part of the Trust Estate, other than

moneys or Permitted Investments held in trust by the Bond Trustee as herein provided for the payment of the principal of, premium, if any, and interest on the Bonds.

Section 1003. Rights Retained After Discharge . Notwithstanding the satisfaction and discharge of this Bond Indenture, the Bond Trustee shall retain such rights, powers and duties under this Bond Indenture as may be necessary and convenient for the payment of amounts due or to become due on the Bonds and the registration, transfer and exchange of Bonds as provided herein. The right of the Bond Trustee to indemnity and the right to compensation and reimbursement pursuant to **Section 804** shall survive termination and discharge of this Bond Indenture. In addition, the provisions of **Section 4.3(e), 5.4, 9.5 and 9.6** of the Loan Agreement and **Sections 602, 1202 and 1203** hereof shall survive the termination and discharge of this Bond Indenture.

ARTICLE XI

NOTICES, CONSENTS AND OTHER ACTS

Section 1101. Notices. Except as otherwise provided herein, it shall be sufficient service of any notice, request, demand, authorization, direction, consent, waiver or other paper required or permitted by this Bond Indenture to be made, given or furnished to or filed with the following Persons, if the same shall be delivered in person or duly mailed by first class mail or carrier service at the following addresses, or given by email or other electronic message system (with receipt confirmed in writing), provided that notice to the Bond Trustee by any means shall be effective only upon receipt:

(a) To the Authority at:

Health and Educational Facilities Authority
of the State of Missouri
15450 South Outer Forty Road, Suite 230
Chesterfield, Missouri 63017
Attention: Executive Director

(b) To the Bond Trustee at:

Commerce Bank
1000 Walnut Street, 16th Floor
Kansas City, Missouri 64106
Attention: Corporate Trust Department

(c) To the Institution at:

Crossroads Charter Schools
1011 Central Street
Kansas City, Missouri 64106
Attention: Executive Director

- (d) To the Purchaser of the Series 2018 Bonds at:

Clayton Holdings, LLC c/o Commerce Bank
1000 Walnut Street, 17th Floor
Kansas City, Missouri 64106
Attention: [Portfolio Manager]

- (e) To the Bondowners other than the Purchaser of the Series 2018 Bonds:

At the addresses of the bondowners as shown on the bond register maintained by the Bond Trustee under this Bond Indenture.

If, because of the temporary or permanent suspension of mail service or for any other reason, it is impossible or impractical to mail any notice in the manner herein provided, then such delivery of notice in lieu thereof as shall be made with the approval of the Bond Trustee shall constitute a sufficient notice.

If notice to bondowners is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular bondowner shall affect the sufficiency of such notice with respect to other bondowners. Where this Bond Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by bondowners shall be filed with the Bond Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 1102. Acts of Bondowners . Any notice, request, demand, authorization, direction, consent, waiver or other action provided by this Bond Indenture to be given or taken by bondowners may be embodied in and evidenced by one or more substantially concurrent instruments of similar tenor signed by such bondowners in person or by an agent duly appointed in writing. Except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Bond Trustee, and, where it is hereby expressly required, to the Authority or the Institution.

In determining whether the owners of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Bonds owned by the Authority or the Institution shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Bond Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Bond Trustee knows to be so owned shall be so disregarded.

Any notice, request, demand, authorization, direction, consent, waiver or other action by the owner of any Bond shall bind every future owner of the same Bond and the owner of every Bond issued upon the transfer thereof or in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Bond Trustee or the Authority in reliance thereon, whether or not notation of such action is made upon such Bond.

ARTICLE XII

MISCELLANEOUS PROVISIONS

Section 1201. Further Assurances . The Authority shall do, execute, acknowledge and deliver such Supplemental Bond Indentures and such further acts, instruments, financing statements and assurances as the Bond Trustee may reasonably require for accomplishing the purposes of this Bond Indenture.

Section 1202. Immunity of Officers, Employees and Members of Authority . No recourse shall be had for the payment of the principal of or redemption premium, if any, or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained in this Bond Indenture against any past, present or future officer, director, member, employee or agent of the Authority, or of any successor public corporation, either directly or through the Authority or any successor public corporation, under any rule of law or equity, statute or constitution, or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, directors, members, employees or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Bond Indenture and the issuance of Bonds.

Section 1203. Limitation on Authority Obligations . Any other term or provision in this Bond Indenture or in any other Transaction Documents or elsewhere to the contrary notwithstanding:

(a) Any and all obligations (including without limitation, fees, claims, demands, payments, damages, liabilities, penalties, assessments and the like) of or imposed upon the Authority or its members, officers, agents, employees, representatives, advisors or assigns, whether under this Bond Indenture or any of the other Transaction Documents or elsewhere and whether arising out of or based upon a claim or claims of tort, contract, misrepresentation, or any other or additional legal theory or theories whatsoever (collectively the “Obligations”), shall in all events be absolutely limited obligations and liabilities, payable solely out of the following, if any, available at the time the Obligation in question is asserted:

(1) Bond proceeds and investments therefrom; and

(2) Payments derived from the Bonds, this Bond Indenture (including the Trust Estate to the extent provided in this Bond Indenture) and the Loan Agreement (except for the fees and expenses of the Authority and the Authority’s right to indemnification under the Loan Agreement under certain circumstances and as otherwise expressly set forth therein);

(the above provisions (1) and (2) being collectively referred to as the “exclusive sources of the Obligations”).

(b) The Obligations shall not be deemed to constitute a debt or liability of the State of Missouri or of any political subdivision thereof within the meaning of any state constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the State of Missouri or of any political subdivision thereof, but shall be payable solely from and out

of the exclusive sources of the Obligations and shall otherwise impose no liability whatsoever, primary or otherwise, upon the State of Missouri or any political subdivision thereof or any charge upon their general credit or taxing power.

(c) In no event shall any member, officer, agent, employee, representative or advisor of the Authority, or any successor or assign of any such person or entity, be liable, personally or otherwise, for any Obligation.

(d) In no event shall this Bond Indenture be construed as:

(1) depriving the Authority of any right or privilege; or

(2) requiring the Authority or any member, officer, agent, employee, representative or advisor of the Authority to take or omit to take, or to permit or suffer the taking of, any action by itself or by anyone else;

which deprivation or requirement would violate or result in the Authority's being in violation of the MOHEFA Act or any other applicable state or federal law.

Section 1204. Benefit of Bond Indenture . This Bond Indenture shall inure to the benefit of and shall be binding upon the Authority and the Bond Trustee and their respective successors and assigns, subject, however, to the limitations contained herein. With the exception of rights expressly conferred in this Bond Indenture, nothing in this Bond Indenture or in the Bonds, express or implied, shall give to any Person, other than the parties hereto and their successors and assigns hereunder, any separate trustee or co-trustee appointed hereunder, the Purchaser, the Institution and the owners of Outstanding Bonds, any benefit or any legal or equitable right, remedy or claim under this Bond Indenture.

Section 1205. Severability . If any provision in this Bond Indenture or in the Bonds shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 1206. Electronic Transactions . The parties agree that the transaction described herein may be conducted and related documents may be sent, received and 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 1207. Execution in Counterparts . This Bond Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 1208. Governing Law . This Bond Indenture shall be governed by and construed in accordance with the laws of the State of Missouri.

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IN WITNESS WHEREOF, the Authority and the Bond Trustee have caused this Bond Trust Indenture to be duly executed, and their respective corporate seals to be hereunto affixed and attested, by their duly authorized officers, all as of the day and year first above written.

**HEALTH AND EDUCATIONAL FACILITIES
AUTHORITY OF THE STATE OF MISSOURI**

[SEAL]

By:
Title: Executive Director

ATTEST:

By: _____
Title: Assistant Secretary

COMMERCE BANK, as Bond Trustee

By:
Title: Vice President

ATTEST:

By: _____
Title:

**SCHEDULE 1
TO BOND TRUST INDENTURE**

TERMS OF THE SERIES 2018 BONDS

The following terms and provisions shall apply for the Series 2018 Bonds. Except as specifically noted for the Series 2018A Bonds or the Series 2018B Bonds, the terms and provisions below shall apply to both series of the Series 2018 Bonds.

| | |
|--------------------------------|--|
| Bonds Dated: | Date of original issuance and delivery |
| Bond Numbering: | R-1 consecutively upward from in order of issuance or other manner designated by Bond Trustee |
| Bond Denominations: | \$100,000 or any integral multiple of \$5,000 in excess thereof |
| Interest Payment Dates: | [_____, 2019], [_____, 2019], [_____, 2020] and [_____, 2020] (semi-annually in arrears), and thereafter monthly in arrears on the first [calendar day][Business Day] of each calendar month until all principal has been paid |
| Day Count Convention: | 360-day year for the actual number of days elapsed |
| Interest Rate Modes: | <p>The Series 2018A Bonds shall initially bear interest in a Fixed Term Rate Mode for the Initial Purchase Period (defined below).</p> <p>The Series 2018B Bonds shall initially bear interest in a Floating Rate Mode for the Initial Purchase Period.</p> <p><i>“Fixed Term Rate Mode”</i> means the interest rate mode in which Bonds bear interest at a Fixed Term Rate.</p> <p><i>“Fixed Term Rate”</i> means an interest rate per annum, to be established on the commencement date of each Purchase Period and to remain in effect during such Purchase Period until being re-established on the commencement date of the next Subsequent Purchase Period, which interest rate shall be equal to the product of (A) the Tax Factor, multiplied by (B) the sum of (x) the Swap Rate plus (y) the Credit Spread.</p> <p><i>“Floating Rate Mode”</i> means an interest rate per annum, to be established on the commencement date of each Purchase Period and being re-established each month thereafter as of the first [calendar day][Business Day] of such calendar month by calculation of the Purchaser, which interest rate shall be equal to the product of (A) the Tax Factor, multiplied by (B) the sum of (x) the 1-Month LIBOR Rate (adjusted monthly), plus (y) the Credit Spread.</p> <p><i>“Tax Factor”</i> means a percentage equal to 1 minus the then current Maximum Federal Corporate Tax Rate (defined below). (e.g., as of the Closing Date the Tax Factor is 79%)</p> <p><i>“Swap Rate”</i> means [__ Clayton Holdings to provide definition __], which Swap Rate shall be based on a publicly available source and a Swap Rate term most closely approximating the term of the Purchase Period for which the Swap Rate is referenced (e.g., 5-year Swap Rate for the Initial Purchase Period, or 1-year Swap Rate for Subsequent Purchase Periods)</p> <p><i>“Credit Spread”</i> means 2.00% per annum.</p> |

| | |
|---|---|
| | <p>“1-Month LIBOR Rate” [<u>Clayton Holdings to confirm/revise this definition or provide replacement definition for use</u>] means, as of any date of determination, the offered rate (rounded up to the next highest 0.001%) for deposits in U.S. dollars for a one-month period which appears on the Bloomberg Screen LIBOR01 Page or any successor thereto (including such other page as may replace LIBOR01 Page, or the service as may be nominated by the ICE Benchmark Administration as the information vendor for the purpose of displaying ICE Benchmark Administration interest settlement rates for deposits in United States Dollars) at approximately 11:00 a.m., London time, on such date, or if such date is not a date on which dealings in U.S. dollars are transacted in the London interbank market, then on the next preceding day on which such dealings were transacted in such market; provided, if such offered rate is discontinued or determined by the [Bond Trustee][Purchaser] to be defective while being transitioned to discontinuance, the [Bond Trustee][Purchaser] shall select a replacement index that, based on its professional judgment, most closely approximates the offered rate as previously effective prior to becoming discontinued or defective.</p> <p>Changes to the interest rates (including, without limiting the foregoing, mode conversions) for any series of the Series 2018 Bonds other than as set forth in the terms of this Bond Indenture shall not be permitted or effective under this Bond Indenture unless (1) the Institution, the Authority and the Purchaser shall have consented in writing to such changes; (2) in connection with such change the Institution causes to be delivered to the Purchaser, the Authority and the Bond Trustee, an Opinion of Bond Counsel to the effect that such change will not adversely affect the validity of the Series 2018 Bonds or the excludability of the interest on the Series 2018 Bonds from gross income for federal income tax purposes; and (2) if any other amendments or supplements to this Bond Indenture or the other Transaction Documents are required in connection with such changes, the requirements, if any, set forth in this Bond Indenture or the other Transaction Documents for such amendments or supplements are satisfied.</p> |
| <p>Special Tax-Exempt Interest Rate Change Provisions:</p> | <p>[<u>*Clayton Holdings/Stinson to provide changes in tax law language or include in CCA*</u>]</p> <p>So long as no Determination of Taxability has occurred, the applicable interest rate on the affect series of Series 2018 Bonds shall automatically adjust in accordance with any [reduction] in the maximum rate of federal income taxation applicable to business corporations in the United States (the “<i>Maximum Federal Corporate Tax Rate</i>”) occurring pursuant to an amendment of the Internal Revenue Code, as amended, as in effect on the Closing Date, so that the new interest rate on the such series of Series 2018 Bonds will be equal to:</p> $A \times \frac{\text{the greater of } .79 \text{ or } (1 - \text{NMFCTR})}{.79}$ <p>where “A” refers to the interest rate applicable to such series of Series 2018 Bonds immediately prior to such change in the Maximum Federal Corporate Tax Rate, and “NMFCTR” refers to the new Maximum Federal Corporate Tax Rate expressed as a two-digit decimal. Such interest rate change shall be retroactive to the date of occurrence giving rise thereto.</p> |
| <p>Taxable Rate:</p> | <p>[“<i>Taxable Rate</i>” means an interest rate per annum at all times equal to the product of (i) the interest rate for such series of Series 2018 Bonds, as applicable, then in effect, and (ii) the quotient of (a) 1 divided by (b) one minus the Maximum Federal Corporate Tax Rate.]</p> <p>The Taxable Rate is effective for the applicable series of the Series 2018 Bonds (or the taxable portion thereof) upon the occurrence and continuance of a [Determination of Taxability] under this Bond Indenture</p> |

| | <p>[“<i>Determination of Taxability</i>” means [<u>Clayton Holdings to confirm/revise this definition or provide replacement definition for use</u>] the enactment of legislation, the adoption of final regulations, the issuance of a statutory notice of deficiency, a ruling by the Internal Revenue Service, or a final decision of a court of competent jurisdiction, which holds in effect that the interest payable on any Series 2018 Bond is not excludable from the gross income of the bondholder for Federal income tax purposes for any reason; provided, however, that no Determination of Taxability shall occur until the expiration or waiver of all periods for appeal. In addition, if the Institution attempts to contest a Determination of Taxability in the name of any bondholder, and the bondholder refuses to permit the Institution to take such action, then no Determination of Taxability will occur.]</p> | | | | | | | | |
|---|---|--------------------------------|---------------------------------|--|------|---|------|---------------------------|------|
| Default Rate: | <p>“<i>Default Rate</i>” means an interest rate per annum equal to the then applicable interest rate on the bonds of such series plus [5.0]% per annum</p> <p>Default Rate is effective upon the occurrence and continuance of an Event of Default under this Bond Indenture</p> | | | | | | | | |
| Security Documents: | <p>The following documents relating to the Series 2018 Bonds, as from time to time supplemented and amended, and subject to termination in accordance with their terms:</p> <ul style="list-style-type: none"> (i) Deed of Trust, Assignment of Rents, Leases and Other Benefits, Security Agreement and Fixture Filing (ii) Security Agreement and Assignment of Pledges Receivable | | | | | | | | |
| Aggregate Original Principal Amount: | <p>The aggregate original principal amount of the Series 2018A Bonds shall be \$[3,500,000]</p> <p>The aggregate original principal amount of the Series 2018B Bonds shall be \$[2,500,000]</p> | | | | | | | | |
| Optional Redemption (Optional Prepayment): | <p><u>Optional Redemption of Series 2018 Bonds bearing interest in the Fixed Term Rate Mode:</u> At the option of the Authority upon written direction from the Institution, the Series 2018 Bonds bearing interest in the Fixed Term Rate Mode may be called for redemption and payment prior to maturity in whole or in part on any date at the respective redemption prices set out below, plus accrued interest thereon to the redemption date:</p> <table border="0" data-bbox="446 1260 1567 1554"> <thead> <tr> <th style="text-align: left;"><u>Redemption Dates</u></th> <th style="text-align: left;"><u>Redemption Prices</u></th> </tr> </thead> <tbody> <tr> <td>On or after Closing Date but prior to [_____], 2019</td> <td>103%</td> </tr> <tr> <td>On or after [_____], 2019 but prior to [_____], 2020</td> <td>102%</td> </tr> <tr> <td>On or after [_____], 2021</td> <td>101%</td> </tr> </tbody> </table> <p><u>Optional Redemption of Series 2018 Bonds bearing interest in the Floating Rate Mode:</u> At the option of the Authority upon written direction from the Institution, the Series 2018 Bonds bearing interest in the Floating Rate Mode may be called for redemption and payment prior to maturity in whole or in part on any date at the redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date, without premium.</p> | <u>Redemption Dates</u> | <u>Redemption Prices</u> | On or after Closing Date but prior to [_____], 2019 | 103% | On or after [_____], 2019 but prior to [_____], 2020 | 102% | On or after [_____], 2021 | 101% |
| <u>Redemption Dates</u> | <u>Redemption Prices</u> | | | | | | | | |
| On or after Closing Date but prior to [_____], 2019 | 103% | | | | | | | | |
| On or after [_____], 2019 but prior to [_____], 2020 | 102% | | | | | | | | |
| On or after [_____], 2021 | 101% | | | | | | | | |
| | | | | | | | | | |

| | |
|--|--|
| <p>Mandatory Redemption (Scheduled Principal Amortization):</p> | <p>Series 2018 Bonds are subject to mandatory redemption and principal payment prior to maturity on the dates and in the principal amounts set forth on Schedule 1-A of this Bond Indenture, at redemption prices equal to 100% of the principal amount thereof plus accrued interest to the redemption date, without premium. In connection with any optional redemption, the applicable mandatory redemption schedule on Schedule 1-A shall be updated by the Bond Trustee (without any required consents or actions of any other party) and the updated Schedule 1-A shall be provided by the Bond Trustee to the Purchaser, the Authority and the Institution.</p> <p>Partial optional redemptions shall be applied as credits to the mandatory redemption schedule for the applicable series of the Series 2018 Bonds in inverse order of maturity; provided however, an alternative credit selection may be made by the Institution with the prior written consent of the Purchaser and written notice thereof by the Institution to the Authority and the Bond Trustee. Notwithstanding the foregoing, the Purchaser shall waive the redemption premium set forth above for optional redemptions made with internally generated funds of the Institution or in the event the Purchaser, in good faith, determines the source of funds for the redemption is not directly or indirectly borrowed funds.</p> |
| <p>Purchase Periods:</p> | <p>The initial Purchaser of the Series 2018 Bonds has initially agreed to remain the Purchaser and owner of the Series 2018 Bonds for the period (the “<i>Initial Purchase Period</i>”) commencing on the Closing Date and ending on [November 1, 2023].</p> <p>After the Initial Purchase Period, subsequent Purchase Periods of [one] year each (each a “<i>Subsequent Purchase Period</i>”) shall commence on [November 1] of each year and end on [November 1] of the following year until the final maturity date or other payment in full of the Series 2018 Bonds, and the then current Purchaser of the Series 2018 Bonds shall be deemed to have agreed to remain the Purchaser for such Subsequent Purchase Period unless on or prior to the date which is [five] months prior to the commencement date of such Subsequent Purchase Period the then current Purchaser has given written notice to the Institution, the Authority and the Bond Trustee that the Purchaser will not remain the Purchaser for such Subsequent Purchase Period and the Series 2018 Bonds will be subject to put and tendered by the Purchaser for purchase on the end of the then current Purchase Period at a purchase price payable by or on behalf of the Institution in the amount equal to 100% of the principal amount thereof plus accrued interest to the purchase date, without premium.</p> <p>Upon receipt of the foregoing written notice from the Purchaser, the Institution shall cause to be provided funds necessary to pay the full purchase price of such Series 2018 Bonds on such purchase date: (i) by purchase of the Series 2018 Bonds on such purchase date by a successor Purchaser which has (A) agreed to purchase the Series 2018 Bonds on such purchase date, (B) transferred funds for such purchase to the Bond Trustee or the prior Purchaser on or prior to the purchase date, and (C) delivered to the Authority, the Bond Trustee and the Institution, an express agreement substantially in the form of the Purchaser Letter attached as Appendix E to this Bond Indenture; or (ii) with other funds provided by or on behalf of the Institution from any other source (which may include equity or additional borrowings and no consent shall be required of the prior Purchaser for any such additional borrowings).</p> <p>In addition to the other optional redemption rights set forth in this Bond Indenture, at the option of the Authority upon written direction from the Institution, the Series 2018 Bonds may be called for redemption and payment prior to maturity in whole or in part on any date which is [on or within twenty days prior to the last day of any then current Purchase Period] at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date, without premium.</p> |

**APPENDIX A
TO BOND TRUST INDENTURE**

Refinanced Debt

\$[6,000,000] outstanding principal balance of the loan from Commerce Bank (as lender) to the Institution (as borrower) pursuant to the Business Loan Agreement dated June 28, 2018, as further identified in the table below copied from such loan agreement:

| Principal | Loan Date | Maturity | Loan No | Call / Coll | Account | Officer | Initials |
|----------------|------------|------------|---------|-------------|---------|---------|----------|
| \$6,000,000.00 | 06-28-2018 | 12-28-2018 | 9001 | 1E1 / 4002 | 2755391 | 32109 | |

The Project

The Project is comprised of acquiring, constructing, reconstructing, repairing, altering, improving and extending “educational facilities” of the Institution including an approximately 71,000 square feet educational facilities building located at 816 Broadway, Kansas City, Missouri, and related facilities, and miscellaneous capital expenditures for the Institution’s educational facilities at its campuses in Kansas City, Missouri, as further described in the Tax Compliance Agreement; and provided, however, that the Institution may make changes and amendments to the Project as provided in the Loan Agreement.

**APPENDIX B
TO BOND TRUST INDENTURE**

(FORM OF BONDS)

EACH PERSON WHO IS OR WHO BECOMES THE REGISTERED OWNER OR A BENEFICIAL OWNER OF A BOND SHALL BE DEEMED BY THE ACCEPTANCE OR ACQUISITION OF THIS BOND OR SUCH BENEFICIAL OWNERSHIP INTEREST TO HAVE AGREED TO BE BOUND BY THE PROVISIONS OF THE BOND INDENTURE WHICH PLACE LIMITATIONS ON THE TRANSFER OF THE BONDS. NEITHER THIS BOND NOR ANY BENEFICIAL OWNERSHIP INTEREST IN THIS BOND MAY BE TRANSFERRED UNLESS THE PROPOSED TRANSFEREE HAS DELIVERED TO THE AUTHORITY, THE INSTITUTION AND THE BOND TRUSTEE AN EXPRESS AGREEMENT SUBSTANTIALLY IN THE FORM OF THE PURCHASER LETTER ATTACHED AS AN APPENDIX TO THE BOND INDENTURE BY THE PROPOSED TRANSFEREE WITH ONLY SUCH VARIATIONS FROM THAT FORM AS ARE ACCEPTABLE TO THE AUTHORITY.

**UNITED STATES OF AMERICA
STATE OF MISSOURI**

**Registered
No. R-__**

**Registered
\$[3,500,000][2,500,000]**

**HEALTH AND EDUCATIONAL FACILITIES
AUTHORITY OF THE STATE OF MISSOURI**

**EDUCATIONAL FACILITIES REVENUE BOND
(CROSSROADS CHARTER SCHOOLS)
SERIES 2018[A][B]**

| <u>Interest Rate</u> | <u>Maturity Date</u> | <u>Dated Date</u> |
|--------------------------------|----------------------|---------------------|
| Adjustable as described herein | [_____, 20__] | [November __, 2018] |

Registered Owner: CLAYTON HOLDINGS, LLC

Principal Amount: [THREE][TWO] [MILLION FIVE HUNDRED THOUSAND] DOLLARS

THE HEALTH AND EDUCATIONAL FACILITIES AUTHORITY OF THE STATE OF MISSOURI, a body politic and corporate and a public instrumentality (the "Authority"), for value received, promises to pay, but solely from the sources herein specified to the registered owner named above, or registered assigns, the principal amount stated above on the maturity date stated above, except as the provisions herein described with respect to redemption prior to maturity may become applicable hereto, and in like manner to pay interest on said principal amount at the interest rates per annum

described herein from the dated date stated above or from the most recent interest payment date to which interest has been paid or duly provided for, until said principal amount is paid.

Authorization of Bonds. This Bond is one of a duly authorized series of bonds of the Authority designated “Educational Facilities Revenue Bonds (Crossroads Charter Schools), Series 2018[A][B],” in the aggregate principal amount of \$[3,500,000][2,500,000] (the “Bonds”), issued pursuant to the authority of and in full compliance with the Constitution and statutes of the State of Missouri, including particularly Chapter 360 of the Revised Statutes of Missouri, as amended, and pursuant to proceedings duly had by the Authority. The Bonds are issued under and are equally and ratably secured and entitled to the protection given by a Bond Trust Indenture, dated as of November 1, 2018 (said Bond Trust Indenture, as amended and supplemented from time to time in accordance with the provisions thereof, herein called the “Bond Indenture”), between the Authority and Commerce Bank as bond trustee (the “Bond Trustee”), for the purpose of making a loan to Crossroads Charter Schools, a nonprofit corporation and public charter school organized and existing under the laws of the State of Missouri (the “Institution”), to provide funds for the purposes described in the Bond Indenture. The loan will be made pursuant to a Loan Agreement, dated as of November 1, 2018 (said Loan Agreement, as amended and supplemented from time to time in accordance with the provisions thereof, herein called the “Loan Agreement”), between the Authority and the Institution. Under the Bond Indenture, the Authority has pledged and assigned certain of its rights under the Loan Agreement, including the right to receive all Loan Payments thereunder, to the Bond Trustee as security for the Bonds. Reference is hereby made to the Bond Indenture for a description of the property pledged and assigned thereunder, and the provisions, among others, with respect to the nature and extent of the security for the Bonds, and the rights, duties and obligations of the Authority, the Bond Trustee and the registered owners of the Bonds, and a description of the terms upon which the Bonds are issued and secured, upon which provision for payment of the Bonds or portions thereof and defeasance of the lien of the Bond Indenture with respect thereto may be made and upon which the Bond Indenture may be deemed satisfied and discharged prior to payment of the Bonds. Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Bond Indenture.

Interest Rates, Redemptions and Other Terms of the Bonds. The Bonds shall bear interest at the interest rates, shall be subject to redemptions prior to maturity and shall be subject to such other terms as are set forth in the Bond Indenture, including as set forth in **Schedule 1** to the Bond Indenture which is attached to this bond (subject to future supplement and amendment in accordance with the Bond Indenture).

Method and Place of Payment. The principal of, interest, redemption premium if any, and purchase price, if any, on this Bond shall be payable, in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts, by the methods and subject to the terms of payment as set forth in the Bond Indenture.

Limited Obligations. The Bonds and the interest thereon are special, limited obligations of the Authority payable solely out of Loan Payments derived by the Authority under the Loan Agreement and are secured by a pledge and assignment of such Loan Payments and other funds as provided in the Bond Indenture. The Bonds shall not be deemed to constitute a debt or liability of the State of Missouri or of any political subdivision thereof within the meaning of any state constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the State of Missouri or of any political subdivision thereof, but shall be payable solely from the funds provided for in the Loan Agreement and in the Bond Indenture. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the State of Missouri or any political subdivision thereof to levy any form of

taxation therefor or to make any appropriation for their payment. The State of Missouri shall not in any event be liable for the payment of the principal of, premium, if any, or interest on the Bonds or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever which may be undertaken by the Authority. No breach by the Authority of any such pledge, mortgage, obligation or agreement may impose any liability, pecuniary or otherwise, upon the State of Missouri or any charge upon its general credit or its taxing power. The Authority has no power to tax.

Transfer and Exchange. This Bond may be transferred or exchanged, as provided in the Bond Indenture, only upon the bond register maintained by the Bond Trustee at the above-mentioned office of the Bond Trustee by the registered owner hereof in person or by such owner's duly authorized attorney, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Bond Trustee duly executed by the registered owner or such owner's duly authorized attorney, and thereupon a new Bond or Bonds of the same maturity and in the same aggregate principal amount, shall be issued to the transferee in exchange therefor as provided in the Bond Indenture, and upon payment of the charges therein prescribed. The Authority, the Bond Trustee and any Paying Agent may deem and treat the person in whose name this Bond is registered on the bond register maintained by the Bond Trustee as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes.

Restrictions on Transfer. No Bond or any beneficial interest therein may be transferred unless the proposed transferee has delivered to the Authority, the Institution and the Bond Trustee a purchaser letter substantially in the form set forth in the Bond Indenture with only such variations from that form as are acceptable to the Authority.

Limitation on Rights. The registered owner of this Bond shall have no right to enforce the provisions of the Bond Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Bond Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Bond Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Bond Indenture, the principal of all the Bonds issued under the Bond Indenture and then outstanding may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon. The Bonds or the Bond Indenture may be modified, amended or supplemented only to the extent and in the circumstances permitted by the Bond Indenture.

Authentication. This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Indenture until the Certificate of Authentication hereon shall have been executed by the Bond Trustee.

IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Bond Indenture and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, the **HEALTH AND EDUCATIONAL FACILITIES AUTHORITY OF THE STATE OF MISSOURI** has caused this Bond to be executed in its name by the manual or facsimile signature of its chairman, vice chairman or executive director and attested by the manual or facsimile signature of its secretary or an assistant secretary and its corporate seal to be affixed or imprinted hereon, all as of the Dated Date specified above.

**CERTIFICATE OF AUTHENTICATION
AUTHORITY OF THE STATE OF MISSOURI**

HEALTH AND EDUCATIONAL FACILITIES

This Bond is one of the Bonds described in the within mentioned Bond Indenture.

Date of Authentication:

By: Executive Director

[SEAL]

COMMERCE BANK,
Bond Trustee

ATTEST:

By:
Authorized Signature

Assistant Secretary

ASSIGNMENT

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

(Please Print or Typewrite Name, Address and Social Security
Number or Taxpayer Identification Number of Transferee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

Attorney

to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

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

Signature Medallion or Guaranty:

(Name of Eligible Guarantor Institution as defined by SEC Rule 17 Ad-15 (17 CFR 240.17 Ad-15))

By:
Title:

**SCHEDULE 1
TO BOND TRUST INDENTURE**

TERMS OF THE SERIES 2018 BONDS

[final Schedule 1 above to be included for bonds]

**APPENDIX C
TO BOND TRUST INDENTURE**

Request No:

Date:

**DISBURSEMENT REQUEST
(§ 403 - COSTS OF ISSUANCE)**

To: Commerce Bank, Bond Trustee

Re: Health and Educational Facilities Authority of the State of Missouri, Educational Facilities Revenue Bonds (Crossroads Charter Schools), Series 2018 (the “Bonds”)

You are hereby requested and directed pursuant to **Section 403** of the Bond Trust Indenture dated as of November 1, 2018 (the “Bond Indenture”), between the Health and Educational Facilities Authority of the State of Missouri and Commerce Bank, as Bond Trustee, to pay from moneys in the Series 2018 Costs of Issuance Fund, to the following payees the following amounts for the following costs incurred in connection with the issuance of the Bonds under the Bond Indenture:

| <u>Payee</u> | <u>Amount</u> | <u>Description of Costs of Issuance</u> |
|--------------|---------------|---|
|--------------|---------------|---|

The undersigned Institution Representative hereby states and certifies that each item listed above is a proper cost of issuance that was incurred in connection with the issuance of the above-referenced Bonds, and the amount of this request is justly due and owing and has not been the subject of another requisition which was paid.

CROSSROADS CHARTER SCHOOLS

By:
Title: Institution Representative

**APPENDIX D
TO BOND TRUST INDENTURE**

Request No:

Date:

**DISBURSEMENT REQUEST
(§ 403 - COSTS OF THE PROJECT)**

To: Commerce Bank, Bond Trustee

Re: Health and Educational Facilities Authority of the State of Missouri, Educational Facilities Revenue Bonds (Crossroads Charter Schools), Series 2018

You are hereby requested and directed pursuant to **Section 403** of the Bond Trust Indenture dated as of November 1, 2018 (the “Bond Indenture”), between the Health and Educational Facilities Authority of the State of Missouri and Commerce Bank, as Bond Trustee, to pay from moneys in [the Series 2018 Project Account in] the Series 2018 Project Fund, to the following payees the following amounts in payment or reimbursement for the following costs of the Project:

| <u>Payee</u> | <u>Amount</u> | <u>Description of Costs of the Project</u> |
|--------------|---------------|--|
|--------------|---------------|--|

The undersigned Institution Representative hereby states and certifies that:

1. Each item listed above is a valid “cost” of “educational facilities” as authorized under the MoHEFA Act and is a proper cost of the Project under the Bond Indenture that was incurred in the acquisition, construction, renovation, remodeling, expansion, completion or equipping of portions of the Project in accordance with the plans and specifications therefor.

2. These Project costs have been incurred by the Institution under its control and are presently due and payable or have been paid by the Institution under its control and are reasonable costs that are payable or reimbursable under the Bond Indenture and each item thereof is a proper charge against the [the Series 2018 Project Account in] Series 2018 Project Fund.

3. Each item listed above has not previously been paid or reimbursed from moneys in [the Series 2018 Project Account in] the Series 2018 Project Fund and no part thereof has been included in any other Disbursement Request previously filed with the Bond Trustee under the provisions of the Bond Indenture or reimbursed to the Institution from Bond proceeds.

4. There has not been filed with or served upon the Institution any notice of any lien, right to a lien or attachment upon or claim affecting the right of any person, firm or corporation to receive payment of the amounts stated in this request, except to the extent any such lien is being contested in accordance with the provisions of the Loan Agreement.

5. All necessary permits and approvals required for the portion of the work on the Project for which this withdrawal is to be made have been issued and are in full force and effect.

CROSSROADS CHARTER SCHOOLS

By:
Title: Institution Representative

APPENDIX E
TO BOND TRUST INDENTURE
(FORM OF PURCHASER LETTER)

[Letterhead of Purchaser]

[Date]

Health and Educational Facilities Authority of the State of Missouri

Commerce Bank, as bond trustee

Crossroads Charter Schools

Re: Health and Educational Facilities Authority of the State of Missouri, Educational Facilities Revenue Bonds (Crossroads Charter Schools), Series 2018A and Series 2018B

Ladies and Gentlemen:

[__insert purchaser name__] (“Purchaser”) has agreed to purchase the above-referenced bonds (collectively, the “Bonds”) which were issued by Health and Educational Facilities Authority of the State of Missouri (the “Authority”) pursuant to the Bond Trust Indenture, dated as of November 1, 2018 (the “Bond Indenture”), between the Authority and Commerce Bank, as bond trustee (the “Trustee”). All capitalized terms used herein, but not defined herein, shall have the respective meanings set forth in the Bond Indenture. The undersigned, an authorized representative of the Purchaser, hereby represents to you that:

1. The Purchaser has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits represented by the purchase of the Bonds and the transactions contemplated by the Bond Indenture. The Purchaser has reviewed with the Purchaser’s own tax advisors the federal and state tax consequences of the purchase of the Bonds, where applicable, and the Purchaser understands that the Purchaser (and not the Authority) shall be responsible for the Purchaser’s own tax liability that may arise as a result of the purchase of the Bonds.

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

3. The Purchaser is a “qualified institutional buyer” as defined in Rule 144A promulgated under the Securities Act of 1933, as amended (the “1933 Act”) and is able to bear the economic risks of purchasing the Bonds.

4. The Bonds are being acquired by the Purchaser for its own account and not with a present view toward resale or distribution; provided, however, that the Purchaser understands that the Bonds may be offered, resold, pledged or transferred:

- (a) to a Person (i) that is an affiliate of the Purchaser, or (ii) that is a trust or other custodial arrangement established by the Purchaser or one of its affiliates, the owners of any beneficial interest in which are limited to qualified institution buyers or accredited investors, or (iii) that the Purchaser reasonably believes to be a qualified institutional buyer or accredited investor; and
- (b) only if the transferee delivers to the Authority, Crossroads Charter Schools (the “Institution”), and the Bond Trustee a letter substantially in the form of this letter as specified in the Bond Indenture and with only such variations from that form as are acceptable to the Authority.

5. The Purchaser understands that an official statement, prospectus, offering circular, or other comprehensive offering statement has not been provided with respect to the Bonds. The Purchaser has made its own inquiry and analysis with respect to the Authority, the Institution, the Bonds and the security therefor, and other material factors affecting the security for and payment of the Bonds. The Purchaser acknowledges that it has reviewed information, including financial statements and other financial information, regarding the Institution and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Institution, the Bonds and the security therefor, so that it has been able to make an informed decision to purchase the Bonds; provided, however, that this letter shall not constitute a waiver of any rights or remedies the Purchaser may have with respect to any untrue information it may have received or any material information which was withheld from its review. The Purchaser acknowledges that the Authority has not made any representation or warranty concerning the accuracy or completeness of any information furnished in connection with the purchase by the Purchaser of the Bonds, and in purchasing the Bonds, the Purchaser is not relying on any representations of the Authority with respect to the financial quality of the Bonds.

6. The Purchaser understands that the Bonds: (i) are not registered under the 1933 Act and are not registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state; (ii) are not listed on any stock or other securities exchange; and (iii) have not been rated by any credit rating agency.

7. The Purchaser understands that (i) the Bonds are special, limited obligations of the Authority payable solely by the Institution from amounts to be deposited in the funds in the custody of the Trustee pursuant to the Loan Agreement, (ii) under no circumstances shall the Authority be obligated for payment of the Bonds, and (iii) the Bonds do not constitute a debt of the Authority and shall not be deemed to constitute a debt or liability of the State or any political subdivision thereof within the meaning of any State constitutional provision or statutory limitation, and shall not constitute a pledge of the full faith and credit of the State or of any political subdivision thereof, but shall be payable solely from the funds provided for in the Bond Indenture. The issuance of the Bonds shall not, directly, indirectly, or contingently, obligate the State or any political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment. The State shall not in any event be liable for the payment of the principal of, premium, if any, or interest on the Bonds or for the performance of any pledge, security interest, obligation, or agreement of any kind whatsoever which may be undertaken by the Authority. No breach by the Authority of any such pledge, security interest, obligation, or agreement may impose any liability, pecuniary or otherwise, upon the State or any charge upon its general credit or its taxing power. The Authority has no taxing power.

8. The Purchaser acknowledges that the Authority has not made any representation or warranty concerning the accuracy or completeness of any information furnished in connection with the purchase by the Purchaser of the Bonds. Accordingly, the Purchaser has not relied upon the Authority as to the accuracy or completeness of any information.

9. The Purchaser agrees to indemnify and hold harmless the Authority, the Institution and the Bond Trustee, from any and all claims, judgments, attorney's fees and expenses of whatsoever nature, whether relating to litigation or otherwise, solely and directly resulting from any attempted or effected sale, offer of sale, pledge, transfer, conveyance, hypothecation, mortgage or disposition of any of the Bonds by the Purchaser in violation of the Bond Indenture or this letter.

[__INSERT PURCHASER NAME__]

By: _____

Name: _____

Title: _____

**SECURITY AGREEMENT AND
ASSIGNMENT OF PLEDGES RECEIVABLE**

THIS SECURITY AGREEMENT AND ASSIGNMENT OF PLEDGES RECEIVABLE (this "Agreement") is entered into as of the 1st day of November, 2018, by CROSSROADS CHARTER SCHOOLS, a Missouri nonprofit corporation (the "Grantor") and COMMERCE BANK, a Missouri state bank and trust company, as Bond Trustee (the "Secured Party").

RECITALS

The following Recitals constitute a material part of this Agreement:

A. Pursuant to the Missouri Health and Educational Facilities Authority Act, Chapter 360 of the Revised Statutes of Missouri, as amended (the "Act"), and at the request of the Grantor, the Health and Educational Facilities Authority of the State of Missouri (the "Authority") will issue its \$3,500,000 principal amount of Educational Facilities Revenue Bonds (Crossroads Charter Schools), Series 2018A Bonds and its \$2,500,000 principal amount of Educational Facilities Revenue Bonds (Crossroads Charter Schools), Series 2018B Bonds (collectively, the " Bonds"), under a Bond Trust Indenture of even date herewith (the " Indenture") between the Authority and Beneficiary, for the purpose of making a loan of the proceeds thereof (the "Loan"), to the Grantor pursuant to the Loan Agreement of even date herewith between the Authority and Grantor (the "Loan Agreement"), to provide funds to (a) refinance certain indebtedness incurred to acquire educational facilities, and (b) pay costs related to the issuance of the Bonds, in consideration of payment by the Grantor, which will be sufficient to pay the principal of, redemption premium, if any, and the interest on the Bonds, all as more fully described in the Indenture, which Loan Agreement has been assigned by the Authority to the Beneficiary to secure the Purchaser (as defined below) as the sole owner of the Bonds.

B. Pursuant to a Purchase Contract dated November ____, 2018 (the "Purchase Contract") by and among the Authority, Clayton Holdings, LLC, in its capacity as Purchaser, as defined in the Indenture, of the Bonds, as defined in the Indenture (the "Purchaser"), and the Grantor, the Purchaser has agreed to purchase the Bonds.

C. As a condition to purchasing the Bonds, the Purchaser has further required the Grantor to enter into a Continuing Covenant Agreement of even date herewith (the "Continuing Covenant Agreement").

C. D. The execution and delivery of this Agreement is a condition precedent to the Purchaser's agreement to purchase the Bonds pursuant to the Purchase Contract.

D. E. The Bonds, the Indenture, the Loan Agreement, the Continuing Covenant Agreement and each other document related to the Bonds, together with all amendments or modifications of, or renewals and extensions and renewals of, the forgoing are referred to herein as the "Bond Documents".

E. F. The Grantor is conducting, or will in the future conduct, a capital campaign or campaigns (collectively, the "Capital Campaign") the proceeds of which Capital Campaign are intended by Grantor to be used to pay the costs of the Crossroads Preparatory Academy Project located at 816 Broadway, Kansas City, Missouri 64105(the "Project").

F. G. The Grantor enters into this Agreement to grant Secured Party a security interest in, and to assign to Secured Party, all pledges, pledge receivables and moneys derived from the Capital Campaign or any other campaign conducted for the purpose of paying the costs of the Project.

NOW, THEREFORE, in consideration of the foregoing and the agreements and representations contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, Grantor and Secured Party hereby agree as follows:

1. As used herein, the term "collateral" shall mean (i) all pledges, donations, pledges receivable or funds or moneys arising out of or related to the Capital Campaign and all deposits of funds which accrue from the Capital Campaign or any other campaign conducted for the purpose of providing funds for the Project, (ii) all funds received by Grantor from any source which are designated by the donor or the Grantor for the purpose of paying the costs of the Project and (iii) any and all deposits and deposit accounts which arise or accrue from the foregoing whether in whole or in part. Without limitation of the foregoing, collateral shall include (i) monies, credits, deposit accounts, certificates of deposit, certificated securities, uncertificated securities, mutual funds, money market accounts, instruments and general intangibles; (ii) cash and non-cash proceeds of collateral; and (iii) books, records, reports and other documents at any time evidencing or relating to collateral.

2. As security for the prompt payment, performance and satisfaction of the following, whether now owed or hereafter incurred or arising:

(a) All indebtedness, liabilities and obligations of Grantor under the Bond Documents; and

(b) All renewals, extensions, substitutions or modifications of any of the foregoing;

(collectively, the "Obligations"), Grantor hereby assigns and pledges to Secured Party, and grants to Secured Party a security interest in, all collateral.

3. The Grantor will not pledge the collateral other than in this Agreement or allow the validity, enforceability, perfection or priority of Secured Party's security interest in the collateral to be adversely affected or impaired. Grantor shall deposit all proceeds of the Collateral in a deposit account with Commerce Bank. Grantor agrees to take all actions reasonably necessary to ensure that Secured Party maintains a first-perfected security interest in the collateral.

4. Grantor will provide to Secured Party and Purchaser, monthly reports, on or before the 15th day of the following month, regarding pledges made and pledge amounts received, which reports shall be in form and content acceptable to Purchaser.

5. Prior to the occurrence of an Event of Default as defined in the Continuing Covenant Agreement (an "Event of Default"), Grantor shall maintain the collateral in the Collateral Account and shall apply the proceeds of the Collateral Account to pay the principal and interest due under the Bonds when such amounts become due and owing. Upon the existence of an uncured Event of Default, receipt of written notice from the Secured Party or Purchaser, any the expiration of any cure or grace period, (i) Grantor shall have no further access to the funds in the Collateral Account and the Secured Party may, and upon direction of the Purchaser shall, apply the proceeds of the Collateral Account to repay the Bonds.

6. Upon the existence of an uncured Event of Default (including, if applicable, the expiration of any notice and cure rights), in addition to the rights and remedies of Secured Party under this Agreement, Secured Party shall have all rights and remedies afforded Secured Party under any document, instrument or agreement now or hereafter evidencing, securing or otherwise relating to the Obligations and under any applicable law including the Uniform Commercial Code, and such rights and remedies may be enforced partially, successively, alternatively or concurrently, and any action by Secured Party to enforce any of its rights or remedies shall not stop or prevent Secured Party from pursuing any other right or remedy which it may have.

7. Any notice, demand or request required or permitted to be given by the Grantor, Secured Party or Purchaser shall be in writing and shall be delivered in accordance with the terms of the Indenture and shall be deemed given at the time set forth in the Indenture.

8. Grantor waives to the fullest extent permitted by applicable law any right Grantor may have to require Secured Party to marshal assets or sell any collateral in any particular order or priority.

9. This Agreement is binding upon Grantor and Secured Party and their respective heirs, legal representatives, administrators, successors and assigns and inures to the benefit of Secured Party and Purchaser and their successors and assigns. This Agreement shall be governed by and construed in accordance with the laws of the State of Missouri.

10. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original, and all of which taken together shall constitute one and the same agreement.

11. TO THE EXTENT PERMITTED BY APPLICABLE LAW, AND ACKNOWLEDGING THAT THE CONSEQUENCES OF SAID WAIVER ARE FULLY UNDERSTOOD, GRANTOR AND SECURED PARTY HEREBY EXPRESSLY WAIVE THE RIGHT TO TRIAL BY JURY IN ANY CAUSE OF ACTION ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT.

[Signatures appear on the following page]

IN WITNESS WHEREOF, Grantor has executed this Agreement as of the date first above written.

GRANTOR:

CROSSROADS CHARTER SCHOOLS,
a Missouri nonprofit corporation

By:
Name:
Title:

HEALTH AND EDUCATIONAL FACILITIES AUTHORITY
OF THE STATE OF MISSOURI

[\$2018A Principal Amount]
Educational Facilities Revenue Bonds
(Crossroads Charter Schools)
Series 2018A

[\$2018B Principal Amount]
Educational Facilities Revenue Bonds
(Crossroads Charter Schools)
Series 2018B

_____, 2018

PURCHASE CONTRACT

Health and Educational Facilities
Authority of the State of Missouri
15450 South Outer Forty Road, Suite 230
Chesterfield, Missouri 63017

Crossroads Charter Schools
1011 Central Street
Kansas City, Missouri 64106

Ladies and Gentlemen:

The undersigned, Clayton Holdings, LLC (the "Purchaser"), hereby offers to purchase from the Health and Educational Facilities Authority of the State of Missouri (the "Authority"), a public instrumentality and body politic and corporate organized and existing under the laws of the State of Missouri, (1) [\$2018A Principal Amount] principal amount of Educational Facilities Revenue Bonds (Crossroads Charter Schools), Series 2018A (the "Series 2018A Bonds") and (2) [\$2018B Principal Amount] principal amount of Educational Facilities Revenue Bonds (Crossroads Charter Schools), Series 2018B (the "Series 2018B Bonds" and together with the Series 2018A Bonds, the "Bonds"), to be issued by the Authority under and pursuant to a Bond Trust Indenture, dated as of November 1, 2018 (the "Bond Indenture"), by and between the Authority and Commerce Bank, Kansas City, Missouri, as bond trustee (the "Bond Trustee"). The Bonds are to be issued by the Authority, pursuant to and in accordance with the provisions of the Missouri Health and Educational Facilities Authority Act, Chapter 360 of the Revised Statutes of Missouri, as amended from time to time (the "Act").

The proceeds of the Bonds will be loaned to Crossroads Charter Schools (the "Institution"), a nonprofit corporation and public charter school organized and existing under the laws of the State of Missouri (the "State"), by the Authority pursuant to a Loan Agreement by and between the Authority and the Institution, dated as of November 1, 2018 (the "Loan Agreement"). The Institution is obligated under the terms of the Loan Agreement to pay thereunder amounts sufficient to pay the principal of, redemption premium, if any, and interest on the Bonds.

The Bonds shall be secured by (1) the Bond Indenture and amounts held in certain funds established pursuant to the Bond Indenture (including proceeds of the sale of the Bonds); and (2) a pledge and assignment of the right, title and interest of the Authority in the Loan Agreement (except its interest in fees and expenses payable to it, its indemnification rights and as otherwise expressly set forth in the Loan Agreement). The Bonds shall be special, limited

obligations of the Authority payable solely from the sources specified in the immediately preceding sentence and as otherwise described in the Bond Indenture.

The proceeds of the Bonds shall be used for the purposes set forth in the Bond Indenture, which shall include providing funds to (1) finance, refinance and reimburse the costs of certain “educational facilities” of the Institution (the “Project”), including refinancing indebtedness, all as described in the Bond Indenture, and (2) pay certain costs related to the issuance of the Bonds.

Upon the satisfaction of the conditions to advancing funds for the purchase of the Bonds set forth in the Continuing Covenant Agreement (as defined herein), the Bonds will be purchased by the Purchaser.

The Series 2018A Bonds will initially bear interest at a Fixed Term Rate Mode (as defined in the Bond Indenture) for the Initial Purchase Period (as defined in the Bond Indenture) commencing on November 15, 2018 (the “Closing”) with an Initial Purchase Period of November 1, 2023. The initial interest rate for the Fixed Term Rate Mode shall be _____% (subject to adjustment as provided in the Bond Indenture). The Series 2018B Bonds will initially bear interest at a Floating Rate Mode (as defined in the Bond Indenture) for the Initial Purchase Period commencing on the Closing with an Initial Purchase Period of November 1, 2023. The initial interest rate for the Floating Rate Mode shall be _____% (subject to adjustment as provided in the Bond Indenture). The terms and provisions of the Bonds have been approved by the Institution. In order to induce the Purchaser to enter into this Purchase Contract and to purchase the Bonds at the prices set forth herein, the Institution has joined in this Purchase Contract. The Purchaser’s internal records of applicable interest rates shall be determinative in the absence of manifest error.

This offer is made subject to your acceptance of this Purchase Contract on or before 5:00 p.m. central time, on November 15, 2018. Upon acceptance by you and the execution and delivery of this Purchase Contract by the Authority and the Institution, this Purchase Contract will be binding upon each of you and the Purchaser.

The words and terms used herein shall have the respective meanings ascribed to them in the Bond Indenture unless some other meaning is plainly indicated.

The words “Transaction Documents” when used herein shall mean, individually and collectively, the following: (a) the Bonds; (b) the Loan Agreement; (c) the Bond Indenture; (d) this Purchase Contract; (e) the Tax Compliance Agreement, dated as of November 1, 2018, among the Institution, the Authority and the Bond Trustee (the “Tax Compliance Agreement”); (f) the Continuing Covenant Agreement, dated as of November 1, 2018, by and between the Institution and the Purchaser (the “Continuing Covenant Agreement”); and (g) any and all other documents or instruments which evidence or are a part of the transactions referred to herein or contemplated hereby, provided, however, that when the words “Transaction Documents” are used in the context of the authorization, execution, delivery, approval or performance of Transaction Documents by a party hereto, the same shall mean only those Transaction Documents that provide for or contemplate authorization, execution, delivery, approval or performance by such party.

1. Purchase of Bonds. Upon the terms and conditions herein and upon the basis of the respective representations, warranties and covenants hereinafter set forth and in the Transaction Documents, the Purchaser hereby agrees to purchase from the Authority for its own investment, and the Authority hereby agrees to sell to the Purchaser for such purpose all (but not less than all) of the (a) Series 2018A Bonds at a purchase price of \$_____ and the (b) Series 2018B Bonds at a purchase price of \$_____. At the Closing Time, the Purchaser shall pay by wire transfer to the Bond Trustee the aggregate amount of \$_____.

2. Private Placement with the Purchaser. The Bonds are being privately placed with the Purchaser pursuant to this Purchase Contract. The Purchaser is purchasing the Bonds for its own account for investment and has no present intention of distributing or selling such Bonds or any portion thereof or any interest therein. In connection with the purchase of the Bonds, the Purchaser has executed and delivered a Purchaser Letter substantially in the form of the Purchaser Letter attached as Appendix D to the Bond Indenture, which Purchaser Letter includes representations by the Purchaser and limitations on the transfer of the Bonds, and any ownership interest in such Bonds (beneficial or otherwise) shall not be transferred unless the conditions to transfer set forth in such Purchaser Letter and in the Bond Indenture are met.

3. Purchaser Representations and Warranties. The Purchaser agrees that the representations and warranties to be made by the Purchaser in the form of Purchaser Letter attached as Appendix D to the Bond Indenture are incorporated herein by reference and are deemed made as of the date of this Purchase Contract.

4. Authority's Representations and Warranties. The Authority hereby represents and warrants to the Purchaser and to the Institution that:

(a) Status. The Authority is and will be at Closing a body politic and corporate and a public instrumentality of the State created and existing under the Act with the power and authority set forth in the Act.

(b) Authorization By Law. The Authority is authorized by the laws of the State, including particularly the Act, (i) to issue, sell and deliver the Bonds for the purposes set forth in the opening paragraphs hereof, (ii) to enter into and perform its obligations under this Purchase Contract, the Bond Indenture, the Bonds, the Loan Agreement and the Tax Compliance Agreement, and (iii) to pledge and assign to the Bond Trustee in accordance with the provisions of the Bond Indenture its interest in the Loan Agreement.

(c) Power and Authority. The Authority has full power and authority to consummate the transactions to be performed by it under this Purchase Contract, the Bond Indenture, the Loan Agreement, the Tax Compliance Agreement and the Bonds.

(d) Necessary Action. Prior to the Closing, the Authority shall have taken all necessary action to be taken by it for: (i) the issuance and sale of the Bonds upon the terms set forth herein; (ii) the approval, execution, delivery and receipt by the Authority of this Purchase Contract, the Bond Indenture, the Loan Agreement, the Tax Compliance Agreement and the Bonds and any and all such other agreements and documents as may be required to be executed, delivered and received by the Authority in order to carry out, give effect to, and consummate the transactions contemplated hereby; (iii) the

pledge and assignment of the Loan Agreement to the Bond Trustee; and (iv) the loan of the proceeds of the Bonds to the Institution.

(e) Documents Binding. The Bonds when executed, issued, authenticated, delivered and paid for as herein and in the Bond Indenture provided, and the Transaction Documents, to which the Authority is a party, when executed will have been duly authorized and issued and will constitute legal, valid and binding obligations of the Authority, enforceable in accordance with their respective terms (subject as to enforcement to any applicable bankruptcy, reorganization, insolvency, moratorium or other law or laws affecting the enforcement of creditors' rights generally or against municipal corporations such as the Authority from time to time in effect and further subject to the availability of equitable remedies).

(f) No Litigation. There is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending or, to the knowledge of the Authority, threatened against the Authority wherein an unfavorable decision, ruling or finding would materially adversely affect the (i) transactions contemplated hereby, (ii) the validity or enforceability in accordance with their respective terms of this Purchase Contract, the Bond Indenture, the Loan Agreement, the Tax Compliance Agreement, the Bonds or any agreement or instrument to which the Authority is a party used or contemplated for use in the consummation of the transactions contemplated hereby, (iii) the tax-exempt status of the interest on the Bonds for federal income tax purposes, or (iv) the existence or powers of the Authority.

(g) No Conflict or Breach. The execution and delivery by the Authority of this Purchase Contract, the Bond Indenture, the Loan Agreement, the Tax Compliance Agreement, the Bonds and the other documents contemplated hereby to be executed and delivered by the Authority, and compliance with the provisions thereof, and the assignment of the Loan Agreement to the Bond Trustee, do not conflict with or constitute on the part of the Authority a breach of or a default under any existing law, court or administrative regulation, decree, order, agreement, indenture, mortgage or lease by which the Authority is or may be bound.

(h) Certificates. Any certificate signed by an authorized officer of the Authority and delivered to the Purchaser shall be deemed a representation and warranty by the Authority to the Purchaser as to the statements made therein.

(i) Representations and Warranties in Transaction Documents. The Authority's representations and warranties in the Transaction Documents are true and correct in all material respects and not misleading as of the date hereof, and are specifically incorporated herein by reference.

5. The Institution's Representations and Warranties. In order to induce the Purchaser to enter into this Purchase Contract and in order to induce the Authority to enter into this Purchase Contract, the Bond Indenture, the Loan Agreement and the Tax Compliance Agreement, and to issue the Bonds, with full realization and appreciation of the fact that the investment value of the Bonds and the ability of the Authority to sell and the Purchaser to purchase the Bonds are dependent at least in part upon the credit standing of the Institution,

and in consideration of the foregoing and the execution and delivery of this Purchase Contract, the Institution represents and warrants to and covenants with the Authority and the Purchaser as follows:

(a) The Institution's Status. The Institution is a nonprofit corporation and public charter school organized and existing under the laws of the State, duly organized, validly existing and in good standing under the laws of the State, is not operated for private or corporate profit and is authorized by law to provide and operate educational facilities in the State. The Institution has all material licenses and permits required in order to carry on its business as currently conducted and has obtained all licenses and permits required to be obtained as of the date hereof in connection with the facilities financed or refinanced with the proceeds of the Bonds. The Institution shall preserve and keep in full force and effect its corporate or other separate legal existence. The Institution is not in material violation of and has not received any written notice of an alleged violation of or liability under any zoning, land use, environmental, pollution control, hazardous waste or similar laws or regulations that would have a material adverse effect on the operations or financial affairs of the Institution. The Institution has full right, power and authority to authorize, approve, enter into, execute and deliver the Transaction Documents to which it is a party and to perform such other acts and things as are provided for in the Transaction Documents.

(b) No Conflict or Breach. The execution, delivery, performance (where applicable) and approval by the Institution of the Transaction Documents, and full compliance with the provisions of the Transaction Documents, have been duly authorized by all necessary corporate action of the Institution and do not and will not conflict with or result in the breach of any of the terms, conditions or provisions of, or constitute a default under, the Institution's Articles of Incorporation, Charter or Bylaws, any law, court or administrative regulation, decree or order, or any agreement, indenture, mortgage, lease or instrument to which the Institution is a party or by which it is or may be bound.

(c) Corporate Action. The Institution has duly authorized all necessary action to be taken by it for: (i) the issuance and sale of the Bonds by the Authority upon the terms and conditions set forth herein and (ii) the execution, delivery and performance (where applicable) of the Transaction Documents to which it is a party and any and all such other agreements and documents as may be required to be executed, delivered and performed by the Institution in order to carry out, effectuate and consummate the transactions contemplated hereby and by such Transaction Documents.

(d) Financials. The audited financial statements of the Institution audited by _____, for the fiscal year ended June 30, [2018] present fairly the financial position of the Institution as of the dates indicated and the results of its operations for the periods specified, and such financial statements have been prepared in conformity with generally accepted accounting principles consistently applied in all material respects to the periods involved, except as otherwise noted therein.

The Institution has not, since June 30, [2018], incurred any liability or suffered any other occurrence which could be viewed as constituting a material adverse change in the financial condition or results of operation or the properties of the Institution.

(e) Tax Status of Bonds. The proceeds of the Bonds will be used (i) to finance, refinance and reimburse a portion of the “costs” to acquire, construct, alter, improve and extend educational facilities on behalf of “501(c)(3) organizations” as such term is defined in Section 150(a)(4) of the Internal Revenue Code of 1986, as amended (the “Code”), and as contemplated in the Act, and (ii) to pay certain costs of issuance with respect to the Bonds. Said educational facilities shall be used in a manner which would not jeopardize the tax exempt status of interest on the Bonds under Section 103 of the Code as long as any of the Bonds are outstanding. The Institution will not take or omit to take any action which action or failure to act will in any way cause or result in the proceeds from the sale of the Bonds being applied in a manner other than as provided in the Transaction Documents.

(f) No Litigation. There is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending or, to the knowledge of the Institution, threatened against or affecting the Institution wherein an unfavorable decision, ruling or finding could have a material adverse effect on the financial condition or results of operations of the Institution or the operation by the Institution of its property or the transactions contemplated by the Transaction Documents or could have a material adverse effect on the status of the Institution as a taxexempt organization described in Section 501(c)(3) of the Code or its “nonprivate foundation” status as defined in Section 509(a) of the Code or on the validity or enforceability in accordance with its terms of, or the performance by the Institution of its obligations under, any of the Transaction Documents or any other agreement or instrument to which the Institution is a party or by which it is or may be bound or would in any way contest the corporate existence or powers of the Institution or its authority to enter into and carry out the transactions described in or contemplated by the execution, delivery, validity or performance by the Institution of the terms and provision of any of the Transaction Documents to which it is a party.

(g) Documents Legal, Valid and Binding. The Institution shall, on or before the Closing, execute and deliver the applicable Transaction Documents and said Transaction Documents, when executed and delivered by the Institution and all of the other parties thereto, will be, and this Purchase Contract is, the legal, valid and binding obligation of the Institution enforceable against it in accordance with its terms, subject, as to enforcement, to any applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting the enforcement of creditors’ rights generally and further subject to the availability of equitable remedies.

(h) Tax Status of the Institution. The Institution has been determined to be and is exempt from federal income taxation under Section 501(a) of the Code by virtue of being an organization described in Section 501(c)(3) of the Code and is not a “private foundation” as defined in Section 509(a) of the Code. The Institution has not impaired its status and will not, while any of the Bonds remain outstanding, impair its status as (i) an organization described in Section 501(c)(3) of the Code and exempt from federal income taxation under Section 501(a) of the Code or (ii) an “educational institution” under the Act. Neither the Institution nor any other user of the Institution’s properties has “unrelated business taxable income,” as defined in Section 512 of the Code, that could

have a material adverse effect on the status of the Institution as an organization described in Section 501(c)(3) of the Code or its exemption from income taxation under Section 501(a) of the Code or that, if such income were subject to federal income taxation, would have a material adverse effect on the condition, financial or otherwise, of the Institution. None of the property financed or refinanced with the proceeds of the Bonds is or is expected to be used in an “unrelated trade or business” within the meaning of the Code.

(j) Compliance With Laws and Regulations. The Institution shall conduct its affairs and carry on its business and operations in such manner as to comply in all material respects with any and all applicable laws of the United States of America and the several states thereof and to observe and conform in all material respects to all valid orders, regulations or requirements of any governmental authority applicable to the conduct of its business and operations and the ownership of its property.

(k) Certificates. Any certificate signed by an authorized officer or agent of the Institution and delivered to the Authority or the Purchaser shall be deemed a representation and warranty by the Institution to such parties as to the statements made therein.

(l) No Default Under Transaction Documents. No event has occurred and is continuing which with the lapse of time or the giving of notice, or both, would constitute, or could reasonably be expected to result in, a breach of or an event of default by the Institution under any of the Transaction Documents.

(m) No Other Borrowing. The Institution will not, without the prior written consent of the Purchaser, which consent shall not be withheld unreasonably, offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, other than (i) those provided in the Transaction Documents or (ii) those incurred in the ordinary course of operating the Institution’s facilities.

(n) Title. The Institution has sufficient title to its property to enable it to operate the same as an educational facility within the meaning of the Act.

(o) Environmental Compliance. In addition to all other representations, warranties and covenants contained in the Transaction Documents, the Institution expressly represents, warrants and covenants that the Institution has made due investigation as to current or past storage, release or disposal of any Hazardous Material on, from or under any of the Institution’s property or otherwise by the Institution, and (other than any noncompliance that has been disclosed to the Purchaser that would not have a material adverse effect on the Institution’s financial condition or results of operations), that the Institution is in compliance with all Environmental Laws, that the Institution has received no written notice of any violation or alleged violation of any Environmental Laws, and that the Institution will continue to comply in all material respects with all Environmental Laws. “Environmental Laws” means any federal, state or local law, statute, code, ordinance, regulation, requirement or rule relating to Hazardous Materials to which the Institution or any property of the Institution is subject. “Hazardous Materials” means dangerous, toxic or hazardous pollutants, contaminants, chemicals, waste, material or

substances (as defined in Environmental Laws), and shall include any urea formaldehyde, polychlorinated biphenyls, asbestos, asbestos containing materials, nuclear fuel or waste, radioactive materials, explosives, carcinogens and petroleum products, or any other waste, materials, substance, pollutant or contaminant the improper storage, disposal or release of which would subject the person so storing, disposing or releasing (or the owner of the property on which such action occurs) to any damages, penalties or liabilities under any applicable law, regulation, requirement or rule.

(p) Payment of Taxes and Other Charges. The Institution shall pay or cause to be paid as they become due and payable all taxes, assessments and other governmental charges lawfully levied or assessed or imposed upon the Institution or its property or any part thereof or upon any income therefrom; provided, however, that the Institution shall not be required to pay and discharge or cause to be paid and discharged any such tax, assessment or governmental charge to the extent that the amount, applicability or validity thereof shall currently be contested in good faith by appropriate proceedings and the Institution shall have established and shall maintain adequate reserves on its books for the payment of the same.

(q) Licenses and Permits. The Institution shall procure and maintain all material licenses and permits necessary or desirable in the operation of its business and affairs and will maintain accreditation of its facilities by the appropriate accrediting body; provided, however, that the Institution shall not be required to procure or maintain in effect any right, license or accreditation that the governing board of the Institution shall have determined in good faith is not in the best interests of the Institution and is no longer desirable in the conduct of its business and that lack of such compliance will not materially impair the ability of the Institution to pay or perform its obligations under the Transaction Documents.

(r) Employee Pension Benefit Plans. The Institution has not engaged in, and the consummation of the transactions provided for in the Transaction Documents and compliance by the Institution with the provisions of such documents will not involve, any prohibited transactions within the meaning of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or Section 4975 of the Code. No "employee pension benefit plans," as defined in ERISA, maintained by the Institution, nor any trusts created thereunder, have incurred, at the end of any plan year, an "accumulated funding deficiency" as defined in Section 302 of ERISA nor does the present value of all benefits vested under all such plans exceed, as of the last annual valuation date, the value of the assets of such plans allocable to such vested benefits.

(s) No Federal Guarantee. The Bonds are not federally guaranteed within the meaning of Section 149(b) of the Code.

(t) No Default. The Institution is not currently, nor has it at any time since December 31, 1975 been, in default on any principal of or interest payment required by the terms of any obligation issued or guaranteed by the Institution.

(u) Additional Requirements. The Institution agrees to execute and deliver the Continuing Covenant Agreement and to comply with, all of the terms, agreements and conditions contained in the Continuing Covenant Agreement. The Institution agrees to (i) permit the Purchaser to take any and all actions to monitor compliance by the Institution with the Continuing Covenant Agreement and (ii) permit the Bond Trustee to enforce all remedies granted to the Bond Trustee under the Transaction Documents, including, but not limited to, enforcement of the remedies provided to the Purchaser under the Continuing Covenant Agreement.

(v) Representations and Warranties in Transaction Documents. The Institution's representations and warranties in the Transaction Documents are true and correct in all material respects and not misleading as of the date hereof, and are specifically incorporated herein by reference.

6. Closing. At 10:00 a.m., central time, on November __, 2018 or at such other time or such other date as shall have been mutually agreed upon by the Authority, the Institution and the Purchaser (the "Closing Time"), subject to the satisfaction of the conditions precedent referenced in Section 7 below and the Continuing Covenant Agreement, the Authority will deliver, or cause to be delivered, to the Purchaser, the Bonds, in definitive form duly executed and authenticated by the Bond Trustee together with the other documents hereinafter mentioned; and the Purchaser will accept such delivery and pay the purchase price for the Bonds by delivering to the Authority immediately available funds payable to the order of the Authority in an amount equal to the purchase price set forth in Section 1 hereof.

Payment and delivery of the Bonds shall be made in St. Louis, Missouri and is herein called the "Closing." Payment for the Bonds shall be made in immediately available funds or such other arrangement as shall be mutually agreeable on or before the Closing Time.

7. Conditions to Closing. The obligations hereunder of each party hereto shall be subject (i) to the performance by the other parties of their respective obligations to be performed hereunder and under the Bond Indenture at and prior to the Closing Time, (ii) to the accuracy in all material respects of the representations and warranties herein of the other parties as of the date hereof and as of the Closing Time, and (iii) to the following conditions, including the delivery by the appropriate party or parties hereto or other entities of such documents as are enumerated herein:

(a) At the Closing Time, (i) the Transaction Documents shall have been authorized, executed and delivered, and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Purchaser, the Institution, Bond Trustee and the Authority, (ii) the proceeds of the sale of the Bonds shall have been deposited and applied as described in the Loan Agreement and the Bond Indenture, (iii) the Authority and the Institution shall have duly adopted and there shall be in full force and effect such resolutions as, in the opinion of Gilmore & Bell, P.C., Kansas City, Missouri (herein called "Bond Counsel") and counsel to the Purchaser, shall be necessary in connection with the transactions contemplated hereby, and (iv) the conditions precedent set forth in the Continuing Covenant Agreement shall have been satisfied or waived by the Purchaser.

(b) At or prior to the Closing Time, (i) the Authority shall have executed the Bonds, and (ii) the Authority and the Institution shall have entered into the Loan Agreement, (iii) the Authority and the Bond Trustee shall have entered into the Bond Indenture and (iv) all other Transaction Documents shall have been duly executed and delivered by the parties thereto;

(c) At or prior to the Closing Time, the Purchaser and the Authority shall have received counterparts, copies or certified copies (as appropriate) of the following documents in such number as shall be reasonably required:

(1) Bond Counsel Opinions. The unconditional approving opinion of Bond Counsel, dated the date of Closing, addressed to the Authority, the Bond Trustee and the Purchaser relating to the due authorization, execution and delivery of the Bonds, the tax exempt status of the interest on the Bonds for federal and State income tax purposes, and certain other matters, all as and to the effect substantially as set forth in Exhibit A hereto and the supplemental opinion of Bond Counsel as and to the effect substantially as set forth in Exhibit A hereto.

(2) Institution's Counsel Opinion. The opinion of [Donald E. Maxwell, LLC][Spencer Fane LLP, Kansas City, Missouri], counsel to the Institution, dated the date of Closing, addressed to the Authority, the Bond Trustee and the Purchaser, substantially in the form set forth in Exhibit B hereto.

(3) Authority Counsel Opinion. The opinion of Thompson Coburn LLP, St. Louis, Missouri, counsel to the Authority, dated the date of Closing, addressed to the Institution, the Bond Trustee and the Purchaser, substantially in the form set forth in Exhibit C hereto.

(4) Institution's Certificate. A certificate of the Institution dated the date of the Closing, signed by its President, a Vice President or another executive officer of the Institution, on behalf of the Institution, in form and substance reasonably satisfactory to the Authority, the Purchaser and Bond Counsel, including to the effect that (i) since June 30, [2018], no material adverse change has occurred in the financial position of the Institution or results of operations of the Institution except as disclosed in writing to the Purchaser, (ii) the Institution has not incurred any material liabilities other than as disclosed in writing to the Purchaser and the available audited financial statements of the Institution furnished to the Purchaser present fairly and accurately the financial position of the Institution as of the dates thereof and the results of its operations for the periods therein described, (iii) no litigation, proceeding or investigation is pending against the Institution or, to its knowledge, threatened which would (A) contest, affect, restrain or enjoin the issuance, validity, execution, delivery or performance of the Transaction Documents, (B) in any way contest the corporate existence or powers of the Institution, or (C) in any way adversely affect the federal or State taxexempt status of the interest on the Bonds or the amounts to be received by the Authority pursuant to the Loan Agreement, (iv) no litigation, proceeding or investigation is pending or, to the knowledge of the Institution,

threatened against the Institution other than such litigation, proceedings or investigations that have been disclosed to the Purchaser and that could not have a material adverse effect on the Institution's financial condition or results of operations, (v) the representations and warranties of the Institution herein and in the Transaction Documents were and are true and correct in all material respects and not misleading as of the date made and as of the date of the Closing, (vi) the Institution has no knowledge of any defect in the title to any of its property which could materially interfere with or impair the operation, or materially adversely affect the value of its facilities or prevent or limit the carrying out of the purpose for which the same was acquired or is held by the Institution, (vii) there has been no change or threatened change in the taxexempt status of the Institution, (viii) at the date of the Closing, no Event of Default has occurred and is continuing and no event has occurred and is continuing which with the lapse of time or the giving of notice, or both, would constitute a breach of or an Event of Default under any of the Transaction Documents, (ix) the Institution has performed all of its obligations under the Transaction Documents which are to be performed by it on or before the Closing Time, and (x) such other matters as are reasonably requested by the other parties in connection with the issuance of the Bonds.

(5) Bonds. Specimen Series 2018A Bond and Specimen Series 2018B Bond.

(6) Bond Indenture. The Bond Indenture, duly executed by the parties thereto.

(7) Loan Agreement. The Loan Agreement, duly executed by the parties thereto.

(8) Tax Compliance Agreement. The Tax Compliance Agreement, duly executed by the parties thereto.

(9) Continuing Covenant Agreement. The Continuing Covenant Agreement, duly executed by the parties thereto.

(10) Institution Resolutions. Resolution(s) of the Institution authorizing and approving, as appropriate, the execution and delivery of the Transaction Documents, together with a certificate dated the date of Closing to the effect that such resolution(s) have not been modified, amended or repealed.

(11) Institution's Documents. For the Institution: its Articles of Incorporation, as amended, certified by the Secretary of State of the State as of a date within thirty (30) days prior to the date of the Closing, which certificate shall be further certified to by the Institution's Secretary or Assistant Secretary as of the date of Closing, copies of the Institution's Charter and Bylaws, as amended, certified by the Institution's Secretary or Assistant Secretary as of the date of the Closing and a good standing certificate for the Institution certified by the Secretary of State of the State as of a date within twenty (20) days prior to the date of Closing.

(12) I.R.S. Classification. A copy of the ruling or determination letter of the Internal Revenue Service, or other evidence satisfactory to the Purchaser, to the effect that the Institution is an organization described in Section 501(c)(3) of the Code and is not a “private foundation” as that term is defined in Section 509(a) of the Code and used in the Code.

(13) Certificates. Other certificates listed on a closing agenda to be approved by counsel to the Authority, Bond Counsel, counsel to the Institution and counsel to the Purchaser, including any certificates or representations of the Institution required in order for Bond Counsel to deliver the opinion referred to in Section 17(c)(1) of this Purchase Contract.

(14) Authority Certificate. A certificate of the Authority, dated the date of the Closing in substantially the form set forth in Exhibit D hereto.

(15) Bond Trustee’s Certificate. A certificate of the Bond Trustee to the effect that all moneys delivered to the Bond Trustee under and pursuant to the Bond Indenture have been duly deposited to the credit of the appropriate funds or accounts established under or in accordance with the Bond Indenture or otherwise applied as provided in the Bond Indenture and that the Bond Trustee has no knowledge of any default under the Bond Indenture.

(16) Form 8038. A completed form 8038 (Information Return for Tax-Exempt Private Activity Bond Issues).

(17) Financing Statements. Receipts or other evidence that financing statements have been filed for record with the Secretary of State with respect to the security interest granted or assigned by the Authority to the Bond Trustee pursuant to the Bond Indenture and with the Secretary of State and Jackson County, Missouri, with respect to the security interest granted or assigned by the Institution to the Authority pursuant to the Loan Agreement.

(18) Insurance Certificates. Certificates of Insurance of the Institution, to the effect that the insurance coverage of the Institution complies with the applicable requirements of the Transaction Documents.

(19) Other Closing Materials. Such additional legal opinions, certificates, proceedings, instruments and other documents as Bond Counsel or counsel for the Purchaser, the Institution or the Authority may reasonably request to evidence compliance with all legal requirements, the truth and accuracy, as of the Closing, of the representations herein and the due performance or satisfaction of all agreements then to be performed and all conditions then to be satisfied.

If any party shall be unable to satisfy the above conditions (unless waived by the other parties hereto) to the obligations of such party to this Purchase Contract, or if the obligations hereunder of any party shall be terminated for any reason permitted by this Purchase Contract,

this Purchase Contract shall terminate and none of the parties hereto shall be under further obligation hereunder; except that the respective obligations to indemnify and pay expenses, as provided in Sections 10 and 11 hereof shall continue in full force and effect.

8. Conditions to Authority's and the Institution's Obligations. The respective obligations of the Authority and the Institution hereunder are subject to the performance by the Purchaser of its obligations hereunder.

9. Survival of Representations, Warranties and Agreements. All of the Institution's representations, warranties and agreements contained in this Purchase Contract shall remain operative and in full force and effect, regardless of: (i) any investigations made by or on behalf of the Purchaser; and (ii) delivery of and payment for the Bonds pursuant to this Purchase Contract. The agreements in Sections 10 and 11 hereof shall survive any termination of this Purchase Contract.

10. Indemnity, Hold Harmless and Contribution.

(a) Institution. The Institution agrees to indemnify and hold harmless the Authority, the Purchaser, each director, member, officer or employee of the Authority or of the Purchaser and each person, if any, who has the power, directly or indirectly, to direct or cause the direction of the management and policies of the Authority pursuant to the Act, or of the Purchaser through the ownership of voting securities, by contract or otherwise (collectively in this subsection (a) called the "Indemnified Parties"), from and against any and all losses, claims, demands, damages, liabilities or expenses whatsoever caused by any breach of the undertakings or representations of the Institution contained herein.

In case a claim shall be made or any action shall be brought against one or more of the Indemnified Parties in respect of which indemnity can be sought against the Institution pursuant to the preceding paragraph, the Indemnified Parties shall promptly notify the Institution in writing, and the Institution shall promptly assume the defense thereof, including, with the consent of the Purchaser and the Authority, which consents shall not be unreasonably withheld, the employment of counsel, the payment of all expenses and the right to negotiate and consent to settlement. Any one or more of the Indemnified Parties shall have the right to employ separate counsel with respect to any such claim or in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or Indemnified Parties unless the employment of such counsel has been specifically authorized in writing by the Institution or there is a conflict of interest that would prevent counsel for the Institution from adequately representing both the Institution and the Indemnified Parties. The Institution shall not be liable for any settlement of any such action effected without its written consent, but if settled with the written consent of the Institution or if there be a final judgment for the plaintiff in any such action which the Institution is required hereunder to assume the defense of, the Institution agrees to indemnify and hold harmless the Indemnified Parties from and against any loss or liability by reason of such settlement or judgment.

(b) Purchaser. The Purchaser agrees to indemnify and hold harmless the Authority, each director, member, officer or employee of the Authority and each person, if any, who

has the power, directly or indirectly, to direct or cause the direction of the management and policies of the Authority pursuant to the Act, or of the Institution, by contract or otherwise (collectively in this Subsection (b) called the “Indemnified Parties”), from and against any and all losses, claims, demands, damages, liabilities or reasonable expenses whatsoever solely caused by any violation by the Purchaser of federal or state securities laws or any rule of the Securities and Exchange Commission or the Municipal Securities Rulemaking Board in connection with the Bonds.

In case a claim shall be made or any action shall be brought against one or more of the Indemnified Parties in respect of which indemnity can be sought against the Purchaser as described above, the Indemnified Parties shall promptly notify the Purchaser in writing, and the Purchaser shall promptly assume the defense thereof, including, with the consent of the Authority and the Institution, which consents shall not be unreasonably withheld, the employment of counsel, the payment of all expenses and the right to negotiate and consent to settlement. Any one or more of the Indemnified Parties shall have the right to employ separate counsel with respect to any such claim or in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or Indemnified Parties unless the employment of such counsel has been specifically authorized, in writing, by the Purchaser or there is a conflict of interest that would prevent counsel for the Purchaser from adequately representing both the Purchaser and the Indemnified Parties. The Purchaser shall not be liable for any settlement of any such action effected without its written consent, but if settled with the written consent of the Purchaser or if there be a final judgment for the plaintiff in any such action which the Purchaser is required hereunder to assume the defense of, the Purchaser agrees to indemnify and hold harmless the Indemnified Parties from and against any loss or liability by reason of such settlement or judgment.

(c) Survival. The covenants and agreements contained in this Section shall survive the delivery of the Bonds.

11. Expenses. If the Bonds are sold to the Purchaser by the Authority, the Institution shall pay or cause to be paid the following expenses incident to the performances of its obligations hereunder: (i) the cost of preparing, duplicating (or printing), mailing and delivering the Transaction Documents; (ii) the cost of preparation and printing of the definitive Bonds; (iii) the fees and disbursements of Bond Counsel, the Bond Trustee, the Authority, counsel to the Institution, financial advisor to the Institution, counsel to the Purchaser, counsel to the Authority and the financial advisor to the Authority; (iv) the fees and disbursements of the Institution’s accountant, if any; (v) the costs of any appraisals of collateral, flood checks, title premiums and survey charges; and (vi) all other fees and expenses reasonably incurred in connection with the preparation of (and, if applicable, the recordation of) the Transaction Documents and/or the sale of the Bonds.

To the extent not paid pursuant to the foregoing paragraph, the Institution shall pay the Authority’s fees and any expenses incident to the performance of the Authority’s obligations hereunder (not included in the Authority’s fees), and if the Bonds are not sold by the Authority to the Purchaser, the Institution shall pay the Authority’s costs incurred in connection with the proposed issuance of the Bonds.

12. Third Party Beneficiaries. The Institution agrees that the Authority and the Purchaser are and shall be third party beneficiaries of any and all representations and warranties made by the Institution in the Transaction Documents, to the same effect as if the Institution had made such representations and warranties to the Authority and the Purchaser in this Purchase Contract.

13. Authority's Obligations. Any other term or provision in this Purchase Contract, in the Transaction Documents or elsewhere to the contrary notwithstanding:

(a) Any and all obligations (including without limitation, fees, claims, demands, payments, damages, liabilities, penalties, assessments and the like) of or imposed upon the Authority or its members, officers, agents, employees, representatives, advisors, or its successors or assigns, whether under this Purchase Contract, in the Transaction Documents or elsewhere, and whether arising out of or based upon a claim or claims of tort, contract, misrepresentation, or any other or additional legal theory or theories whatsoever if any (collectively the "obligations"), shall in all events be absolutely limited obligations and liabilities, payable solely out of the following, if any, available at the time the obligation in question is asserted: (i) Bond proceeds and investment earnings thereon, if any; and (ii) payments derived from the Bonds, the Bond Indenture (including the trust estate to the extent provided in the Bond Indenture), the Loan Agreement (except for the fees and expenses of the Authority and the Authority's right to indemnification under this Purchase Contract under certain circumstances), the foregoing provisions (i) and (ii) being collectively referred to as the "Exclusive Sources of the Obligations";

(b) The obligations shall not be deemed to constitute a debt or liability of the State or of any political subdivision thereof within the meaning of any State constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the State or any political subdivision thereof or of the Authority, but shall be payable solely from and out of the Exclusive Sources of the Obligations and shall otherwise impose no liability whatsoever, primary or otherwise, upon the State or any charge upon its credit or taxing power; and

(c) In no event shall any member, officer, agent, employee, representative or advisor of the Authority, or any successor or assign of any such person or entity, be liable, personally or otherwise, for any obligation.

14. Notices. Any notice or other communication to be given to the Authority or the Institution under this Purchase Contract may be given by delivering the same in writing at their respective addresses set forth above, and any notice or other communications to be given to the Purchaser under this Purchase Contract may be given by delivering the same in writing to the Purchaser at the following address:

Clayton Holdings, LLC
c/o Commerce Bank
1000 Walnut
Kansas City, Missouri 64106

15. Successors. This Purchase Contract is made for the benefit of the Authority, the Institution and the Purchaser (including the successors or assigns of the Purchaser and the Indemnified Parties and their successors and assigns) and no other person shall acquire or have any rights hereunder or by virtue hereof.

16. Governing Law. This Purchase Contract shall be governed by and construed in accordance with the laws of the State.

17. Effectiveness. This Purchase Contract shall become effective upon your acceptance hereof.

18. Counterparts. This Purchase Contract may be executed in any number of counterparts, each of which so executed and delivered shall constitute an original and all together shall constitute but one and the same instrument.

Very truly yours,

CLAYTON HOLDINGS, LLC

By:
Name:
Title:

[The remainder of this page left blank intentionally]

Accepted and agreed to as of
the date first above written:

HEALTH AND EDUCATIONAL FACILITIES
AUTHORITY OF THE STATE OF MISSOURI

By

Authorized Officer

[The remainder of this page left blank intentionally]

Accepted and agreed to as of
the date first above written:

CROSSROADS CHARTER SCHOOLS

By

Authorized Officer

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EXHIBIT A
TO
PURCHASE CONTRACT

FORM OF OPINIONS OF BOND COUNSEL

EXHIBIT B
TO
PURCHASE CONTRACT

FORM OF OPINION OF INSTITUTION'S COUNSEL

EXHIBIT C
TO
PURCHASE CONTRACT

FORM OF OPINION OF AUTHORITY'S COUNSEL

Clayton Holdings, LLC, as Purchaser
Kansas City, Missouri

Commerce Bank,
as Bond Trustee
Kansas City, Missouri

Crossroads Charter Schools
Kansas City, Missouri

Re: \$[2018A Principal Amount] Educational Facilities Revenue Bonds (Crossroads Charter Schools), Series 2018A and \$[2018B Principal Amount] Educational Facilities Revenue Bonds (Crossroads Charter Schools), Series 2018B

Ladies and Gentlemen:

We are counsel for the Health and Educational Facilities Authority of the State of Missouri, a body politic and corporate and a public instrumentality of the State of Missouri (the "Authority"), in connection with the issuance and sale of the Authority's \$[2018A Principal Amount] principal amount of Educational Facilities Revenue Bonds (Crossroads Charter Schools), Series 2018A (the "Series 2018A Bonds") and \$[2018B Principal Amount] principal amount of Educational Facilities Revenue Bonds (Crossroads Charter Schools), Series 2018B (the "Series 2018B Bonds" and together with the Series 2018A Bonds, the "Bonds"). We have represented the Authority in connection with the issuance and sale of the Bonds including with respect to: (a) the execution by the Authority with Commerce Bank, Kansas City, Missouri, as bond trustee (the "Bond Trustee"), of that certain Bond Trust Indenture, dated as of November 1, 2018 (the "Bond Indenture") creating and securing the issuance of the Bonds; (b) the execution by the Authority of that certain Loan Agreement dated as of November 1, 2018 (the "Loan Agreement"), with Crossroads Charter Schools, a nonprofit corporation and public charter school organized and existing under the laws of the State of Missouri (the "Institution"); (c) the execution by the Authority with the Institution and Clayton Holdings, LLC (the "Purchaser") of that certain Purchase Contract, dated _____, 2018 (the "Purchase Contract"), providing for the sale by the Authority and the purchase by the Purchaser of the Bonds; and (d) the execution by the Authority with the Institution and the Bond Trustee of that certain Tax Compliance Agreement, dated as of November 1, 2018 (the "Tax Compliance Agreement").

In connection with the foregoing, we have examined executed counterparts or copies identified to our satisfaction of each of the following documents: (a) the Bond Indenture; (b) the Loan Agreement; (c) the Purchase Contract; (d) the Tax Compliance Agreement (the Bond Indenture, the Loan Agreement, the Purchase Contract and the Tax Compliance Agreement are collectively, the "Authority Agreements"); (e) resolutions of the Authority authorizing, among other matters, the execution of the Authority Agreements; (f) a Certificate of the Authority, dated as of the date hereof; (g) the opinions of Gilmore & Bell, P.C., Kansas City, Missouri, dated of even date herewith, including but not limited to, the exclusion of interest on the Bonds from gross income for federal and State of Missouri income tax purposes; and (h) such other

certificates, documents, instruments, laws and other matters as we have deemed necessary and appropriate in order to render this opinion.

Words and phrases which are defined in the Bond Indenture or the Purchase Contract, when used in this opinion, shall have the same meaning as set forth in the Bond Indenture or the Purchase Contract unless the context requires otherwise.

Based upon the foregoing and subject to the paragraphs hereafter, we are of the opinion that, as of the date hereof, and under existing law:

(1) The Authority is a duly organized and validly existing body politic and corporate and a public instrumentality of the State of Missouri.

(2) The Authority Agreements have been duly authorized, executed and delivered by, for and on behalf of the Authority. The Bonds have been duly authorized and executed by, for and on behalf of the Authority. The Authority Agreements and the Bonds constitute valid and binding agreements of the Authority enforceable against the Authority in accordance with their respective terms.

(3) There is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or, to our knowledge, threatened against the Authority, wherein an unfavorable decision, ruling or finding would adversely affect the validity or enforceability in accordance with their respective terms of the Bonds or the Authority Agreements or in any way affecting the existence of the Authority or the title of its officers to their respective offices, or seeking to enjoin the issuance, sale or delivery of the Bonds, or the collection of revenues or assets pledged or to be pledged by the Authority to pay the Bonds.

(4) To our knowledge, the execution and delivery by the Authority of the Bonds and the Authority Agreements and compliance with the provisions thereof by the Authority, and the pledge and assignment of the Loan Agreement by the Authority to the Bond Trustee pursuant to the Bond Indenture, do not in any material respect conflict with or constitute a breach of or default under any law, regulation, court order or consent decree to which the Authority is subject.

In rendering the foregoing opinions, we have assumed the due authorization, execution and delivery of the Authority Agreements by the parties thereto other than the Authority and the due authentication and delivery of the Bonds by the Bond Trustee. We have also assumed the genuineness of all signatures other than those of the Authority, the authenticity of all documents submitted to us as originals and the conformity to the originals of all documents submitted to us as copies thereof.

As to various questions of fact relevant to the opinions set forth herein, we have relied upon and assumed the accuracy, completeness and veracity of: (a) written and oral statements of officers of the Authority and various officers' certificates delivered to us by the Authority; (b) the representations, certifications and warranties of the parties (including the Authority) to the Authority Agreements and in the other certificates and documents delivered in connection with the transactions contemplated by the Authority Agreements; and (c) such other documents and records as we have deemed relevant or necessary for such opinions. We have also assumed

compliance with the covenants and agreements in the Authority Agreements by the parties thereto.

The Bonds, the Authority Agreements and all of our opinions herein are subject to the effect of and limitations imposed by any applicable bankruptcy, insolvency, fraudulent conveyance, fraudulent transfer, redemption, reorganization, moratorium and other laws affecting creditors' rights generally or against municipalities or state agencies or state authorities such as the Authority, including, without limitation, (a) the United States Bankruptcy Code of 1978, as amended, and thus includes, among others, matters of turn-over, automatic stay, avoiding powers, fraudulent transfer, preference, discharge, conversion of a non-recourse obligation into a recourse claim, limitations on ipso facto and anti-assignment clauses and the coverage of pre-petition security agreements and other liens with respect to property acquired after a petition is filed, (b) all other federal, state and foreign bankruptcy, insolvency, reorganization, receivership, moratorium, arrangement and assignment for the benefit of creditors laws that affect the rights and remedies of creditors generally, (c) federal, state and foreign fraudulent transfer and conveyance laws, and (d) judicially developed doctrines relevant to any of the foregoing laws, such as substantive consolidation of entities.

In addition, all of our opinions are subject to (a) general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law), bankruptcy, reorganization, insolvency, moratorium and other laws affecting creditors' rights or the relief of debtors generally and principles (i) governing the availability of specific performance, injunctive relief or other equitable remedies, which generally place the award of such remedies, subject to certain guidelines, in the discretion of the court to which application for such relief is made, (ii) affording equitable defenses (e.g., waiver, laches and estoppel) against a party seeking enforcement, (iii) requiring good faith and fair dealing in the performance and enforcement of a contract by the party seeking its enforcement, (iv) requiring reasonableness in the performance and enforcement of an agreement by the party seeking enforcement of the contract, (v) requiring consideration of materiality of a breach and the consequences of the breach to the party seeking enforcement, (vi) requiring consideration of the impracticability or impossibility of performance at the time of attempted enforcement and (vii) affording defenses based upon the unconscionability of the enforcing party's conduct after the parties have entered into the contract, and (b) limitations imposed by public policy under certain circumstances on the enforceability of provisions indemnifying a party against liability for its own wrongful or negligent acts.

We express no opinion concerning the enforceability of (a) waivers of any constitutional, statutory or common law rights, (b) any covenants or warranties regarding the exercise of rights without appropriate notice and hearing, (c) any non-judicial sales rights other than the power of sale, (d) any indemnification provisions, to the extent such provisions are deemed to be against public policy or federal or state securities laws, (e) provisions relating to submission to jurisdiction, (f) provisions to the effect that terms may not be waived or modified except in writing, (g) provisions relating to waiver of rights to trial by jury, (h) provisions exculpating or exempting a party, or requiring indemnification of a party for, liability for its own action or inaction, to the extent the action or inaction involves gross negligence, recklessness, willful misconduct or unlawful conduct, or (i) the enforceability of any agreement to arbitrate.

We express no opinion as to the existence of, or the rights, title or interest of any party in or to any collateral. We have not made, or undertaken to make, any investigation of title to any property, and we express no opinion with respect thereto, or the granting, creation, existence, perfection, effect of perfection or nonperfection or priority of any liens or security interests created under or by the Authority Agreements, except as expressly set forth herein.

We are members of the bar of the State of Missouri. We are opining herein as to the effect on the subject transaction only of, as in effect on the date hereof, the federal laws of the United States and laws of the State of Missouri that, in our experience, are normally applicable to transactions of the type provided for in the Authority Agreements.

The opinions expressed herein are expressed as of the date hereof, and we assume no obligation to revise or supplement this opinion or to advise the addressees hereof of any facts or circumstances or changes concerning the above, whether or not deemed material, that may hereafter come to or be brought to our attention, including but not limited to, changes that could result from pending or future legislation, law or jurisprudence. This letter and the opinions herein are solely for the benefit of the addressees hereof and their respective successors and valid assignees and no other person is entitled to rely hereon. This opinion letter may not be quoted in whole or in part and may not be furnished to or relied upon by any other individual or entity for any purpose without our prior written consent. Our consent is hereby given to include a copy of this opinion letter in the transcript of proceedings relating to the Bonds. This opinion letter expresses our legal opinion as to the matters set forth above and is based upon our professional knowledge and judgment at this time; however, it is not to be construed as a guaranty, nor is it a warranty that a court considering such matters would not rule in a manner contrary to the opinions set forth herein. We express no opinion herein relative to compliance with federal or state securities laws or with respect to the exclusion from federal or state income taxation of the interest on the Bonds.

Very truly yours,

EXHIBIT D
TO
PURCHASE CONTRACT

FORM OF AUTHORITY CLOSING CERTIFICATE

**CERTIFICATE AND REQUEST TO AUTHENTICATE BONDS
OF THE HEALTH AND EDUCATIONAL FACILITIES
AUTHORITY OF THE STATE OF MISSOURI**

The words and terms used in this Certificate, unless the context requires otherwise, shall have the same meanings as set forth in the “Bond Indenture” or the “Purchase Contract,” both as defined in paragraph 4 hereof.

The Health and Educational Facilities Authority of the State of Missouri (the “Authority”), does hereby certify in connection with the issuance by the Authority of the \$[2018A Principal Amount] principal amount of Educational Facilities Revenue Bonds (Crossroads Charter Schools), Series 2018A (the “Series 2018A Bonds”) and \$[2018B Principal Amount] principal amount of Educational Facilities Revenue Bonds (Crossroads Charter Schools), Series 2018B (the “Series 2018B Bonds” and together with the Series 2018A Bonds, the “Bonds”), that it is a body politic and corporate and a public instrumentality duly organized, validly existing and in good standing under the laws of the State of Missouri and does further certify as follows:

1. Members and Officers. The following persons were and are the duly qualified and acting members and officers of the Authority since at least January 1, 2018 to and including the date hereof:

| <u>Name</u> | <u>Title</u> |
|--------------------|----------------------------------|
| Joseph A. Cavato | Chair and Member |
| Jeffrey D. Byrne | Vice Chair and Member |
| Thomas E. George | Treasurer and Member |
| Sarah R. Maguffee | Member |
| Judith W. Scott | Member |
| Michael J. Stanard | Executive Director and Secretary |
| Vincent M. Loretta | Assistant Secretary |

There are currently two vacancies on the Authority. The term of Judith W. Scott as a member of the Authority expired July 30, 2011. The term of Sarah R. Maguffee as a member of the Authority expired July 30, 2013. The term of Joseph A. Cavato as a member of the Authority expired July 30, 2013. The term of Thomas E. George expired July 30, 2015. Ms. Scott, Ms. Maguffee, Mr. Cavato and Mr. George continue to serve as members of the Authority until successors are appointed and qualified. Each member is a resident of the State of Missouri, and has been appointed by the Governor of the State of Missouri with the advice and consent of the Senate of the State of Missouri.

2. Meetings. At least twenty-four hours prior to the commencement of each of the meetings referred to in paragraph 3 hereof notice of the meeting was made available to any representative of the news media who requested it and was posted on a bulletin board or other prominent place that is easily accessible to the public and clearly designated for that purpose at the principal office of the Authority and at the site of the meeting. Said meetings were open to the public and every reasonable effort was made to grant special access to said meeting to handicapped or disabled persons.

Notice of the meetings of the Authority at which the Resolutions (as defined below) were adopted was given in accordance with the Bylaws of the Authority, including the sending of such notices by mail to each member of the Authority, each of said notices being deposited in the United States mail ten days or more before the applicable meeting.

3. Resolutions. Attached hereto as Exhibit A are true, complete and correct copies (other than any attachments or exhibits thereto) of the preliminary intent resolution and the bond issuance resolution (collectively, the “Resolutions”) authorizing and approving the execution, issue and sale of the Bonds, which were duly adopted by the Authority at the meetings of the Authority held on September 5, 2018, and November 7, 2018, respectively. The Resolutions are in full force and effect and the Resolutions and the Authority Documents (as hereinafter defined) in the forms as originally adopted or executed, as the case may be, have not been altered, amended or repealed as of the date hereof.

4. Bond Documents. The following described instruments (including all schedules and exhibits attached hereto), as executed and delivered by the Chair or the Executive Director and the Secretary or the Assistant Secretary of the Authority, are in substantially the same form and text as the copies of such instruments which were before and approved by the Authority at its November 7, 2018 meeting referred to in paragraph 3 above, and such instruments as executed and delivered have not been modified, amended or repealed:

| <u>Instrument</u> | <u>Date</u> | <u>Other Party or Parties</u> |
|---|------------------|---|
| Bond Trust Indenture relating to the Bonds (the “Bond Indenture”) | November 1, 2018 | Commerce Bank, as bond trustee (the “Bond Trustee”) |
| Purchase Contract relating to the Bonds (the “Purchase Contract”) | _____, 2018 | Clayton Holdings, LLC, as purchaser of Bonds (the “Purchaser”), and Crossroads Charter Schools, (the “Institution”) |
| Loan Agreement relating to the Bonds (the “Loan Agreement”) | November 1, 2018 | Institution |
| Tax Compliance Agreement (the “Tax Compliance Agreement”) | November 1, 2018 | Institution and Bond Trustee |

8. Representations and Warranties. The representations and warranties of the Authority contained in Section 4 of the Purchase Contract and Section 2.1 of the Loan Agreement are (subject to the limitations and qualifications specified in those representations and warranties, such as “to the Authority’s knowledge”) true and correct in all material respects as of the date hereof, and, to the Authority’s knowledge, it has complied with all covenants and satisfied all conditions and terms of the Authority Documents required on its part to be performed or satisfied at or prior to the date hereof.

9. No Event of Default. To the Authority’s knowledge, as of the date hereof, no event of default of the Authority specified in the Authority Documents, and no event which with the giving of notice or the lapse of time or both would become such an event of default of the Authority under the Authority Documents, has occurred.

10. All Necessary Action. The Authority has duly authorized, by all necessary action, the execution, issuance and delivery of the Bonds, and the execution, delivery, receipt and due performance of the Authority Documents and any and all such other agreements and documents as may be reasonably required to be executed, delivered and received by the Authority in order to carry out, give effect to and consummate the transactions contemplated by the Authority Documents and the Resolutions. The Authority Documents, as executed and delivered, and the Bonds, when properly executed, delivered, authenticated and issued, constitute legal, valid and binding obligations of the Authority enforceable against it in accordance with their respective terms (except insofar as the enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws or equitable principles of general application affecting the rights and remedies of creditors and secured parties, and except as rights to indemnity under the Purchase Contract may be limited by federal or state securities laws or by other principles of public policy).

11. Payments Pledged. The payments to be derived under the Loan Agreement and assigned under the Bond Indenture are not pledged or hypothecated by the Authority in any manner or to any extent except to the payment of the Bonds.

12. No Conflict. To the Authority’s knowledge, no member of the Authority and no officer of the Authority has any pecuniary interest, directly or indirectly, in any contract, employment, purchase or sale made, or to be made, in connection with the proposed transaction contemplated by the Authority Documents.

13. Taxability. Subject to the requirements of the Authority Documents or any provision of Missouri law, or any applicable judgment, order, rule or regulation of any court or executive or agency having jurisdiction, the Authority has no present intent to engage in any activity which is likely to result in any loss of any exclusion of interest on the Bonds from the gross income of the recipient thereof under the federal income tax laws.

14. Open Meetings. All meetings of the Authority at which the Authority considered any matters related to the Authority Documents or the proposed transaction contemplated by the Authority Documents, including the meetings at which the Resolutions were adopted, have been open to the public and held in accordance with the procedures adopted by the Authority and Sections 610.010610.030 of the Revised Statutes of Missouri, as amended, and all laws amendatory thereof and supplementary thereto.

15. No Violation of Law or Agreements. To the Authority’s knowledge, the execution and delivery by the Authority of the Authority Documents, the performance of the terms thereof by the Authority, the issuance, sale and delivery of the Bonds by the Authority and the pledge and assignment of the Loan Agreement (except its rights to payment of its fees and expenses and to indemnification as set forth therein), will not violate any provision of Missouri law, or any resolution or ordinance of the Authority, or any applicable judgment, order, rule or regulation of any court or of any public or governmental agency or authority, and will not conflict with, violate or result in the breach of any of the provisions of, or constitute a default under, any indenture, mortgage, deed of trust or other agreement or instrument to which the Authority is a party, or by which it or its properties are bound.

16. Approvals. All approvals, consents, authorizations and orders required to be obtained by the Authority in connection with the issuance, sale and delivery of the Bonds and the execution and delivery of the Authority Documents and the performance of the terms thereof by the Authority have been duly obtained.

17. Authority Representative. The following persons are hereby designated as the authorized Authority representatives under the Authority Documents and the signatures set forth opposite their respective names are true and correct specimens of their genuine signatures:

| <u>Position</u> | <u>Name</u> | <u>Signature</u> |
|------------------------------------|--------------------|------------------|
| Authority Representative | Michael J. Stanard | |
| Alternate Authority Representative | Vincent M. Loretta | |

18. Seal. The seal printed on the Bonds, is the legally adopted, proper and only official corporate seal of the Authority.

19. Public Hearing. In connection with the issuance of the Bonds, the Authority was authorized to hold a hearing as required under Section 147 of the Internal Revenue Code of 1986, as amended, regarding the proposed issuance of the Bonds. The publicly given notice of the hearing, a certificate evidencing publication of which is attached hereto as Exhibit C, advised the public that a public hearing would be held on October 15, 2018 to discuss the proposed issuance of the Bonds and that interested parties would be afforded an opportunity to express their views at that hearing. At 10 A.M. on October 15, 2018 at the offices of the Authority, 15450 South Outer Forty Road, Suite 230, Chesterfield, Missouri, a public hearing was held concerning the Bonds as provided in the said notice. The hearing was open to the public, and the public was invited to express their views prior to or at the hearing relating to the issuance of the Bonds and the proposed use of the proceeds of the Bonds. No members of the public attended or expressed any views prior to or at the hearing.

20. Authentication. Pursuant to the Bond Indenture, the Bond Trustee is hereby requested and authorized by us on behalf of the Authority to authenticate the Bonds and to deliver the Bonds to the respective Purchaser upon payment to the Bond Trustee, for the account of the Authority, of the purchase price, including accrued interest to the date of delivery of the Bonds, if any, as set forth in the respective Purchase Contract.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Authority has caused this Certificate to be executed as of this ____ day of November, 2018.

HEALTH AND EDUCATIONAL FACILITIES AUTHORITY OF THE STATE OF MISSOURI

By

Michael J. Stanard
Executive Director and Secretary

By

Vincent M. Loretta
Assistant Secretary

Space for Recorder's Use

DOCUMENT: Deed of Trust, Assignment of Rents, Leases And Other Benefits, Security Agreement and Fixture Filing

GRANTOR: Crossroad Charter Schools
1011 Central Street
Kansas City, Missouri 64106

GRANTEES: SMF Registered Services, Inc.
c/o Stinson Morrison Hecker
1201 Walnut, 29th Floor
Kansas City, Missouri 64106

Commerce Bank, as Bond Trustee
1000 Walnut
Kansas City, Missouri 64106
Attention: Corporate Trust Department

DATE: November 1, 2017

LEGAL DESCRIPTION: See Exhibit A

REFERENCE NO: N/A

THIS DEED OF TRUST, ASSIGNMENT OF RENTS, LEASES AND OTHER BENEFITS, AND SECURITY AGREEMENT SECURES FUTURE ADVANCES AND IS TO BE GOVERNED BY SECTION 443.055, MISSOURI REVISED STATUTES.

WA 11967741.2

\$6,000,000 IS THE TOTAL PRINCIPAL AMOUNT OF ALL OBLIGATIONS WHICH ARE SECURED HEREBY

**DEED OF TRUST, ASSIGNMENT OF RENTS,
LEASES AND OTHER BENEFITS,
SECURITY AGREEMENT AND FIXTURE FILING**

THIS DEED OF TRUST, ASSIGNMENT OF RENTS, LEASES AND OTHER BENEFITS, SECURITY AGREEMENT AND FIXTURE FILING (hereinafter called the "Deed of Trust") is made as of November 1, 2018, by and between CROSSROADS CHARTER SCHOOLS, a Missouri nonprofit corporation (hereinafter referred to as "Grantor"), whose address for notice purposes is 1011 Central Street, Kansas City, Missouri 64106, and SMF REGISTERED SERVICES, INC., a Missouri corporation (hereinafter called "Trustee"), whose address for notice purposes is 1201 Walnut, Suite 2900, Kansas City, Missouri 64106, for the benefit of COMMERCE BANK, as Bond Trustee (hereinafter called "Beneficiary"), whose address for notice purposes is 1000 Walnut, Kansas City, Missouri 64106, Attention: Corporate Trust Department.

W I T N E S S E T H:

WHEREAS, pursuant to the Missouri Health and Educational Facilities Authority Act, Chapter 360 of the Revised Statutes of Missouri, as amended (the "Act"), and at the request of the Grantor, the Health and Educational Facilities Authority of the State of Missouri (the "Authority") will issue its \$3,500,000 principal amount of Educational Facilities Revenue Bonds (Crossroads Charter Schools), Series 2018A Bonds and its \$2,500,000 principal amount of Educational Facilities Revenue Bonds (Crossroads Charter Schools), Series 2018B Bonds (collectively, the "Bonds"), under a Bond Trust Indenture of even date herewith (the "Indenture") between the Authority and Beneficiary, for the purpose of making a loan of the proceeds thereof (the "Loan"), to the Grantor pursuant to the Loan Agreement of even date herewith between the Authority and Grantor (the "Loan Agreement"), to provide funds to (a) refinance certain indebtedness incurred to acquire educational facilities, and (b) pay costs related to the issuance of the Bonds, in consideration of payment by the Grantor, which will be sufficient to pay the principal of, redemption premium, if any, and the interest on the Bonds, all as more fully described in the Indenture, which Loan Agreement has been assigned by the Authority to the Beneficiary to secure the Purchaser (as defined below) as the sole owner of the Bonds; and

WHEREAS, pursuant to a Purchase Contract dated November ____, 2018 (the "Purchase Contract") by and between the Authority, Clayton Holdings, LLC, in its capacity as Purchaser, as defined in the Indenture, of the Bonds, as defined in the Indenture (the "Purchaser"), and the Grantor, the Purchaser has agreed to purchase the Bonds; and

WHEREAS, as a condition to purchasing the Bonds, the Purchaser has further required the Grantor to enter into a Continuing Covenant Agreement of even date herewith (the "Continuing Covenant Agreement"); and

WHEREAS, the execution and delivery of this Deed of Trust is a condition precedent to the Purchaser's agreement to purchase the Bonds pursuant to the Purchase Contract; and

WHEREAS, Grantor, in order to induce the Purchaser to purchase the Bonds, has agreed to and by these presents does hereby execute this Deed of Trust and subjects the Mortgaged Property (as defined herein) to a mortgage lien and security interest in favor of the Beneficiary (as assignee of the Authority) to secure the Loan Agreement; and

NOW THEREFORE, for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) in hand paid, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and also in consideration of the debt hereinbefore mentioned, and as security for the debt hereinbefore mentioned, Grantor does hereby irrevocably GRANT, BARGAIN, SELL, ALIEN, REMISE, RELEASE, CONVEY, ASSIGN AND CONFIRM unto Trustee, his successors and assigns, with power of sale, all of Grantor's estate, right, title and interest in, to and under and grants a security interest in the real property located in Kansas City, Jackson County, Missouri, legally described in Exhibit "A" attached hereto and incorporated herein which is (except where the context otherwise requires) herein collectively called the "Premises", and in any and all of the following property whether now owned or held or hereafter acquired:

(a) All and singular the reversions or remainders in and to said Premises and the tenements, hereditaments, easements, rights-of-way or use, rights (including alley, drainage, crop, timber, logging and cutting, agricultural, horticultural, mineral, water, oil and gas rights), privileges, royalties and appurtenances to said Premises, now or hereafter belonging or in any way appertaining thereto, including any such right, title, interest in, to or under any agreement or right granting, conveying or creating, for the benefit of said Premises, any easement, right or license in any way affecting other property and in, to or under any streets, ways, alleys, vaults, gores or strips of land adjoining said Premises or any parcel thereof, or in or to the air space over said Premises, all rights of ingress and egress by motor vehicles to parking facilities on or with said Premises, and all claims or demands of Grantor, either at law or in equity, in possession or expectancy, of, in or to the same.

(b) All buildings, structures, facilities and other improvements now or hereafter located on the Premises, and all building material, building equipment and fixtures of every kind and nature now or hereafter owned by Grantor and located on the Premises or attached to, contained in, or used in any such buildings, structures, facilities or other improvements (such fixtures collectively called the "Fixtures"), and all appurtenances and additions thereto and betterments, renewals, substitutions and replacements thereof, owned by Grantor or in which Grantor has or shall acquire an interest (all of the foregoing hereinafter collectively called the "Improvements").

(c) All chattels and articles of personal property, and all appurtenances and additions thereto and betterments, renewals, substitutions and replacements thereof, of every character and wherever situated, now or hereafter owned, constructed or acquired by Grantor or in which Grantor has or shall acquire an ownership interest, which is in any way belonging, relating or appertaining to, or located on the Premises herein described or the buildings and Improvements now erected or to be erected thereon, or used or intended to be used in connection with the Premises, which is used in the operation of the

buildings and Improvements, situated thereon, or placed on any part thereof, though not attached thereto (all of the foregoing hereinafter collectively called the "Equipment"). Without limitation, Grantor hereby grants to Beneficiary (if applicable) a security interest in and to all of Grantor's present and future Equipment, and Beneficiary shall have, in addition to all rights and remedies provided in the Security Documents, all of the rights and remedies of a "secured party" under the Uniform Commercial Code of the State of Missouri.

Equipment shall include any and all fixtures, appliances, machinery and equipment of any nature whatsoever, partitions, screens, awnings, shades, blinds, curtains and other articles of personal property at any time now or hereafter installed in, attached to or situated in or upon the Premises or the Improvements, whether or not the personal property is or shall be affixed thereto, all to the extent owned by Grantor.

Including, without limiting the generality of the foregoing, all plants, furnaces, incinerating and power equipment, boilers, machinery, engines, stokers, pumps, heaters, tanks, compressors, dynamos, motors, electrical transformers, fittings, siding, pipe, pipe connections, conduits, ducts, partitions, communication systems, storm and screen windows, doors, furniture, furnishings, elevators and motors, built-in filing cabinets, shelves, water coolers, signs, tools, switchboards and all equipment, appliances and apparatus of every kind and description now or hereafter affixed or attached to or contained within and used or procured for use in connection with said buildings or improvements for heating necessary for operation, cooling, lighting, plumbing, lifting, cleaning, fire extinguishing and preventing, communication, ventilating, sprinkling, irrigating, refrigerating or air conditioning, or for providing water, gas, electricity or other services or for general operation of the buildings and improvements, or the plan or business situate or operated thereon.

Such security interest shall extend to and include as well as any and all proceeds of such fixtures and personal property and any and all subsequently acquired fixtures and personal property by way of replacement, substitution, addition or otherwise, all materials and work in process and the proceeds thereof.

(d) All now owned and hereafter acquired accounts, contract rights, chattel paper, general intangibles (including, but not limited to, all of Grantor's now existing or hereafter arising tax and duty refunds, prepaid expenses, all now owned or hereafter acquired patents, patent applications, trademarks, trademark applications, copyrights, copyright applications, tradenames and tradestyles, license agreements, customer lists, blueprints, drawings and specifications relative to the rendering of services or the sale or manufacture of goods), documents and instruments, whether now owned or hereafter acquired by Grantor; Grantor's interest in the goods represented by all accounts and all returned, reclaimed or repossessed goods with respect thereto; all monies, deposits, securities, bank accounts, instruments, credits and other property now or hereafter held by Beneficiary or any other entity which at any time participates in Beneficiary's financing of Grantor; all licenses, permits, franchises, certificates and other rights, privileges and documents obtained in connection with or necessary in the operation of the

Premises and/or the Improvements; all plans and specifications, architectural contracts, construction contracts, all leases with respect to any part of the Premises and/or the Improvements, and all rents, income, revenues, royalties, bonuses, accounts, issues and profits arising out of the operation of the Premises and/or the Improvements; and all rights and remedies of Grantor under or in connection with such collateral;

There is also transferred, set over and assigned hereby by Grantor to Beneficiary, its successors and assigns, all leases and use agreements of machinery, equipment and other personal property of Grantor in the categories hereinabove set forth, under which Grantor is the lessee of, or entitled to use, such items, and Grantor agrees to execute and deliver to Beneficiary specific separate assignments to Beneficiary of such leases and agreements when requested by Beneficiary; but nothing herein constitutes Beneficiary's consent to any financing of any fixtures or personal property, and nothing herein shall obligate Beneficiary to perform any obligations of Grantor under any such leases or agreements unless it so chooses, which obligations Grantor hereby covenants and agrees to well and punctually perform; and

(e) All unearned premiums, accrued, accruing or to accrue under insurance policies now or hereafter obtained by Grantor, all proceeds of the conversion, voluntary or involuntary, of any of the property described in these GRANTING CLAUSES into cash or other liquidated claims, including proceeds of hazard, title and other insurance, and all judgments, damages, awards, settlements and compensation (including interest thereon) heretofore or hereafter made to the present and all subsequent owners of the Premises, the Improvements, the Equipment and/or any other property or rights encumbered or conveyed hereby for any injury to or decrease in the value thereof for any reason, or by any governmental or other lawful authority for the taking by eminent domain, condemnation or otherwise of all or any part thereof, including awards for any change of grade or streets.

The collateral listed in these GRANTING CLAUSES and any monies on deposit for the payment of real estate taxes, insurance premiums or special assessments against the Premises and all proceeds paid for damage done to the collateral described in these GRANTING CLAUSES or in or on the Premises and all proceeds of any award or claim for damages for any of the collateral described in these GRANTING CLAUSES or in or on the Premises taken or damaged under the power of eminent domain or by condemnation and all rents, issues and profits of and from the Premises and all leases or subleases of the Premises.

Notwithstanding anything to the contrary herein set forth, the collateral listed in these GRANTING CLAUSES is limited to the collateral directly relating to and/or directly benefitting the Premises, and is not intended to include collateral owned by Grantor which is directly related to or directly benefits other real property owned by Grantor.

The items set forth in the GRANTING CLAUSES are sometimes hereinafter separately referred to as "Collateral". THIS DEED OF TRUST IS A SECURITY AGREEMENT WITH RESPECT TO THE COLLATERAL; AND TO THE EXTENT THAT THE COLLATERAL

ARE GOODS WHICH ARE, OR ARE TO BECOME, FIXTURES, THIS DEED OF TRUST IS RECORDED AS A FIXTURE FILING, WITH THE GRANTOR AS THE DEBTOR AND THE BENEFICIARY AS THE SECURED PARTY. THE ADDRESSES OF GRANTOR, AS DEBTOR, AND BENEFICIARY, AS SECURED PARTY, ARE SET FORTH ON THE COVER PAGE OF THIS DEED OF TRUST. The Premises and the Collateral are sometimes collectively referred to as the "Mortgaged Property".

Grantor makes the foregoing grant to Trustee to hold the Premises in trust for the benefit of Beneficiary and for the purposes and upon the terms and conditions hereinafter set forth.

TO HAVE AND TO HOLD the same, together with all the privileges and appurtenances thereunto belonging: In trust nevertheless, in case of default by Grantor hereunder, then upon notice and demand to the extent provided herein, or required by law, to foreclose this Deed of Trust, and to sell and dispose of the Mortgaged Property (or any part thereof) and all the right, title and interest of Grantor therein in the manner as may then be provided by law and to issue, execute and deliver its certificate of purchase, trustee's deed or certificate of redemption all as then may be provided herein and by law. The sale or sales and said deed or deeds so made shall be a perpetual bar, both in law and equity, against Grantor and all other persons claiming the Mortgaged Property or any part hereof by, from, through or under Grantor.

IN TRUST HOWEVER, FOR THE PURPOSE OF SECURING, unto Beneficiary, its successors and assigns in such order of priority as Beneficiary may elect:

(1) All indebtedness and obligations arising pursuant to the provisions of this Deed of Trust under the Loan pursuant to the Loan Agreement with respect to the Bonds (as such term is defined in the Indenture), as each may be renewed, extended or amended from time to time, plus all interest thereon and other sums due pursuant thereto;

(2) Any and all additional advances made by Beneficiary or Purchaser to protect or preserve the Premises or the security created hereby on the Premises, or for taxes, assessments or insurance premiums as hereafter provided, or for performance of any of Grantor's obligations hereunder, or for any other purpose provided herein (whether or not the original Grantor remains the owner of the Premises at the time of such advances), provided, however, nothing hereunder shall be deemed to obligate Beneficiary or Purchaser to make any such advances;

(3) All indebtedness and obligations arising pursuant to any instrument evidencing the advance of additional sums by Beneficiary or Purchaser to Grantor;

(4) Any and all obligations of the Grantor to the Purchaser under the Continuing Covenant Agreement;

(5) Any and all renewals or extensions of and substitutions for, any of the above-referenced indebtedness or obligations, or any part thereof; and

(6) Any and all other indebtedness now owing or which may hereafter be owing by Grantor to Beneficiary or Purchaser, however and whenever incurred.

The word "Indebtedness", as used herein, shall mean all of the indebtedness, obligations and liabilities described or referred to in clauses (1) through (6) above inclusive, and the term "Security Documents" shall collectively refer to all agreements evidencing or securing the Indebtedness.

PROVIDED, HOWEVER, that if the Purchaser, as purchaser of the Bonds, has been paid in full the principal and interest, prepayment premium, if any, and all other charges to become due to the Purchaser as holder of the Bonds and all other Indebtedness owed to the Purchaser shall have been paid in full, then, in such case, the estate, right, title and interest of the Trustee and the Beneficiary in the Mortgaged Property shall cease, determine and become void, and upon proof being given to the satisfaction of the Trustee and the Beneficiary of payment of the same, and upon payment of all fees, costs, charges, expenses and liabilities chargeable or incurred or to be incurred by Trustee or Beneficiary, and of any other sums as herein provided, the Trustee or Beneficiary, as the case may be, shall, upon receipt of the written request of the Grantor and at Grantor's expense (to the extent permitted by law) cancel, release and discharge this Deed of Trust.

ARTICLE I

Grantor hereby covenants, acknowledges and agrees to and for the benefit of Trustee and Beneficiary:

1.1 Title.

(a) The Grantor warrants that it has good and marketable title to an indefeasible fee simple estate in the Premises and has good and marketable title to the Collateral, subject to no liens, charges or encumbrances, except the Permitted Exceptions (as hereinafter defined); that Grantor has full power and authority to mortgage and convey the Mortgaged Property in the manner and form herein done or intended hereafter to be done; that this Deed of Trust is and shall remain a valid and enforceable lien on the Premises and the Collateral subject only to those exceptions to title described in the mortgagee's title insurance policy issued in conjunction with the Loan (hereinafter called the "Permitted Exceptions"); that Grantor and its successors and assigns shall warrant and defend the same and the priority of this lien forever against the lawful claims and demands of all persons whomsoever, and that this covenant shall not be extinguished by any foreclosure hereof but shall run with the land.

(b) Grantor has and shall maintain title to the Collateral including any additions or replacements thereto free of all security interests, liens and encumbrances, other than the security interest hereunder and other than as

disclosed to and accepted by Beneficiary in writing and has good right to subject the Collateral to the security interest hereunder.

(c) The Grantor shall, at the cost of the Grantor, and without expense to the Trustee or Beneficiary, execute, acknowledge and deliver all and every such further acts, deeds, conveyances, deeds of trust, assignments, notices of assignments, transfers and assurances as the Beneficiary or the Trustee shall from time to time reasonably require, for the better assuring, conveying, assigning, transferring and confirming unto the Trustee or the Beneficiary the Premises, the Collateral and the rights hereby conveyed or assigned or intended now or hereafter so to be, or which the Grantor may be or may hereafter become bound to convey or assign to the Trustee or the Beneficiary, or for carrying out the intention of facilitating the performance of the terms of this Deed of Trust, or for filing, registering or recording this Deed of Trust and, on demand, shall execute and deliver, and hereby authorizes the Trustee and the Beneficiary to execute in the name of the Grantor to the extent it may lawfully do so, one or more financing statements, chattel mortgages or comparable security instruments, to evidence more effectively the lien hereof upon the Collateral.

(d) The Grantor forthwith upon the execution and delivery of this Deed of Trust and thereafter from time to time, upon the written request of Beneficiary or Purchaser, shall cause this Deed of Trust, and any security instrument creating a lien or evidencing the lien hereof upon the Collateral and each instrument of further assurance to be filed, registered or recorded in such manner and in such places as may be required by any present or future law in order to publish notice of and fully to protect the lien hereof upon, and the interest of the Trustee and the Beneficiary in the Mortgaged Property, any and all at said Grantor's expense.

(e) The Grantor shall pay all filing, registration or recording fees, and all expenses incident to the preparation, execution and acknowledgment of this Deed of Trust, any deed of trust supplemental hereto, any security instrument with respect to the Collateral, and any instrument of further assurance, and all federal, state, county and municipal stamp taxes and other taxes, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of the Loan Agreement, this Deed of Trust, any deed of trust supplemental hereto, any security instrument with respect to the Collateral, any Security Document or any instrument of further assurance.

(f) The Grantor shall do all things necessary to preserve and keep in full force and effect its existence, franchises, rights and privileges as a legal entity under the laws of the state of its formation and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental authority or court applicable to the Grantor or to the Premises or any part thereof.

(g) The Grantor shall abide by any and all covenants and restrictions affecting the Premises, and pay when due any assessments pursuant thereto.

1.2 Payment of Loan Agreement and Reserves.

(a) Grantor shall promptly and punctually pay all principal and interest as provided in the Loan Agreement, together with any late charges, prepayment premium, and all other sums to become due in respect of the Loan Agreement, according to the true intent and meaning thereof. Upon request of Beneficiary or Purchaser after the existence of an uncured default or Event of Default hereunder which is not cured during any applicable cure or grace period, Grantor shall also pay to Beneficiary, together with and in addition to the payments of principal and interest payable under the terms of the Loan Agreement secured hereby, on the first day of each month, until all obligations which may arise under said Loan Agreement are fully paid, a sum, as estimated by Beneficiary or Purchaser, equal to the taxes and special assessments next due on the Premises covered by this Deed of Trust, plus the premiums that will next become due and payable on insurance policies as may be required hereunder, Grantor agreeing to deliver promptly to Beneficiary and Purchaser all bills and notices thereof, less all sums already paid therefor, divided by the number of months to elapse before one (1) month prior to the date when such premiums, taxes and special assessments will become delinquent, such sums to be held by Beneficiary to pay said premiums, taxes and special assessments. Such payments, hereinafter referred to as "Reserves", are to be held without any allowance of interest or dividend to Grantor and need not be kept separate and apart from other funds of Beneficiary but shall be deemed trust funds held for the benefit of Grantor. All payments mentioned in this paragraph and all payments to be made under the Loan Agreement secured hereby shall be added together and the aggregate amount thereof shall be applied by Beneficiary to the following items in such order as Beneficiary shall elect: (i) taxes, special assessments, insurance premiums; (ii) interest, late charges and prepayment premiums on the Loan secured hereby; and (iii) amortization of the principal of said Loan.

(b) The Reserves are solely for the added protection of Beneficiary and entail no responsibility on Beneficiary's part beyond the allowing of due credit, without interest, for the sums actually received by it. Upon assignment of the Deed of Trust by Beneficiary, any Reserves on hand shall be turned over to the assignee and any responsibility of the Beneficiary with respect thereto shall terminate.

(c) If the total of the Reserves shall exceed the amount of payments actually applied by Beneficiary, such excess may be credited by Beneficiary on subsequent payments to be made by Grantor or, at the option of Beneficiary, refunded to Grantor or its successors in interest as may appear on the records of Beneficiary. If, however, the Reserves shall not be sufficient to pay the sums required when the same shall become due and payable, Grantor shall immediately

deposit with Beneficiary the full amount of any such deficiency. If there shall be a default under any of the provisions of this Deed of Trust, the Loan Agreement or any Security Document, Beneficiary may apply at any time, the balance of the Reserves, against such sums due and payable under the Loan Agreement or under any instrument constituting additional security for said Loan Agreement.

(d) Notwithstanding the provisions contained herein regarding Reserves, Beneficiary agrees to waive payment of the Reserves provided herein so long as: (i) said payments are made to the appropriate parties on time and prior to delinquency, and (ii) there is no uncured Event of Default under the Loan Agreement, this Deed of Trust or any other instruments securing the Loan, and (iii) Beneficiary shall receive copies of all paid real estate tax bills at least 10 days prior to their due date and copies of all receipts for paid insurance premiums at least thirty (30) days prior to the premium due dates. Upon noncompliance with this Paragraph 1.2(d), Beneficiary reserves the right to require that Reserves be paid in accordance with this Section 1.2.

1.3 Care of the Premises. The Grantor shall keep the Premises in good operating order, repair and condition and shall not commit or permit any waste thereof. Grantor shall make all repairs, replacements, renewals, additions and improvements and complete and restore promptly and in good workmanlike manner any building or improvements which may be constructed, damaged or destroyed thereon, and pay when due all costs incurred therefor. Grantor shall not remove from the Premises or demolish any of the Collateral conveyed hereby, nor demolish or materially alter the Mortgaged Property without the prior written consent of the Beneficiary. Grantor shall permit Beneficiary, Purchaser or their agents the opportunity to inspect the Premises, including the interior of any structures, at any reasonable time upon reasonable notice.

1.4 Compliance with Laws. The Grantor shall comply and shall cause all tenants to comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting said Mortgaged Property or the operation thereof, and shall pay all fees or charges of any kind in connection therewith. Grantor will perform and comply promptly with (and cause all tenants to comply with), and cause the Mortgaged Property to be maintained, used and operated in accordance with, any and all (i) present and future laws, ordinances, rules, regulations and requirements of every duly constituted governmental or quasi-governmental authority or agency applicable to Grantor or the Mortgaged Property including without limitation, all applicable federal, state and local laws pertaining to air and water quality, hazardous waste, waste disposal, air emissions and other environmental matters, all zoning and other land use matters, and rules, regulations and ordinances of the United States Environmental Protection Agency and all other applicable federal, state and local agencies and bureaus; (ii) similarly applicable orders, rules and regulations of any regulatory, licensing, accrediting, insurance underwriting or rating organization or other body exercising similar functions; (iii) similarly applicable duties or obligations of any kind imposed under any Permitted Exceptions, or otherwise by law, covenant, condition, agreement or easement, public or

private; and (iv) policies of insurance at any time in force with respect to the Mortgaged Property. If Grantor receives any notice that Grantor or the Mortgaged Property is in default under or is not in compliance with any of the foregoing, or receives notice of any proceeding initiated under or with respect to any of the foregoing, Grantor will promptly furnish a copy of such notice to Beneficiary and Purchaser without limitation of the foregoing. Grantor will provide Beneficiary and Purchaser copies of all environmental audits or reports received by it relative to the Mortgaged Property.

Grantor represents and warrants that it has obtained all required licenses, permits, franchise agreements and other necessary agreements to operate the Mortgaged Property. Grantor agrees to provide Beneficiary with written notice of any suspension, revocation, termination or default under any such agreements or any threatened suspension, revocation, termination or default thereunder.

Grantor hereby represents and warrants that neither Grantor or any tenant of the Mortgaged Property nor, to the best of Grantor's knowledge, any previous owner of the Mortgaged Property, or any adjoining property, used, generated, stored, manufactured, or disposed of, on, under or surrounding the Mortgaged Property any hazardous waste, toxic substances or related materials (hereafter referred to as "Hazardous Materials") in violation of those items set forth in subparagraphs (i) and (ii) of this Section 1.4 (the "Environmental Laws"). Notwithstanding the foregoing, the term "Hazardous Material" shall not include chemicals routinely used in office areas or janitorial supplies, cleaning fluids or chemicals necessary for the day-to-day operation or maintenance of the Mortgaged Property; provided that such chemicals and cleaning fluids are used, stored and disposed of in strict compliance with all Environmental Laws. Notwithstanding the foregoing warranties, the existence of any of the foregoing conditions at any time while all or any part of the Indebtedness remains unpaid shall, at Beneficiary's option shall constitute an Event of Default hereunder. For the purposes of this Deed of Trust, Hazardous Materials shall include, but shall not be limited to, any substance, material or waste which is or becomes regulated by any State or Local government authority or the United States Government. The term "Hazardous Materials" includes, without limitation, any material or substance which is listed in the United States Department of Transportation Hazardous Materials Table (49 CFR 172.101) as amended from time to time. Further, Grantor agrees that it will not permit the use, generation, manufacture, disposal or storage of any toxic and/or Hazardous Materials in, on and/or around the Premises now or at any future time and will indemnify and hold Beneficiary harmless from and against any loss, liability, cost, expense or action(s) which may result in connection with Hazardous Materials and/or toxic material(s) as they relate to the Premises, except to the extent such generation, manufacture, disposal or storage is caused by Beneficiary, Purchaser or their agents. The foregoing indemnification shall survive repayment of the Indebtedness and the foreclosure, deed in lieu of foreclosure, release or assignment of this Deed of Trust.

If at any time it is determined that there are any toxic and/or Hazardous Materials located on the subject Premises, Grantor shall promptly notify Beneficiary and Purchaser of the

same and shall diligently commence to take such action, at its sole expense, to comply with all environmental requirements pertaining to such materials. Failure of Grantor to comply with all environmental requirements of federal, state or local law, statute, ordinance or regulation, rule, court or administrative order or decree, or private agreement, or to keep the Mortgaged Property free of any lien imposed pursuant to such laws, rules, regulations, shall constitute and be a default or an Event of Default under this Deed of Trust and Beneficiary, in lieu of foreclosure shall have the option to require specific performance of Grantor's obligations hereunder. If Beneficiary or Purchaser shall ever have received notice or have reason to believe that there are Hazardous Materials affecting all or any portion of the Mortgaged Property, Beneficiary or Purchaser (by their officers, employees and agents) at any time and from time to time, either prior to or after the occurrence of a default or an Event of Default, may contract for the services of persons (the "Site Reviewers") to perform environmental site assessments ("Site Assessments") on the Mortgaged Property for the purpose of determining whether there exists on the Mortgaged Property any Hazardous Material which could result in any liability, cost or expense to the owner, occupier or operator of the Mortgaged Property arising under any state, federal or local law, rule or regulation relating to Hazardous Materials. The Site Assessments may be performed at any time or times, upon reasonable notice, and under reasonable conditions established by Grantor which do not unreasonably impede the performance of the Site Assessments. The Site Reviewers are hereby authorized to enter upon the Mortgaged Property for such purposes, and to perform both above and below the ground testing for environmental damage or the presence of Hazardous Materials on the Mortgaged Property and such other tests on the Mortgaged Property as may be necessary to conduct the Site Assessments in the reasonable opinion of the Site Reviewers. On request, Grantor will supply to the Site Reviewers such historical and operational information regarding the Mortgaged Property as may be reasonably requested by the Site Reviewers to facilitate the Site Assessments and will make available for meetings with the Site Reviewers appropriate personnel having knowledge of such matters.

Grantor shall not initiate, join in or consent to any change in any private restrictive covenant, zoning ordinance, easement or other public or private restrictions limiting or defining the uses which may be made of the Premises, or any part thereof, without Beneficiary's prior written consent.

1.5 Insurance.

(a) The Grantor shall keep all buildings, improvements and personal property now or hereafter situated on said Premises insured on a so-called "all risk" or comprehensive basis, in an amount not less than the full replacement cost of the Mortgaged Property. In addition, Grantor shall cause such other insurance to be obtained as may be reasonably required by Beneficiary and Purchaser, including, without limitation (i) rent loss or business interruption insurance in an amount at least sufficient to cover debt service and property expenses for a period of twelve (12) months, and (ii) flood and earthquake insurance whenever in the

opinion of Beneficiary or Purchaser such protection is necessary. Grantor shall also provide liability insurance with such limits for personal injury and death and property damage as Beneficiary or Purchaser may reasonably require.

(b) All policies of insurance to be furnished hereunder shall be in forms, companies and amounts satisfactory to Beneficiary and Purchaser and shall name Beneficiary as an additional insured and a mortgagee thereunder, including a provision requiring that the coverage evidenced thereby shall not be terminated or materially modified without thirty (30) days' prior written notice to and approval by the Beneficiary and Purchaser. Grantor shall deliver original policies or binding certificates of insurance, including additional and renewal policies (or binding certificates), to Beneficiary, and, in the case of insurance about to expire, shall deliver original renewal policies or binding certificates of insurance, not less than ten (10) days prior to their respective dates of expiration. Grantor shall promptly notify Beneficiary and Purchaser of any loss whether covered by insurance or not.

(c) Grantor shall immediately notify Beneficiary and Purchaser whenever any such separate insurance is taken out and shall promptly deliver to Beneficiary and Purchaser the policy(ies) or binding certificate(s) of such insurance. In the event of a foreclosure or other transfer of title to the Premises in lieu of foreclosure, or by purchase at the foreclosure sale, all interest in any insurance policies in force shall pass to Trustee, Beneficiary, transferee or purchaser as the case may be.

(d) Unless Borrower provides evidence of the insurance coverage required herein, Lender may purchase insurance at Borrower's expense to protect Lender's interest in the Property. This insurance may but need not, protect Borrower's interests. The coverage that Lender purchases may not pay any claim that Borrower makes or any claim that is made against Borrower in connection with the Property. Borrower may later cancel any insurance purchased by Lender, but only after providing evidence that Borrower has obtained insurance as required herein. If Lender purchases insurance for the Property, Borrower will be responsible for the costs of that insurance, including the insurance premium, interest accruing at the Default Rate and any other charges Lender may impose in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to outstanding principal balance of the Obligations. The costs of the insurance may be more than the cost of insurance Borrower may be able to obtain on its own. This notice is given to comply with § 427.120 of the Revised Statutes of Missouri.

(e) Grantor hereby assigns to Beneficiary all amounts recoverable under any policy of insurance required hereunder. The Beneficiary is hereby irrevocably appointed by the Grantor as attorney of the Grantor to assign any

policy in the event of the foreclosure of this Deed of Trust or other extinguishment of the Indebtedness secured hereby, and Grantor shall have no right to reimbursement for premiums unearned at the time of any such assignment.

1.6 Casualty. Grantor shall promptly notify Beneficiary and Purchaser of any loss whether covered by insurance or not. In case of loss or damage by fire or other casualty, Beneficiary is authorized (i) to settle and adjust any claim under insurance policies which insure against such risks, or (ii) to allow Grantor to agree with the insurance company or companies on the amount to be paid in regard to such loss. In either case, the Beneficiary is authorized to collect and receipt for any such insurance money. Such insurance proceeds may, at the option of the Beneficiary, be applied in the reduction of the Indebtedness secured hereby, whether due or not, or be held by the Beneficiary without any allowance of interest and used to reimburse Grantor for the cost of the rebuilding or restoration of buildings or improvements on said Premises. If, for any reason, the Beneficiary elects to make said proceeds available to reimburse Grantor for the cost of the rebuilding or restoration of the buildings or improvements on said Premises, such proceeds shall be made available during the course of restoration in the manner and under the conditions that the Beneficiary may in its sole discretion require, including without limitation, (i) Beneficiary's approval of plans and specifications of such work and approval of the contractors and subcontractors performing such work prior to the time such work is commenced, (ii) Grantor's delivery of suitable completion or performance bonds and Builder's All Risk insurance, (iii) delivery of suitable lien waivers and title insurance endorsements, (iv) Grantor's satisfaction of Purchaser's other normal and customary construction loan requirements, (v) acknowledgement that no insurer claims any rights of participation and/or assignment of rights with respect to the Indebtedness secured hereby, and (vi) the buildings and improvements shall be so restored or rebuilt so as to be of at least equal value and substantially the same character as prior to such damage or destruction. If the proceeds are made available by the Beneficiary to reimburse the Grantor for the cost of said rebuilding or restoration, any surplus which may remain out of said insurance proceeds after payment of such cost of rebuilding or restoration shall, at the option of the Beneficiary, be applied on account of the Indebtedness secured hereby or be paid to Grantor. If Beneficiary exercises its option to apply such proceeds to the reduction of the Indebtedness secured hereby, the same shall be done without prepayment penalty.

1.7 Condemnation. The Grantor, immediately upon obtaining knowledge of the institution of any proceeding for the condemnation of the Mortgaged Property or any portion thereof, shall notify Beneficiary and Purchaser of the pendency thereof. The Grantor hereby assigns, transfers and sets over unto Beneficiary all compensation, rights of action, the entire proceeds of any award and any claim for damages for any of the Mortgaged Property taken or damaged under the power of eminent domain or by condemnation or by sale in lieu thereof. Beneficiary may, at its option, commence, appear in and prosecute, in its own name, any action or proceeding, or make any compromise or settlement, in connection with such condemnation, taking under the

power of eminent domain or sale in lieu thereof. After deducting therefrom all of its expenses, including attorneys' fees, the Beneficiary, at its option, may elect to apply the proceeds of the award upon or in reduction of the Indebtedness secured hereby, whether due or not, or hold said proceeds without any allowance of interest and make available for restoration or rebuilding of the Premises. In the event that the Beneficiary elects to make said proceeds available to reimburse Grantor for the cost of the rebuilding or restoration of the buildings or improvements on said Premises, such proceeds shall be made available in the manner and under the conditions provided under Section 1.6 hereinabove. If the proceeds are made available by the Beneficiary to reimburse the Grantor for the cost of said rebuilding or restoration, any surplus which may remain out of said award after payment of such cost of rebuilding or restoration shall at the option of the Beneficiary be applied on account of the Indebtedness secured hereby or be paid to Grantor. Grantor agrees to execute such further assignments of any compensation, award, damages, right of action and proceeds, as Beneficiary may require. If Beneficiary exercises its option to apply such proceeds to the reduction of the Indebtedness secured hereby, then said prepayment shall be done without penalty.

Anything in this Deed of Trust to the contrary notwithstanding, if any of the improvements now or hereafter on the Premises are damaged or destroyed by fire or other insured casualty or are taken pursuant to eminent domain proceedings (hereinafter collectively referred to as "Casualty"), and: (a) there is no Event of Default under this Deed of Trust, the Loan Agreement or any Security Document, (b) the insurance or condemnation proceeds plus additional monies made available by Grantor, are sufficient to restore or reconstruct such improvements, (c) the restoration or reconstruction of the improvements is economically feasible in the reasonable judgment of Beneficiary, and (d) the Casualty occurs with at least twelve (12) months remaining in the term of the Loan, the insurance or condemnation proceeds received by Beneficiary shall be disbursed by Beneficiary to Grantor for the restoration or reconstruction of the improvements subject to and in accordance with such procedures and conditions as are set forth in Section 1.6 hereof.

1.8 Liens and Encumbrances. The Grantor shall not, without the Beneficiary's and Purchaser's prior express written consent, permit the creation of any liens or encumbrances on the Premises other than the lien of this Deed of Trust and the other Permitted Exceptions and shall pay when due all obligations, lawful claims or demands of any person which, if unpaid, might result in, or permit the creation of, a lien or encumbrance on the Mortgaged Property or on the rents, issues, income and profits arising therefrom, whether such lien would be senior or subordinate hereto, including, but without limiting the generality of the foregoing, all claims of mechanics, materialmen, laborers and others for work or labor performed, or materials or supplies furnished in connection with any work of demolition, alteration, improvement of or construction upon the Mortgaged Property, and the Grantor will do or cause to be done everything necessary so that the priority of the lien of this Deed of Trust shall be fully preserved, at the cost of the Grantor, without expense to the Beneficiary; provided, however, the foregoing provision shall not limit Grantor's ability to contest a mechanic's lien or claim

so long as Grantor maintains adequate reserves for the payment of the same and prevents a foreclosure of any such lien or, upon request of Beneficiary or Purchaser, obtains title insurance or a bond covering the payment of the same.

1.9 Taxes and Assessments. The Grantor shall pay in full when due, and in any event before any penalty or interest attaches, all general taxes and assessments, special taxes, special assessments, water charges, sewer service charges, and all other charges against the Mortgaged Property and shall furnish to Beneficiary and Purchaser official receipts evidencing the payment thereof.

Grantor, at its expense, may contest by appropriate legal proceedings conducted in good faith and with due diligence the amount or validity or application, in whole or in part, of: (i) any federal, state, county or local law, statute, act, code, rule, regulation or requirement affecting, applicable to or pertaining to all or any part of the Mortgaged Property or the use thereof (each and every such law, statute, act, code, rule, regulation and requirement being herein called the "Applicable Laws"), (ii) the amount or validity of all taxes, assessments, water and sewer charges and public charges now or hereafter levied against the Mortgaged Property and the valuation of the Mortgaged Property for real estate tax purposes (all hereinafter called the "Taxes"); or (iii) the amount or validity of any mechanics' or materialmen's lien against the Mortgaged Property, or of any apparent or threatened adverse title or claim to or against the Mortgaged Property, or any other lien, statement of lien, encumbrance, claim or charge against the Mortgaged Property (all hereinafter called "Liens"); provided, that during the pendency thereof each such contest by Grantor of such proceedings shall prevent: (1) the collection of or other realization of or enforcement of such Applicable Laws, Taxes or Liens; and (2) the sale, forfeiture, interference with or loss of the Mortgaged Property or any part thereof or the use and occupancy of the Mortgaged Property to satisfy the same. Grantor further agrees that each such contest shall be promptly prosecuted to a final conclusion. Grantor will pay, and save Beneficiary harmless from and against, any and all losses, judgments, decrees and cost (including attorneys' fees and expenses) in connection with any such contest and will promptly after the final determination of such contest, pay and discharge any amounts levied, assessed, charged or imposed or determined to be payable therein or in connection therewith, together with all penalties, fines, interests, costs and expenses thereof or in connection therewith, and perform all acts, the performance of which shall be ordered or decreed as a result thereof. No such contest shall subject Beneficiary to the risk of any civil liability or criminal liability and Grantor shall give such security, as may be reasonably required by Beneficiary, which at the option of Beneficiary, shall be in the form of acceptable surety bond or cash in the amount of 125% of the contested amount (including costs), or such other reasonable security as may be demanded by Beneficiary to insure compliance by Grantor with the foregoing provisions of this Section.

1.10 Indemnification. The Grantor shall appear in and defend any suit, action or proceeding that might in any way and in the sole judgment of Beneficiary or Purchaser affect the value of the Mortgaged Property, the priority of this Deed of Trust or the rights and powers of Beneficiary or Trustee in the Mortgaged Property. Grantor shall, at all

times, indemnify, hold harmless and on demand, reimburse Beneficiary and Purchaser for any and all loss, damage, expense or cost, including cost of evidence of title and reasonable attorneys' fees to the extent permitted by law, arising out of or incurred in connection with any such suit, action or proceeding, and the sum of such expenditures shall be secured by this Deed of Trust and shall bear interest at the rate(s) provided in the Loan Agreement and shall be due and payable on demand.

1.11 Change of Title or Additional Financing.

(a) In order to induce Purchaser to enter into the Purchase Contract, Grantor agrees that if the Mortgaged Property or any part thereof or interest therein is sold, assigned, transferred, conveyed, further mortgaged, encumbered or otherwise alienated (including by Contract for Deed or Installment Sale) (hereinafter "Transfers"), whether voluntarily or involuntarily or by operation of law, or that if the management of the Mortgaged Property is changed, in either or any case without the prior written consent of Beneficiary and Purchaser, Beneficiary may, upon request by Purchaser and according to the procedures set forth in the Indenture and Loan Agreement, declare the Loan secured hereby and all other Indebtedness to be forthwith due and payable. If and to the extent allowable by law, the Beneficiary may condition its consent to transfer upon such additional consideration as it shall require .

(b) A change in the legal or equitable title of the Mortgaged Property, or any part thereof, or in the beneficial ownership of the Mortgaged Property, whether or not of record and whether or not for consideration, shall be deemed a Transfer of an interest in the Premises. In connection herewith, the financial stability and managerial and operational ability of Grantor are a substantial and material consideration to Purchaser in agreeing to purchase the Bonds.

(c) In the event ownership of the Mortgaged Property, or any part thereof, becomes vested in a person or persons other than Grantor, without the prior written approval of Beneficiary and Purchaser, the Beneficiary may, without notice to the Grantor, waive such default and deal with such successor or successors in interest with reference to this Deed of Trust and the Loan in the same manner as with Grantor, without in any way releasing, discharging or otherwise affecting the liability of Grantor hereunder, or the Indebtedness hereby secured. No sale of the Mortgaged Property, no forbearance on the part of the Beneficiary, no extension of the time for the payment of the Indebtedness or any change in the terms thereof consented to by Beneficiary and Purchaser shall in any way whatsoever operate to release, discharge, modify, change or affect the original liability of Grantor herein, either in whole or in part, nor shall the full force and effect of this lien be altered thereby. Any deed conveying the Premises, or any part thereof, shall, at Beneficiary's option, provide that the grantee thereunder assumes all of the Grantor's obligations under this Deed of Trust, the Loan Agreement and all other instruments or agreements evidencing or securing the repayment of the Indebtedness. In the event such deed shall not contain such

assumption language, the grantee under such deed shall nevertheless be deemed to have assumed such obligations by acquiring the Premises, the Collateral or any portion thereof, encumbered by this Deed of Trust.

(d) Grantor shall not voluntarily, involuntarily or by operation of law sell, assign, transfer or otherwise dispose of the Collateral or any interest therein and shall not otherwise do or permit anything to be done or occur that may impair the Collateral as security hereunder except so long as this Deed of Trust and the Security Agreement are not in default, Grantor shall be permitted to sell or otherwise dispose of the Collateral when worn out, inadequate, unserviceable or unnecessary for use in the operation of the Mortgaged Property in the conduct of the business of Grantor, upon replacing the same or substituting for the same other Collateral at least equal in value to the initial value of that disposed of and in such a manner so that said Collateral shall be subject to the security interest created hereby and so that the security interest of the Beneficiary hereunder shall be a first priority security interest in said Collateral.

1.12 Advances; Protection of Security. Should Grantor fail, after its receipt of a written request, from Beneficiary or Purchaser, to make any payment or fail to perform any covenant as herein provided, Beneficiary (but without obligation so to do and without releasing Grantor from any obligation hereof) may: make or do the same in the manner and to such extent as Beneficiary may deem necessary to protect the security hereof, Beneficiary being authorized to enter upon the Premises for such purposes; commence, appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary; pay, purchase, contest, or compromise any encumbrance, charge or lien which in the judgment of Beneficiary is prior or superior hereto and, in exercising any such power, incur any liability and expend whatever amounts in its absolute discretion may deem necessary therefor, including cost of evidence of title and reasonable counsel fee. Any expenditures in connection herewith shall constitute an advance hereunder and shall bear interest at the rate applicable to the Bonds plus five percent (5.0%) per annum (the "Default Rate"). Nothing herein contained shall prevent any such failure to perform on the part of the Grantor from constituting an Event of Default hereunder.

1.13 Financial Statements and Records. Grantor shall keep and maintain, or shall cause to be kept and maintained, at Grantor's cost and expense, proper and accurate books, records and accounts reflecting all items of income and expense in connection with the operation of the Mortgaged Property.

1.14 Time. The Grantor agrees that time is of the essence hereof in connection with all obligations of the Grantor herein or in the Loan Agreement, the Security Documents, or any other instruments constituting additional security for said Loan Agreement.

1.15 Estoppel Certificates. Grantor within ten (10) days after written request shall furnish a duly acknowledged written statement setting forth the amount of the debt

secured by this Deed of Trust, and stating either that no setoffs or defenses exist against the Deed of Trust debt, or, if such setoffs or defenses are alleged to exist, the nature thereof.

1.16 Assignment of Rents and Leases. Grantor absolutely and unconditionally assigns to Beneficiary the rents, issues and profits of the Mortgaged Property as further security for the payment of the Indebtedness and Grantor grants to Beneficiary the right to enter the Mortgaged Property for the purpose of collecting the same and to let the Mortgaged Property, or any part thereof, and to apply said rents, issues and profits, after payment of all necessary charges and expenses, on account of the Indebtedness. This assignment is absolute and effective as of the date hereof and shall continue in effect until the Indebtedness is fully paid; provided, however, so long as Grantor is not default hereunder, Beneficiary hereby waives the right to enter the Premises for the purpose of collecting said rents, issues and profits, and Grantor shall be entitled to collect, receive and use said rents, issues and profits, until the occurrence of one or more defaults of Events of Default. Upon and during the continuance of any Event of Default, the right of Grantor to collect, receive and use said rents, issues and profits, shall be revoked forthwith. Grantor shall, from time to time after request by Beneficiary, execute, acknowledge and deliver to Beneficiary, in form reasonably satisfactory to Beneficiary, separate assignments effectuating the foregoing. Beneficiary shall not be obligated to perform or discharge any obligation or duty to be performed or discharged by Grantor under any lease or other agreement affecting all or any part of the Mortgaged Property, and Grantor hereby agrees to indemnify Beneficiary for and hold it harmless from, any and all liability arising from any such lease or other agreement or any assignments thereof, and no assignment of any such lease or other agreement shall place the responsibility for the control, care, management or repair of all or any part of the Mortgaged Property upon Beneficiary, nor make Beneficiary liable for any negligence in the management, operation, upkeep, repair or control of all or any part of the Mortgaged Property. In addition, at Beneficiary's option after the occurrence of an Event of Default and the giving of notice to Grantor, Grantor will pay monthly in advance to Beneficiary, or to any receiver appointed to collect said rents, issues and profits, the fair and reasonable rental value for the use and occupancy of the Mortgaged Property or of such part thereof as may be in the possession of Grantor.

1.17 Security Agreement. It is the intention of the parties hereto that this instrument shall constitute a Security Agreement within the meaning of the Uniform Commercial Code as enacted in the State of Missouri (the "Uniform Commercial Code") with respect to the Collateral and fixtures comprising a part of the Mortgaged Property, and that a security interest shall attach thereto for the benefit of Beneficiary to further secure the Indebtedness, and Grantor hereby grants to Beneficiary a security interest in the Collateral and fixtures. Grantor hereby authorizes Beneficiary to file financing and continuation statements with respect to such Collateral in which Grantor has a mortgageable interest, without the signature of Grantor whenever lawful, and upon request, Grantor shall promptly execute financing and continuation statements in form satisfactory to Beneficiary to further evidence and secure Beneficiary's interest in such

Collateral, and shall pay all filing fees in connection therewith. In the event of the occurrence of one or more defaults or an Event of Default, Beneficiary, pursuant to the applicable provision of the Uniform Commercial Code, shall have the option of proceeding as to both real and personal property in accordance with its rights and remedies in respect of the real property, in which event, the default provisions of the Uniform Commercial Code shall not apply. The parties agree that in the event Beneficiary elects to proceed with respect to Collateral constituting personality or fixtures separately from the real property, the giving of five (5) days' notice by Beneficiary designating the place and time of any public sale or the time after which any private sale or other intended disposition of such collateral is to be made, shall be deemed to be reasonable notice thereof and Grantor waives any other notice with respect thereto. In addition, any sale of the Collateral may be made without having the Collateral present at the sale.

ARTICLE II

Default and Remedies

II.1 Events of Default. The occurrence of any of the following (time being of the essence) shall be deemed to be an Event of Default or default hereunder and, at the option of Beneficiary, a default under the Loan Agreement and any Security Document (hereinafter "Event of Default" or "default"):

(a) Failure to make any payment ten (10) days of becoming due in accordance with the terms of the Loan Agreement secured hereby, or the failure to make any payment pursuant to this Deed of Trust, or any Security Document when such payment is due.

(b) Failure to perform or breach of any of the other terms, covenants and conditions in the Purchase Contract, the Continuing Covenant Agreement, or Loan Agreement secured hereby, after thirty (30) days' written notice or the expiration of any applicable grace periods otherwise therein provided, this Deed of Trust, or any of the Security Documents, or any other instrument constituting additional security for the Loan.

(c) Failure to perform or breach of any of the other terms, covenants and conditions in this Deed of Trust or any of the Security Documents, or any other instrument constituting additional security for the Loan, and such default shall continue for a period of thirty (30) days after delivery of written notice of such default from Beneficiary to Grantor, or if such default is not capable of being cured within said period (but is capable of being cured), Grantor has substantially commenced to cure said default and Grantor diligently pursues completion of cure of the default, Grantor shall be granted an additional thirty (30) days to so cure said default.

(d) Material breach of or misrepresentation of any warranties or representations given by Grantor to Beneficiary herein, in the Loan Agreement, in the Continuing Covenant Agreement, in any Security Document or to the Purchaser in the Purchase Contract including, but not limited to any financial statements given to Beneficiary or Purchaser as an inducement to make the Loan or purchase the Bonds, as applicable.

(e) An event of default under which is not cured during any applicable cure or grace period, or institution of foreclosure or other proceedings to enforce any deed of trust or security interest, lien or encumbrance of any kind upon the Mortgaged Property or any portion thereof.

(f) Should the Grantor, or any guarantor of the Loan secured hereby, or any successors and assigns thereof, including without limitation the then current owners of any interest in the Mortgaged Property:

(i) file a petition under the Federal Bankruptcy Code or any similar law, state or federal, whether now or hereafter existing (hereafter referred to as a "Bankruptcy Proceeding"); or

(ii) file any answer admitting insolvency or inability to pay its debts; or

(iii) be the subject of any petition of involuntary Bankruptcy unless dismissed within sixty (60) days; or

(iv) be the subject of an order for relief against it in any Bankruptcy Proceeding unless dismissed within sixty (60) days; or

(v) have a custodian or trustee or receiver appointed for or have any court take jurisdiction of its property, or the major part thereof, in any involuntary proceeding for the purpose of reorganization, arrangement, dissolution, or liquidation unless dismissed within sixty (60) days; or

(vi) make an assignment for the benefit of its creditors; or

(vii) admit in writing its inability to pay its debts generally as they become due; or

(viii) consent to an appointment of custodian or receiver or trustee of all of its property, or the major part thereof.

(g) Following ten (10) days written notice from Beneficiary to Grantor, failure to pay any state, county or local tax when due or failure to pay any general or special assessment when due.

(h) Failure to procure and/or pay for any insurance policy required hereunder, or the lapse or expiration without replacement of any such policy.

(i) Reserved.

(j) Should the lien of this Deed of Trust fail to be a lien prior in time to all other liens other than the Permitted Exceptions.

II.2 Remedies

(a) Upon and during the continuance of any such Event of Default, the Beneficiary may, upon request by Purchaser and in accordance with the Loan Agreement and Indenture, without notice declare the entire principal amount of the Loan Agreement then outstanding (if not then due and payable), and all accrued and unpaid interest thereon, all prepayment premium payable thereunder and all other Indebtedness of Grantor hereunder to be due and payable immediately, and upon any such declaration the principal of the Loan Agreement and said accrued and unpaid interest, prepayment premium, if any, and other charges shall become and be immediately due and payable, anything in the Loan Agreement, any Security Document or in this Deed of Trust to the contrary notwithstanding.

(b) Upon and during the continuance of any such Event of Default, or in the event Beneficiary or Purchaser shall, in its sole discretion deem it necessary or proper to protect or conserve the security of the Indebtedness, the Beneficiary, Purchaser or Trustee personally, or by their agents or attorneys, may enter into and upon all or any part of the Mortgaged Property, and each and every part thereof, and may exclude the Grantor, its agents and servants wholly therefrom; and having and holding the same, may use, operate, manage and control the Mortgaged Property and conduct the business thereof, either personally or by their superintendents, managers, agents, servants, attorneys or receivers; and upon every such entry, the Beneficiary at the expense of the Grantor, from time to time, either by purchase, repairs or construction may maintain and restore the Mortgaged Property, may complete the construction of the improvements and in the course of such completion may make such changes in the contemplated improvements as it may deem desirable and may insure the same; and likewise, from time to time, at the expense of the Grantor, the Beneficiary may make all necessary or proper repairs, renewals and replacements and such useful alterations, additions, betterments and improvements thereto and thereon as to it may deem advisable; and in every such case the Beneficiary shall have the right to manage and operate the Mortgaged Property and to carry on the business thereof and exercise all rights and powers of the Grantor with respect thereto either in the name of the Grantor or otherwise as it shall deem best; and the Beneficiary shall be entitled to collect and receive all earnings, revenues, rents, issues, profits and income of the Mortgaged Property and every part thereof, all of which shall constitute property of the Beneficiary; and after deducting the expenses of

conducting the business thereof and of all maintenance, repairs, renewals, replacements, alterations, additions, betterments and improvements and amounts necessary to pay for taxes, assessments, insurance and other charges upon the Mortgaged Property or any part thereof, as well as just and reasonable compensation for the services of the Beneficiary and for all attorneys, counsel, agents, clerks, servants and other employees by it properly engaged and employed, to the extent permitted by law, the Beneficiary shall apply the moneys arising as aforesaid, first, to the payment of the interest and the principal of the Loan, when and as the same shall become payable, and second, to the payment of any other sums required to be paid by the Grantor under the Loan Agreement and this Deed of Trust. If Grantor shall for any reason fail to surrender or deliver the Mortgaged Property or any part thereof after such demand by Beneficiary, Beneficiary may obtain a judgment or decree conferring upon Beneficiary the right to immediate possession or requiring Grantor to deliver immediate possession of the Premises to Beneficiary, to the entry of which judgment or decree Grantor hereby specifically consents. Grantor will pay to Beneficiary, upon demand, all expense of obtaining such judgment or decree, including reasonable compensation to Beneficiary, its attorneys and agents; and all such expenses and compensation shall, until paid, be secured by the lien of this Deed of Trust. In the event that all such interest, deposits and principal installments and other sums due under any of the terms, covenants, conditions and agreements of this Deed of Trust, shall have been paid and all Events of Default cured and satisfied, and as a result thereof, Beneficiary surrenders possession of the Premises to Grantor, the same right of taking possession shall exist if any subsequent Event of Default shall occur.

(c) Upon and after any such Event of Default, the Beneficiary or the Trustee (as applicable), with or without entry, personally or by its agents or attorneys, insofar as applicable, may:

(i) sell the Mortgaged Property hereinbefore described and any and every part thereof, either in mass or in parcels, at public venue to the highest bidder for cash at the place customary for foreclosure sales in the county and state where the Mortgaged Property is located, first giving notice of such sale (as prescribed by statute) in a newspaper of common circulation published in said County, and delivering a copy of said notice to Grantor and any person who has filed a request for notice, by United States mail, postage prepaid, certified or registered, return receipt requested, delivered to addressee only; and upon such sale, execute and deliver a deed or deeds conveying all estate, right, title and interest, claim and demand therein, and right of redemption thereof, at one or more sales as an entity or in parcels;

(ii) institute proceedings for the complete or partial foreclosure of this Deed of Trust;

(iii) Beneficiary, upon application to a court of competent jurisdiction, shall be entitled as a matter of strict right without notice and without regard to the sufficiency or value of any security for the Indebtedness secured hereby or the solvency of any party bound for its payment, to the appointment of a receiver to take possession of and to operate the Mortgaged Property and to collect and apply the income, rents, issues, profits, and revenues thereof. The receiver shall have all of the rights and powers permitted under the laws of the state within which the Mortgaged Property is located. Grantor shall pay to Beneficiary upon demand all expenses, including receiver's fees, attorneys' fees, costs, and agent's compensation, incurred pursuant to the provisions of this paragraph, to the extent permitted by law; and all such expenses shall be secured by this Deed of Trust; and/or

(iv) take such steps to protect and enforce its rights whether by action, suit or proceeding in equity or at law for the specific performance of any covenant, condition or agreement in the Loan Agreement or in this Deed of Trust, or in aid of the execution of any power herein granted, or for any foreclosure hereunder, or for the enforcement of any other appropriate legal or equitable remedy or otherwise as the Beneficiary shall elect.

(d) The Trustee may adjourn from time to time any sale by it to be made under or by virtue of this Deed of Trust by announcement at the time and place appointed for such sale or for such adjourned sale or sales; and, except as otherwise provided by any applicable provision of law, the Trustee, without further notice or publication, may make such sale at the time and place to which the same shall be so adjourned. In case Trustee shall have proceeded to enforce any right or remedy under this Deed of Trust by foreclosure, entry or otherwise, and such proceeding shall have been discontinued or abandoned for any reason, or shall have been determined adversely to Beneficiary, then and in every case Grantor, Beneficiary and Trustee shall be restored to their former positions and the rights, powers and remedies of Beneficiary and Trustee herein provided or arising, or existing otherwise than herein set forth shall continue as if no such proceeding had been taken.

(e) Upon the completion of any sale or sales made by the Trustee under or by virtue of this Section, the Trustee, or an officer of any court empowered to do so, shall execute and deliver to the accepted purchaser or purchasers a good and sufficient instrument, or good and sufficient instruments, conveying, assigning and transferring all estate, right, title and interest in and to the property and rights sold. The Trustee is hereby appointed the true and irrevocable lawful attorney of Grantor, in its name and stead, to make all necessary conveyances, assignments, transfers and deliveries of the Premises and rights so sold and for that purpose the Trustee may execute all necessary

instruments of conveyance, assignment and transfer, and may substitute one or more persons with like power, the Grantor hereby ratifying and confirming all that its said attorney or such substitute or substitutes shall lawfully do by virtue hereof. This power of attorney shall be deemed to be a power coupled with an interest and not subject to revocation. Nevertheless, the Grantor, if so requested by the Trustee, shall ratify and confirm any such sale or sales by executing and delivering to the Trustee or to such purchaser or purchasers all such instruments as may be advisable, in the judgment of the Trustee, for that purpose, and as may be designated in such request. Any such sale or sales made under or by virtue of this Section whether made under the power of sale herein granted or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, shall operate to divest all the estate, right, title, interest, claim and demand whatsoever, whether at law or in equity, of the Grantor in and to the properties and rights so sold, and shall be a perpetual bar both at law and in equity against the Grantor and against any and all persons claiming in equity against the Grantor and against any and all persons claiming or who may claim the same, or any part thereof from, through or under the Grantor.

(f) In the event of any sale made under or by virtue of this Section, the entire principal of, and interest under, the Loan Agreement, if not previously due and payable, and all other sums required to be paid by the Grantor pursuant to this Deed of Trust, immediately thereupon shall, anything in the Loan Agreement, any Security Document or in this Deed of Trust to the contrary notwithstanding, become due and payable.

(g) The purchase money proceeds or avails of any sale made under or by virtue of this Section, together with any other sums which then may be held by the Trustee under the provisions of this Section or otherwise, shall be applied as follows:

- First: To the payment of the costs and expenses of such sale, including reasonable compensation to the Trustee and/or Beneficiary, their agents and attorneys, title insurance premiums, and of any judicial proceedings wherein the same may be made, and of all expenses, liabilities and advances made or incurred by the Beneficiary under this Deed of Trust, together with interest at the Default Rate.
- Second: To the payment of any other sums required to be paid by the Grantor pursuant to any provisions of this Deed of Trust.
- Third: To the payment of the whole amount then due, owing or unpaid under the Loan Agreement for principal and interest, with interest on the unpaid principal and accrued interest at the Default Rate, from and after the happening of any Event of Default described

herein from the due date of any such payment of principal until the same is paid.

Fourth: To the payment of the surplus, if any, to whomsoever may be lawfully entitled to receive the same.

(h) Upon any sale made under or by virtue of this Section, whether made under the power of sale herein granted or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, the Beneficiary may bid for and acquire the Mortgaged Property or any part thereof and in lieu of paying cash therefor may make settlement for the purchase price by crediting upon the Indebtedness of the Grantor secured by this Deed of Trust the net sales price after deducting therefrom the expenses of the sale and the cost of the action and any other sums which the Beneficiary is authorized to deduct under this Deed of Trust. The Beneficiary, upon so acquiring the Mortgaged Property, or any part thereof, shall be entitled to hold, lease, rent, operate, manage and sell the same in any manner provided by applicable laws.

(i) Beneficiary, at Beneficiary's option, is authorized to foreclose this Deed of Trust subject to the rights of any tenants of the Premises, and the failure to make any such tenants parties defendants to any such foreclosure proceeding and to foreclose their rights will not be, nor be asserted by Grantor as a defense to any proceedings instituted by Beneficiary to collect the sums secured hereby.

(j) The Trustee hereby lets the Mortgaged Property to the Grantor until a sale is held under the foregoing provisions therefor, or until a default or defaults in any of the terms, covenants, and conditions of this Deed of Trust, the Loan Agreement, or any of the Security Documents upon the following terms and conditions, to-wit: The Grantor and every and all persons claiming or possessing the Mortgaged Property, or any part thereof, by, through, or under Grantor shall pay rent therefor during said term at the rate of one cent per month, payable monthly upon demand, and shall surrender immediate peaceable possession of the Mortgaged Property (and any and every part thereof) sold under the provisions of this Deed of Trust to the purchaser thereof under such sale, without notice or demand therefor, and shall and will at once, without notice, surrender up possession of the Mortgaged Property and every part thereof in the event Beneficiary shall take charge and enter as hereinbefore provided.

(k) All remedies described in this Section 2.2 shall be limited and governed by applicable law.

ARTICLE III

Miscellaneous Terms and Conditions

III.1 Leases. In the event Trustee or Beneficiary shall institute judicial proceedings to foreclose the lien hereof, and shall be appointed as a mortgagee in possession of the Mortgaged Property, Trustee or Beneficiary during such time as it shall be mortgagee in possession of the Mortgaged Property pursuant to an order or decree entered in such judicial proceedings, shall have, and Grantor hereby gives and grants to Trustee and/or Beneficiary, the right, power and authority to make and enter into leases of the Mortgaged Property or the portions thereof for such rents and for such periods of occupancy and upon such conditions and provisions as such mortgagee in possession may deem desirable, and Grantor expressly acknowledges and agrees that the term of any such lease may extend beyond the date of any sale of the Mortgaged Property pursuant to a decree rendered in such judicial proceedings; it being the intention of Grantor that while Trustee or Beneficiary is a Mortgagee in possession of the Mortgaged Property pursuant to an order or decree entered in such judicial proceedings, Trustee or Beneficiary shall be deemed to be and shall be the attorney-in-fact of Grantor for the purpose of making and entering into leases of parts or portions of the Mortgaged Property for the rents and upon the terms, conditions and provisions deemed desirable to Trustee or Beneficiary and with like effect as if such leases had been made by Grantor as the owner in fee simple of the Premises free and clear of any conditions or limitations established by this Deed of Trust. The power and authority hereby given and granted by Grantor to Trustee or Beneficiary shall be deemed to be coupled with an interest and shall not be revocable by Grantor.

III.2 Taxation of Loan and Deed of Trust. If at any time before the debt hereby secured is fully paid, any law be enacted, deducting from the value of the Mortgaged Property, for the purposes of taxation, any lien thereon, or revising or changing in any way the laws now in force for the taxation of mortgages, deeds of trust, or notes, or the debts secured thereby, for state or local purposes, or the manner of collection of such taxes, so as to affect adversely this Deed of Trust or the debt hereby secured, or the owner and holder thereof in respect thereto, and Grantor does not promptly upon notice lawfully pay the same, then this Deed of Trust and the Loan Agreement hereby secured shall at the option of said Beneficiary without notice to any party, become immediately due and payable.

III.3 Partial Release, Modification, Extension, Etc. Without affecting the liability of any other person for the payment of any Indebtedness herein mentioned (including Grantor should it convey said Mortgaged Property) and without affecting the priority of the lien hereof upon any property not released, Beneficiary may, without notice, release any person so liable, extend the maturity or modify the terms of any such obligation, or grant other indulgences, release or reconvey or cause to be released or reconveyed at any time all or any part of the Mortgaged Property described herein, take or release any other security or make compromises or other arrangements with debtors. Beneficiary may also accept additional security, either concurrently herewith or hereafter, and sell same or otherwise realize thereon either before, concurrently with, or after sale hereunder.

III.4 Non-Waiver.

(a) By accepting payment of any sum secured hereby after its due date or altered performance of any obligation secured hereby, Beneficiary shall not waive its right against any person obligated directly or indirectly hereunder or with respect to any Indebtedness hereby secured, either to require prompt payment when due of all other sums so secured or to take remedy for failure to make such prompt payment or full performance. No exercise of any right or remedy by Beneficiary hereunder shall constitute a waiver of any other right or remedy herein contained or provided by law.

(b) No delay or omission of the Beneficiary or Trustee in the exercise of any right, power or remedy accruing hereunder or arising otherwise shall impair any such right, power or remedy, or be construed to be a waiver of any default or acquiescence therein.

(c) Receipts of rents, awards, and any other monies or evidences thereof, pursuant to the provisions of this Deed of Trust and any disposition of the same by Beneficiary shall not constitute a waiver of the right of foreclosure by Beneficiary in the Event of Default or failure of performance by Grantor of any covenant or agreement contained herein or in the Loan Agreement secured hereby.

III.5 Severability. If any term of this Deed of Trust or any Security Document, or the application thereof to any person or circumstances, shall, to any extent, be invalid or unenforceable, the remainder of this Deed of Trust, or the application of such term to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term of this Deed of Trust shall be valid and enforceable to the fullest extent permitted by law.

III.6 Successors in Interest. This Deed of Trust applies to, inures to the benefit of, and is binding not only on the parties hereto, but also on their successors and permitted assigns.

III.7 Notices. Except as otherwise required by law, all notices to be given pursuant to this Deed of Trust shall be sufficient if delivered personally, sent by national overnight delivery service or mailed postage prepaid, certified or registered mail, return receipt requested, to the addresses of the parties hereto provided below, or to such other address as a party may request in writing. Any time period provided in the giving of any notice hereunder shall commence upon the earlier of receipt or the date such notice is deposited in the mail or with an overnight courier.

Grantor: Crossroads Charter Schools
1011 Central Street
Kansas City, Missouri 64106

With a copy to: Donald Maxwell, Esq.
Donald E. Maxwell, LLC

4700 Belleview Ave., Suite 404
Kansas City, MO 64112

Beneficiary: Commerce Bank, as Bond Trustee
1000 Walnut
Kansas City, Missouri 64106
Attention: Corporate Trust Department

Purchaser: Clayton Holdings, LLC
c/o Commerce Bank
1000 Walnut, 18th Floor
Kansas City, Missouri 64106
Attention: Kelsey Coady

With a copy to: Donald J. Kirkpatrick, Esq.
Stinson Morrison Hecker LLP
1201 Walnut, Suite 2700
Kansas City, Missouri 64106

Trustee: SMF Registered Services, Inc.
c/o Stinson Leonard Street LLP
1201 Walnut, Suite 2700
Kansas City, Missouri 64106

Any notice provided to a party under this Deed of Trust shall also be supplied to Purchaser at the address set forth above.

III.8 Hazardous Materials Indemnity. Grantor covenants and agrees to indemnify, reimburse and hold Beneficiary and Purchaser, their affiliates, shareholders, officers, directors, agents, contractors, servants and employees harmless from and against any or all liability, loss, injury, damage, liens or costs (including reasonable attorneys' and paralegals' fees, costs and expenses) whatsoever (i) caused by or relating to any violation or claimed violation of any of the representations, warranties or covenants set forth in Section 1.4 above relating to the violation of Environmental Laws which relate to the Mortgaged Property, or (ii) arising out of the presence or release of any Hazardous Materials onto, under, into or in the Mortgaged Property, but specifically excluding liability, losses, damages or costs which are the sole result of the gross negligence or willful misconduct of Beneficiary or Purchaser, their contractors, agents or employees (provided, it is agreed that neither Beneficiary or Purchaser shall have no obligation whatsoever to take action with respect to the presence of Hazardous Materials upon or under the Mortgaged Property). This indemnification provision shall survive the satisfaction or release of the lien hereof, foreclosure, or transfer of title by deed in lieu of foreclosure, or otherwise.

III.9 Integration: Modifications. This Deed of Trust, the Loan Agreement and the Security Documents contain all of the agreements of Beneficiary and Grantor and supersede any and all prior discussions and/or agreements relative thereto. This Deed of Trust may not be amended, modified or changed nor shall any waiver of any provision hereof be effective, except only by an instrument in writing and signed by the party against whom enforcement of any waiver, amendment, change, modification or discharge is sought.

III.10 Governing Law. This Deed of Trust shall be construed according to and governed by the laws of the State of Missouri.

III.11 Reasonableness Standard. Whenever by the terms of this Deed of Trust, the Beneficiary has covenanted to act reasonably, the remedies of the Grantor in the event any of the actions of the Beneficiary are deemed to be unreasonable, shall be limited to an injunction or declaratory judgment only and in no case shall a money judgment be demanded or granted.

III.12 Substitute Trustee. If the Trustee shall die or become disqualified from acting in the execution of this trust, or be absent from the country or shall fail or refuse to execute the same when requested by Beneficiary to do so; or if, for any reason, Beneficiary shall prefer to appoint a substitute Trustee to act instead of the Trustee named herein, Beneficiary shall have full power to appoint, by recorded, written instrument, or other manner as provided by applicable law, a substitute Trustee, and, if necessary, several substitute Trustees in succession, who shall succeed to all the estate, rights, powers and duties of the original Trustee named herein. Such appointment may be executed by any authorized agent of Beneficiary; and if Beneficiary is a corporation and such appointment is executed in its behalf by any officer of such corporation, such appointment shall be conclusively presumed to be executed with authority and shall be valid and sufficient without proof of any action by the board of directors or any superior officer of the corporation. Grantor hereby agrees, in its behalf and in behalf of its heirs, executors, administrators, successors, personal representatives and assigns, that any and all statements of fact or other recitals made in any deed of conveyance given by the Trustee, with respect to the identity of Beneficiary, or with respect to the occurrence or existence of any default, or with respect to the acceleration of the maturity of any Indebtedness secured hereby, or with respect to the request to sell, the notice of sale, the giving of notice to all debtors legally entitled thereto, the time, place, terms, and manner of sale, and receipt, distribution, and application of the money realized therefrom, or with respect to the due and proper appointment of a substitute Trustee, and, without being limited by the foregoing, with respect to any other act or thing having been duly done by the Beneficiary or by the Trustee hereunder, shall be taken by all courts of law and equity as prima facie evidence that the statements or recitals state facts and are without further question to be so accepted, and Grantor hereby ratifies and confirms every act that Trustee or any substitute Trustee hereunder may lawfully do in regard to the Mortgaged Property by virtue hereof.

III.13 Business Loan. Grantor covenants and agrees that the Indebtedness secured by this Deed of Trust, and the proceeds of such Indebtedness, are for business purposes only, and that the Loan is a "Business Loan" within the meaning and scope of §§408.015(2) and 408.035, Missouri Revised Statutes.

III.14 Late Charge. The Loan secured hereby requires the payment of a late charge in the event any installment of principal and/or interest due thereunder and/or any escrow fund payment for taxes or insurance due hereunder shall become overdue. Said late charges shall be Indebtedness secured hereby.

III.15 Grantor Covenant. Grantor covenants and warrants that the Loan Agreement, this Deed of Trust, and other instruments securing the Loan are valid, binding and enforceable in accordance with their terms, subject to insolvency laws and principles of equity, and that the execution and delivery of said instruments and the performance by Grantor of Grantor's obligations thereunder do not and will not contravene any law or regulation, nor shall they violate or contravene the provisions of any real estate contract, mortgage, deed of trust, joint venture or partnership agreement, banking agreement, credit agreement nor any other agreement, nor any judgment, order or decree affecting Grantor or the Premises or to which Grantor may be bound.

III.16 General Construction. Whenever used in this Deed of Trust and unless expressly provided otherwise: (i) use of the singular includes the plural, and vice versa; (ii) use of gender includes all genders; (iii) use of the term "include" is always without limitation; (iv) use of the words "should", "must", and "will" has the same legal effect as the use of the word "shall"; (v) the term "days" means consecutive calendar days except that, if the expiration of any time period measured in days occurs on a Saturday, Sunday, or Legal Holiday, such expiration automatically will be extended to the next day that is not a Saturday, Sunday or Legal Holiday; (vi) "person" means any natural person or artificial entity having legal capacity; (vii) the term "Deed of Trust" includes any and all amendments, modifications, extensions, renewals, replacements, substitutions and consolidations now or hereafter made, individually and collectively; (viii) the term "Security Documents" means written documents which secure the payment or other performance of the obligations from time to time evidenced by the Loan Agreement or this Deed of Trust; and (ix) "dollars" or "\$" means the currency of the United States of America. All payments to Beneficiary pursuant to any provision of this Deed of Trust must be made by legal tender of the United States of America. For purposes of determining the accrual of interest pursuant to any provision of this Deed of Trust, interest shall be based on a 360-day year, actual days elapsed. Mortgagee, at any time by reasonable prior notice may require that any payment will be deemed "made", "paid", or "received" to or by Beneficiary only when reduced to immediately available funds in such bank account as Beneficiary reasonably may designate for such purpose within the United States of America or, if made by legal tender, on the next succeeding banking day following receipt, unless sooner utilized by, or deposited to the credit of, Beneficiary. Part and paragraph headings and subheadings are for indexing purposes only and are not

to be used to interpret, construe, apply, or enforce the substantive provisions of this Deed of Trust.

III.17 Usury. No provision of the Loan Agreement secured hereby or of this Deed of Trust, or any Security Document issued in conjunction herewith shall be deemed to require payment or permit the collection of interest in excess of the maximum permitted by the applicable law. If any excess of interest in such respect is provided in said Loan Agreement, this Deed of Trust, or any Security Documents, the provisions of this Section 3.16 shall govern and no party obligated for the Indebtedness secured hereby shall be obligated to pay the amount of such interest to the extent that it is in excess of the amount permitted by law. If it is adjudicated that the fee or other charge related to the Loan is interest, such fee or other charge so adjudicated to be interest shall be considered as interest for the life of the Loan commencing from the date hereof and extending to the due date of the Loan secured hereby or any extension of such due date.

III.18 Regulation G. Grantor warrants that the proceeds of the Loan secured hereby will not be used for the purchase of registered equity securities within the purview of Regulation G issued by the Board of Governors of the Federal Reserve System.

III.19 Waiver of Statutory and Other Rights. To the extent permitted by law, Grantor shall not, and will not, apply for or avail itself of and hereby expressly waives for itself and its successors and assigns, of any appraisal, valuation, stay, homestead exemption, extension or exemption laws, any so-called "Moratorium Laws", all rights to redeem, periods of redemption and equity of redemption now existing or hereafter enacted, and all other laws enacted in order to prevent or hinder the enforcement or foreclosure of this Deed of Trust. Grantor, for itself and all who may claim through or under it, expressly waives any and all right to have the property and estates comprising the Mortgaged Property marshaled upon any foreclosure of the lien hereof and agree that any court having jurisdiction to foreclose such lien may order the Mortgaged Property sold as an entirety.

III.20 Expenses. Grantor shall, to the extent permitted by law, pay or reimburse Beneficiary, upon demand therefor, for all attorneys' fees, costs and expenses incurred by Beneficiary in any suit, action, legal proceeding or dispute of any kind in which Beneficiary is made a party or appears as a party plaintiff or defendant, affecting the Indebtedness, this Deed of Trust, or the interest created herein, or the Mortgaged Property, including, without limitation, any foreclosure proceedings, any condemnation action involving the Premises, any federal bankruptcy proceeding or state insolvency proceeding involving the priorities or rights of creditors, any action to protect the security hereof, or any action or proceeding commenced by governmental authority with respect to the storage, disposal or clean-up of toxic or Hazardous Materials on the Premises; and such amounts paid by Beneficiary shall be added to the Indebtedness secured by the lien of this Deed of Trust and shall bear interest from and after the date paid, at the Default Rate.

III.21 Waiver of Jury Trial. TO THE EXTENT PERMITTED BY APPLICABLE LAW, AND ACKNOWLEDGING THAT THE CONSEQUENCES OF SAID WAIVER ARE FULLY UNDERSTOOD, GRANTOR HEREBY EXPRESSLY WAIVES THE RIGHT TO TRIAL BY JURY, THE RIGHT TO INTERPOSE ANY DEFENSE BASED UPON ANY STATUTE OF LIMITATIONS, ANY CLAIM OF LACHES AND ANY SET-OFF OR COUNTERCLAIM OF ANY NATURE OR DESCRIPTION IN ANY ACTION OR PROCEEDING INSTITUTED AGAINST THE GRANTOR OR ANY OTHER PERSON LIABLE UNDER THE LOAN.

III.22 Future Advances. This Deed of Trust has been given and is intended to secure the full and prompt payment and performance of the Indebtedness and any renewal, extension, modification or replacement of any of the Indebtedness. With respect to Future Advances, this Deed of Trust shall be governed by section 443.055, Missouri Revised Statutes. The total principal amount of the obligations which are secured hereby is \$6,000,000.

III.23 Release; Purchaser Rights. This Deed of Trust is delivered for the purpose of securing the repayment of the Bonds held by the Purchaser. In the Event the Bonds have been paid in full, and the Purchaser has been paid any other Indebtedness owed to Purchaser, then this Deed of Trust shall be released and terminated by Beneficiary upon notification by Purchaser.

Notwithstanding any other term of this Deed of Trust, (i) the Beneficiary shall exercise its rights hereunder as directed by Purchaser, (ii) Purchaser's consent shall be required with respect to any waiver of action or action taken by Beneficiary hereunder and (iii) the Purchaser may exercise any right or remedy accorded to the Beneficiary hereunder.

[Signature appears on following page]

"EXHIBIT "A"

LEGAL DESCRIPTION

CONTINUING COVENANT AGREEMENT

Dated as of November 1, 2018

between

CROSSROADS CHARTER SCHOOLS

and

CLAYTON HOLDINGS, LLC

Relating to:

\$3,500,000.00

Health and Educational Facilities Authority of the State of Missouri
Educational Facilities Revenue Bonds
(Crossroads Charter Schools)
Series 2018A

And

\$2,500,000.00

Health and Educational Facilities Authority of the State of Missouri
Educational Facilities Revenue Bonds
(Crossroads Charter Schools)
Series 2018B

TABLE OF CONTENTS – CONT.

Page

TABLE OF CONTENTS – CONT.

| | <u>Page</u> |
|--|-------------|
| TABLE OF CONTENTS | |
| | <u>Page</u> |
| ARTICLE I. DEFINITIONS | 1 |
| Section 1.1 Defined Terms | 1 |
| Section 1.2 Other Interpretive Provisions | 6 |
| Section 1.3 Accounting Terms | 7 |
| Section 1.4 Rounding | 7 |
| Section 1.5 References to Agreements and Laws | 7 |
| ARTICLE II. THE INSTITUTION’S OBLIGATIONS | 7 |
| Section 2.1 Payment Obligations | 7 |
| Section 2.2 Obligations Absolute | 8 |
| Section 2.3 Increased Costs | 8 |
| ARTICLE III. REPRESENTATIONS AND WARRANTIES | 10 |
| Section 3.1 Incorporation of Representations | 10 |
| Section 3.2 Binding Effect | 10 |
| Section 3.3 Financial Statements; No Material Adverse Effect | 10 |
| Section 3.4 No Default | 11 |
| Section 3.5 Ownership of Mortgaged Property; Liens | 11 |
| Section 3.6 Insurance | 11 |
| Section 3.7 Taxes | 11 |
| Section 3.8 ERISA Plans | 11 |
| Section 3.9 Margin Regulations | 11 |
| Section 3.10 Investment Company Act | 11 |
| Section 3.11 Solvency | 11 |
| Section 3.12 Tax Exempt Status | 12 |
| Section 3.13 Disclosure | 12 |
| Section 3.14 Accreditation | 12 |
| Section 3.15 No Bond Rating; DTC; Offering Document; CUSIP; No Placement Agreement | 12 |
| ARTICLE IV. AFFIRMATIVE COVENANTS | 12 |
| Section 4.1 Financial Statements | 12 |
| Section 4.2 Certificates; Other Information | 13 |
| Section 4.3 Notices | 13 |
| Section 4.4 Payment of Obligations | 14 |
| Section 4.5 Preservation of Existence, Etc | 14 |
| Section 4.6 Maintenance of Properties | 15 |

TABLE OF CONTENTS – CONT.

| | <u>Page</u> |
|--|-------------|
| Section 4.7 Maintenance of Insurance | 15 |
| Section 4.8 Compliance with Laws | 15 |
| Section 4.9 Books and Records | 15 |
| Section 4.10 Inspection Rights | 15 |
| Section 4.11 Financial Covenant | 15 |
| Section 4.12 Most Favored Nations | 15 |
| Section 4.13 Sponsorship Agreement | 16 |
| Section 4.14 Tax-Exempt Bonds | 16 |
| Section 4.15 Incorporation of Loan Agreement Covenants | 16 |
| Section 4.16 Redemption of Bonds | 16 |
| Section 4.17 Debt Service Fund | 16 |
| ARTICLE V. NEGATIVE COVENANTS | 17 |
| Section 5.1 Indebtedness | 17 |
| Section 5.2 Liens | 17 |
| Section 5.3 Fundamental Changes | 17 |
| Section 5.4 Change in Nature of Operations | 17 |
| Section 5.5 Transactions with Affiliates | 17 |
| Section 5.6 Use of Proceeds | 17 |
| Section 5.7 Transaction Documents | 18 |
| Section 5.8 Tax-Status | 18 |
| Section 5.9 Unrestricted Funds | 18 |
| ARTICLE VI. EVENTS OF DEFAULT | 18 |
| ARTICLE VII. MISCELLANEOUS | 20 |
| Section 7.1 OFAC | 20 |
| Section 7.2 Right of Setoff | 20 |
| Section 7.3 Indemnification | 20 |
| Section 7.4 Costs, Expenses and Taxes | 21 |
| Section 7.5 Counterparts | 21 |
| Section 7.6 Integration | 21 |
| Section 7.7 Survival of Representations and Warranties | 22 |
| Section 7.8 Severability | 22 |
| Section 7.9 Notices | 22 |
| Section 7.10 Governing Law | 22 |
| Section 7.11 Successors and Assigns | 22 |
| Section 7.12 Headings | 23 |
| Section 7.13 Electronic Signatures | 23 |
| Section 7.14 No Advisory or Fiduciary Relationship | 23 |
| Section 7.15 U.S.A. PATRIOT ACT | 24 |
| Section 7.16 WAIVER OF JURY TRIAL | 24 |

TABLE OF CONTENTS – CONT.

| | <u>Page</u> |
|--|-------------|
| Section 7.17 Incorporation of Terms | 24 |
| Section 7.18 MISSOURI STATUTORY NOTICE | 24 |

TABLE OF CONTENTS – CONT.Page**CONTINUING COVENANT AGREEMENT**

This Continuing Covenant Agreement is entered into as of the 1st day of November, 2018, by and between Crossroads Charter Schools, a Missouri non-profit corporation (the “Institution”), and Clayton Holdings, LLC, a Missouri limited liability company (the “Purchaser”).

RECITALS

A. Pursuant to a Bond Trust Indenture dated as of November 1, 2018 (the “Indenture”) by and between the Health and Educational Facilities Authority of the State of Missouri (the “Authority”) and Commerce Bank, as Bond Trustee (the “Bond Trustee”), the Authority has issued its (i) Educational Facilities Revenue Bonds (Crossroads Charter Schools), Series 2018A, in the original principal amount of \$3,500,000.00 (the “Series 2018A Bonds”) and (ii) Educational Facilities Revenue Bonds (Crossroads Charter Schools), Series 2018B, in the original principal amount of \$2,500,000.00 (the “Series 2018B Bonds”) and collectively with the Series 2018A Bonds, the “Bonds”), the proceeds of which Bonds will be loaned to the Institution pursuant to a Loan Agreement dated as of November 1, 2018, by and between the Authority and the Institution (the “Loan Agreement”) for the purposes set forth therein.

B. The Purchaser, the Authority and the Institution have entered into a Purchase Contract dated as of November _____, 2018 (the “Purchase Contract”) pursuant to which the Purchaser has committed to purchase the Bonds.

C. As a condition of its agreement to purchase the Bonds, the Purchaser requires that the Institution enter into this Agreement, which is intended to supplement the terms and conditions upon which the Purchaser has agreed to purchase and hold the Bonds.

AGREEMENT

NOW THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, the Purchaser and the Institution hereby agree as follows:

ARTICLE I.
DEFINITIONS

ARTICLE II. Defined Terms. As used in this Agreement, the following terms shall have the meanings set forth below:

“Affiliate” means, as to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person. A Person shall be deemed to be “controlled by” any other Person if such other Person possesses, directly or indirectly, power (a) to vote 10% or more of the securities (on a fully diluted basis) having ordinary voting power for the election of directors or managing general partners; or (b) to direct

TABLE OF CONTENTS – CONT.Page

or cause the direction of the management and policies of such Person whether by contract or otherwise.

“Agreement” means this Continuing Covenant Agreement, as amended from time to time.

“Audited Financial Statements” means the audited balance sheet of the Institution for the fiscal year ended June 30, 2018, and the related consolidated statements of income and cash flows for such fiscal year of the Institution.

“Board” means the Board of Governors of the Federal Reserve System of the United States of America.

“Business Day” has the meaning specified for such term in the Indenture.

“Capitalized Lease” means a lease that is required to be capitalized for financial reporting purposes in accordance with GAAP.

“Capitalized Lease Obligation” means Indebtedness represented by obligations under a Capitalized Lease, and the amount of such Indebtedness shall be the capitalized amount of such obligations determined in accordance with GAAP.

“Changes in Law” means the occurrence, after the Effective Date, of any of the following: (a) the adoption or taking effect of any law, rule, regulation, Risk-Based Capital Guideline or treaty, (b) any change in any law, rule, regulation, Risk-Based Capital Guideline or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities shall in each case be deemed to be a “Changes in Law,” regardless of the date enacted, adopted or issued.

“Code” means the Internal Revenue Code of 1986.

“Compliance Certificate” means a certificate substantially in the form of Exhibit A.

“Contractual Obligation” means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

“Debt Service” means, for the trailing twelve (12) month period ending on any determination date, the sum of (i) interest expense (including the interest component of

TABLE OF CONTENTS – CONT.Page

Capitalized Leases, and including all fees associated with the Bonds, including, but not limited to, issuance fees, trustees fees, remarketing fees) for such period, plus (ii) principal payments required to be made with respect to Indebtedness for such period, including the amount of any Bonds required to be redeemed pursuant to the terms of the Indenture, all determined on a consolidated basis and in accordance with generally accepted accounting principles consistently applied .

“Debt Service Coverage Ratio” shall mean the ratio of EBITDA to Debt Service determined on a trailing twelve (12) month basis.

“Debtor Relief Laws” means the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States of America or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

“Default” means any event that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

“EBITDA” means, for the trailing twelve (12) month period ending on any determination date, the sum of (a) the changes in Unrestricted Net Assets (as shown on the Financial Statements of the Institution) during such period plus (b) to the extent deducted in determining such net income, the sum of (i) the interest expense during such period including the interest portion of all capitalized lease expense, plus (ii) all provisions for any Federal, state, local and/or foreign income, valued added and similar taxes made during such period (whether paid or deferred), plus (iii) all depreciation and amortization expenses during such period, plus (iv) any extraordinary losses during such period, plus (v) any losses from the sale or other disposition of property other than in the ordinary course of business during such period minus (c) to the extent added in determining such net income, the sum of (i) any extraordinary gains during such period plus (ii) any gains from the sale or other disposition of property other than in the ordinary course of business during such period, all determined on a consolidated basis and in accordance with generally accepted accounting principles consistently applied.

“ERISA” means the Employee Retirement Income Security Act of 1974 and any regulations issued pursuant thereto.

“ERISA Affiliate” means any trade or business (whether or not incorporated) under common control with the Institution within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

“Event of Default” means any of the events or circumstances specified in Article VI.

“GAAP” means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified

TABLE OF CONTENTS – CONT.Page

Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or such other principles as may be approved by a significant segment of the accounting profession, that are applicable to the circumstances as of the date of determination, consistently applied. If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in this Agreement, and either the Institution or the Purchaser shall so request, Institution and the Purchaser shall negotiate reasonably and in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP; provided that, until so amended, (a) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (b) the Institution shall provide to the Purchaser financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

“Governmental Authority” means any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, administrative tribunal, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, and any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing.

“Indebtedness” of any Person means, without duplication, (a) the Obligations, (b) all obligations for money borrowed or for the deferred purchase price of property or services or in respect of reimbursement obligations under letters of credit, (c) all obligations represented by bonds, debentures, notes and accepted drafts that represent extensions of credit, (d) Capitalized Lease Obligations, (e) the amount of such Person’s net obligation to counter-parties arising under interest rate agreements determined as if all such transactions pursuant to such interest rate agreements were being terminated as of the date of determination, (f) all obligations (including, during the non-cancellable term of any lease in the nature of a title retention agreement, all future payment obligations under such lease discounted to their present value in accordance with Generally Accepted Accounting Principles) secured by any lien to which any property or asset owned or held by such Person is subject, whether or not the obligation secured thereby shall have been assumed by such Person, and (g) all obligations of other Persons which such Person has guaranteed, including, but not limited to, all obligations of such Person consisting of recourse liability with respect to accounts receivable sold or otherwise disposed of by such Person.

“Indemnified Parties” has the meaning set forth in Section 7.3.

“Investment” means, as to any Person, any acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of capital stock or other securities of another Person, (b) a loan, advance or capital contribution to, guaranty of debt of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person, or (c) the purchase or other acquisition (in one transaction or a series of transactions) of assets of another Person that constitute a business unit. For purposes of covenant compliance, the amount of any Investment

TABLE OF CONTENTS – CONT.Page

shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

“IRS” means the United States Internal Revenue Service.

“Laws” means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

“Lien” means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and the filing of any financing statement under the Uniform Commercial Code or comparable Laws of any jurisdiction), including the interest of a purchaser of accounts receivable.

“Loan Agreement” has the meaning such term is given in the Recitals of this Agreement.

“Material Adverse Effect” means (a) a material adverse change in, or a material adverse effect upon, the operations, properties, condition (financial or otherwise) or prospects of the Institution; (b) a material impairment of the ability of Institution to perform its obligations under any Transaction Document; or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against Institution of any Transaction Document.

“Mortgage” means that certain Deed of Trust, Assignment of Rents, Leases and Other Benefits, Security Agreement and Fixture Filing dated November 1, 2018, executed and delivered by the Institution in favor of the Bond Trustee, as such instrument is amended, modified or supplemented from time to time.

“Mortgaged Property” means the Mortgaged Property as described in the Mortgage.

“Multiemployer Plan” means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which the Institution or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding three calendar years, has made or been obligated to make contributions.

“Obligations” means all advances to, and debts, liabilities, obligations, covenants and duties of, Institution arising under any Transaction Document and this Agreement, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest that accrues after the commencement

TABLE OF CONTENTS – CONT.Page

by or against the Institution or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding.

“Pension Plan” means any “employee pension benefit plan” (as such term is defined in Section 3(2) of ERISA), other than a Multiemployer Plan, that is subject to Title IV of ERISA and is sponsored or maintained by the Institution or any ERISA Affiliate or to which the Institution or any ERISA Affiliate contributes or has an obligation to contribute, or in the case of a multiple employer plan (as described in Section 4064(a) of ERISA) has made contributions at any time during the immediately preceding five (5) plan years.

“Permitted Encumbrances” shall mean, as of any particular time, (a) Liens for taxes and assessments not then delinquent, or which the Institution may, pursuant to the provisions hereof or the Transaction Documents, permit to remain unpaid, (b) the Transaction Documents and any financing statements naming the Authority or the Institution as debtor and naming the Trustee or the Authority as secured party filed to perfect the security interests granted or to be granted by any thereof, (c) the Liens and encumbrances listed on any title insurance policy, or commitment therefore, delivered to the Bond Trustee at the time of the recording of the Mortgage, (d) any Lien in favor of the Purchaser or any affiliate thereof, (e) any easements and rights of way reasonably necessary for the Mortgaged Property and which do not materially impair the value of the Mortgaged Property, (f) Liens on assets of the Institution other than assets which are collateral for the Obligations, granted in connection with indebtedness permitted by Section 5.1(f) below, (g) Liens consisting of deposits or pledges made in the ordinary course of business in connection with, or to secure payment of, obligations under workers’ compensation, unemployment insurance or similar legislation or under surety or performance bonds and (h) “Permitted Encumbrances” as defined in the Indenture, provided, that if any allowance for a Lien in the definition of Permitted Encumbrances in this Agreement is more restrictive than the allowance contained in the definition of the term Permitted Encumbrance as defined in the Indenture, then the allowance contained in this Agreement shall control.

“Person” means any individual, trustee, corporation, general partnership, limited partnership, limited liability company, joint stock company, trust, unincorporated organization, bank, business association, firm, joint venture or Governmental Authority.

“Plan” means any “employee benefit plan” (as such term is defined in Section 3(3) of ERISA) established by the Institution or any ERISA Affiliate (other than a Multiemployer Plan).

“Responsible Officer” means the president and vice-president of the Institution’s Board of Directors, the Institution’s executive director and chief operating officer and such person or persons designated by the Board of Directors of the Institution to act on behalf of the Institution as evidenced by a written certificate furnished to the Purchaser and executed by the Secretary of the Institution. Any document delivered hereunder that is signed by a Responsible Officer of Institution shall be conclusively presumed to have been authorized by all necessary corporate action on the part of such Institution and such Responsible Officer shall be conclusively presumed to have acted on behalf of Institution.

TABLE OF CONTENTS – CONT.

Page

“Security Agreement” means the Security Agreement and Assignment of Pledges Receivable dated of even date herewith, as hereafter amended, modified, restated or replaced.

“Threshold Amount” means \$500,000.00.

“Transaction Document” has the meaning specified for such term in the Indenture.

ARTICLE III. Other Interpretive Provisions.

(a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.

(b) The words “herein” and “hereunder” and words of similar import when used in any Transaction Document shall refer to such Transaction Document as a whole and not to any particular provision thereof.

(i) Unless otherwise specified herein, Article, Section, Exhibit and Schedule references are to this Agreement.

(ii) The term “including” is by way of example and not limitation.

(iii) The term “documents” includes any and all instruments, documents, agreements, certificates, notices, reports, financial statements and other writings, however evidenced.

(c) In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including,” the words “to” and “until” each mean “to but excluding,” and the word “through” means “to and including.”

(d) Section headings herein and the other Transaction Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Transaction Document.

ARTICLE IV. Accounting Terms. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the Audited Financial Statements, except as otherwise specifically prescribed herein.

ARTICLE V. Rounding. Any financial ratios required to be maintained by the Institution pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

TABLE OF CONTENTS – CONT.Page

ARTICLE VI. References to Agreements and Laws. Unless otherwise expressly provided herein, (a) references to agreements (including the Transaction Documents) and other contractual instruments shall be deemed to include all subsequent amendments, restatements, extensions, supplements and other modifications thereto, but only to the extent that such amendments, restatements, extensions, supplements and other modifications are not prohibited by any Transaction Document; and (b) references to any Law shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting such Law.

ARTICLE VII.
THE INSTITUTION'S OBLIGATIONS

ARTICLE VIII. Payment Obligations. The Institution hereby unconditionally, irrevocably and absolutely agrees to make prompt and full payment of all payment obligations owed to the Purchaser hereunder and under the Transaction Documents and to pay any other Obligations owing to the Purchaser whether now existing or hereafter arising, irrespective of their nature, whether direct or indirect, absolute or contingent, with interest thereon at the rate or rates provided in this Agreement and such Transaction Documents and under such Obligations.

(b) The Institution shall pay within ten (10) days after demand:

(i) if an Event of Default shall have occurred, all reasonable costs and expenses of the Purchaser (including, without limitation, the fees and expenses of counsel to Purchaser) in connection with the enforcement (whether by means of legal proceedings or otherwise) of any of its rights under this Agreement, the other Transaction Documents and such other documents which may be delivered in connection therewith; and

(ii) any amounts advanced by or on behalf of the Purchaser to the extent required to cure any Default, Event of Default or event of nonperformance hereunder or any Transaction Document.

ARTICLE III. Obligations Absolute. The payment obligations of the Institution under this Agreement shall be unconditional and irrevocable and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including without limitation the following:

(b) any lack of validity or enforceability of this Agreement, the Bonds or any of the other Transaction Documents;

(c) any amendment or waiver of or any consent to departure from all or any of the Transaction Documents;

(d) the existence of any claim, set off, defense or other right which the Institution may have at any time against the Purchaser, whether in connection with this

TABLE OF CONTENTS – CONT.Page

Agreement, the other Transaction Documents, the transactions contemplated herein or therein or any unrelated transaction; or

(e) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing.

All fees payable pursuant to this Agreement shall be deemed to be fully earned when due and non-refundable when paid.

ARTICLE IV. Increased Costs. The Institution agrees that if any Changes in Law:

(b) limit beyond any limits applicable on the date of this Agreement the deductibility of interest on funds obtained by the Purchaser to pay any of its liabilities or subject the Purchaser to any tax, duty, fee, charge, deduction or withholding on or with respect to payments relating to the Bonds or this Agreement, or any amount paid or to be paid by the Purchaser (other than any tax measured by or based upon the overall net income of the Purchaser imposed by any jurisdiction having control over the same);

(c) impose, modify, require, make or deem applicable to the Purchaser any reserve requirement, capital or liquidity requirement or ratio, special deposit requirement, insurance assessment or premiums or similar requirement or changes in levels of reserves, deposits, insurance, capital or liquidity (including any allocation of capital or liquidity requirements or conditions) against any assets held by, deposits with or for the account of, or loans, letters of credit or commitments by, an office of the Purchaser;

(d) change the basis of taxation of payments due the Purchaser under this Agreement or the Bonds (other than by a change in taxation of the overall net income of the Purchaser); or

(e) impose upon the Purchaser any other condition with respect to such amount paid or payable to or by the Purchaser with respect to this Agreement or the Bonds;

and the result of any of the foregoing is to increase the cost to the Purchaser of making any payment or owning the Bonds, or to reduce the amount of any payment (whether of principal, interest or otherwise) receivable by the Purchaser hereunder or under any Bond Document, or to reduce the rate of return on the capital of the Purchaser or to require the Purchaser to make any payment on or calculated by reference to the gross amount of any sum received by it, in each case by an amount which the Purchaser in its reasonable judgment deems material, then:

(1) the Purchaser shall promptly notify the Institution in writing of the happening of such event, provided that the Institution shall not be required to compensate the Purchaser for any increased costs or reductions suffered more than 180 days prior to the date the Institution receives notice;

TABLE OF CONTENTS – CONT.Page

(2)the Purchaser shall promptly deliver to the Institution a certificate stating the change which has occurred or the reserve requirements or other costs or conditions which have been imposed on the Purchaser or the request, direction or requirement with which it has complied, together with the date thereof, the amount of such increased cost, reduction or payment and a reasonably detailed description of the way in which such amount has been calculated, and the Purchaser’s determination of such amounts, absent fraud or manifest error, shall be conclusive provided that the Purchaser agrees to provide the Institution with such additional relevant information as the latter may request; and

(3)the Institution shall pay to the Purchaser from time to time as specified by the Purchaser and in any event within thirty (30) days after receipt of such notice, such an amount or amounts as will compensate the Purchaser for such additional cost, reduction or payment.

(f) In addition to (but without duplication of) the foregoing, if after the date hereof the Purchaser determines that any Changes in Law or (i) compliance with any judicial, administrative, or other governmental interpretation of any law or regulation or (ii) compliance by the Purchaser with any guideline or request from any Governmental Authority (whether or not having the force of law) has the effect of requiring an increase in the amount of capital or liquidity required or expected to be maintained by the Purchaser, and the Purchaser reasonably determines that the increase is based upon its obligations hereunder and its obligation to purchase and hold the Bonds, and other similar obligations, the Institution shall pay to the Purchaser within thirty (30) days after receipt of such notice, such additional amount as shall be certified by the Purchaser to be the amount reasonably allocable to the obligations of the Purchaser to the Institution hereunder. The Purchaser shall notify the Institution of any event occurring after the date of this Agreement that will entitle the Purchaser to compensation pursuant to this Section 2.3(e) as promptly as practicable after the Purchaser obtains knowledge thereof and determines to request such compensation, provided that the Institution shall not be required to compensate the Purchaser for any increased costs or reductions suffered more than 180 days prior to the date the Institution receives notice. Determinations by the Purchaser for purposes of this Section 2.3(e) of the effect of any increase in the amount of capital or liquidity required shall, in the absence of manifest error, be conclusive as to the amount thereof, provided such determinations are made on a reasonable basis and provided further that the Purchaser agrees to provide the Institution with such additional relevant information as the Institution may request. All references to the Purchaser in Section 2.3(d), Section 2.3(e) and Section 2.3(f) shall be deemed to also refer to any Person controlling the Purchaser and any Participant; *provided, however*, that no such Participant shall be entitled to receive payment hereunder of any amount greater than the

TABLE OF CONTENTS – CONT.Page

amount which would have been payable had the Purchaser not granted a participation to the Participant.

(g) The protection of this Section 2.3 hereof shall be available to the Purchaser regardless of any possible contention of invalidity or inapplicability of the law, regulation or condition which has been imposed; *provided, however*, that if it shall be later determined that any amount so paid by the Institution pursuant to Section 2.3 hereof is in excess of the amount payable under the provisions hereof, or the Purchaser shall receive a refund of, or credit for, any amounts for which it has been previously reimbursed by the Institution under the provisions hereof, the Purchaser shall promptly refund such excess amount to the Institution.

ARTICLE V.
REPRESENTATIONS AND WARRANTIES

The Institution represents and warrants to the Purchaser that:

ARTICLE VI. Incorporation of Representations. The Institution hereby incorporates each representation contained in Section 2.2 of each Loan Agreement and makes such representations to the Purchaser as if such representations are fully set forth herein.

ARTICLE VII. Binding Effect. This Agreement has been, and each other Transaction Document, when delivered hereunder, will have been duly executed and delivered by Institution. This Agreement constitutes, and each other Transaction Document when so delivered will constitute, a legal, valid and binding obligation of Institution, enforceable against Institution in accordance with its terms.

ARTICLE VIII. Financial Statements; No Material Adverse Effect.

(b) The Audited Financial Statements (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; (ii) fairly present the financial condition of the Institution as of the date thereof and the results of operations for the period covered thereby in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; and (iii) show all material indebtedness and other liabilities, direct or contingent, of the Institution as of the date thereof, including liabilities for taxes, material commitments and Indebtedness in accordance with GAAP consistently applied throughout the period covered thereby.

(c) Since the date of the Audited Financial Statements, there has been no event or circumstance that has or could reasonably be expected to have a Material Adverse Effect.

ARTICLE IX. No Default. The Institution is not in default under or with respect to any Contractual Obligation which could be reasonably expected to have a Material Adverse Effect.

TABLE OF CONTENTS – CONT.Page

No Default or Event of Default has occurred and is continuing or would result from the consummation of the transactions contemplated by this Agreement or any other Transaction Document.

ARTICLE X. Ownership of Mortgaged Property; Liens. The Institution has good record and marketable title in fee simple to, or valid leasehold interests in, the Mortgaged Property and all other real property necessary or used in the ordinary conduct of its business, except for such defects in title as would not, individually or in the aggregate, have a Material Adverse Effect. As of the date of this Agreement, the Mortgaged Property is subject to no Liens, other than Liens which constitute Permitted Encumbrances.

ARTICLE XI. Insurance. The properties of the Institution are insured with financially sound and reputable insurance companies not Affiliates of the Institution, in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where the Institution operates.

ARTICLE XII. Taxes. The Institution has filed all Federal, state and other material tax returns and reports required to be filed, and has paid all Federal, state and other material taxes, assessments, fees and other governmental charges levied or imposed upon it or its properties, income or assets otherwise due and payable, except those which are being contested in good faith by appropriate proceedings and for which adequate reserves have been provided in accordance with GAAP. There is no proposed tax assessment against the Institution that would, if made, have a Material Adverse Effect.

ARTICLE XIII. ERISA Plans. The Institution is in compliance with ERISA with respect to all Pension Plans and no “reportable event” as defined by ERISA with respect to such Pension Plans has occurred.

ARTICLE XIV. Margin Regulations. The Institution is not engaged in the business of extending credit for the purpose of purchasing or carrying any margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System of the United States). If requested by the Purchaser, the Institution will furnish to the Purchaser statements in conformity with the requirements of the Federal Reserve Form U-I referred to in Regulation U of said Board of Governors.

ARTICLE XV. Investment Company Act. The Institution is not an “investment company” or a company controlled by an “investment company” within the meaning of the Investment Company Act of 1940, as amended.

ARTICLE XVI. Solvency. After giving effect to the issuance of the Bonds, the Institution is solvent, having assets of a fair value which exceeds the amount required to pay its debts (including contingent, subordinated, unmatured and unliquidated liabilities) as they become absolute and matured, and the Institution is able to and anticipates that it will be able to meet its

TABLE OF CONTENTS – CONT.

Page

debts as they mature and has adequate capital to conduct its business in which it is or proposes to be engaged.

ARTICLE XVII. Tax Exempt Status. The Institution has taken all actions necessary to date to maintain the tax-exempt status of the interest on the Bonds.

ARTICLE XVIII. Disclosure. No statement, information, report, representation, or warranty made by Institution in any Transaction Document or furnished to the Purchaser by or on behalf of Institution in connection with any Transaction Document contains any untrue statement of a material fact or omits any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

ARTICLE XIX. Accreditation and Sponsorship. The Institution currently maintains all accreditations necessary for the conduct of its operations and maintains a sponsorship agreement with the University of Central Missouri. The Institution is in good standing with respect to all accreditations and such sponsorship agreement and has not received any notice of adverse action with respect to, or default under, its accreditations or its sponsorship.

ARTICLE XX. No Bond Rating; DTC; Offering Document; CUSIP; No Placement Agreement. The Bonds have not been (a) assigned a separate rating by any rating agency, (b) registered with The Depository Trust Company or any other securities depository, (c) assigned a CUSIP number, (d) issued pursuant to any type of offering document or official statement or (e) placed or offered by a broker-dealer in the capacity of an underwriter or placement agent.

ARTICLE XXI. AFFIRMATIVE COVENANTS

The Institution agrees that so as long as the Purchaser is the holder of any Bonds, the Institution will:

ARTICLE XXII. Financial Statements. Deliver, or cause to be delivered, to the Purchaser, in form and detail satisfactory to the Purchaser:

(b) as soon as available, but in any event within one hundred eighty (180) days after the end of each fiscal year of the Institution, a statement of financial position (balance sheet) of the Institution as at the end of such fiscal year, and the related statement of activities (income statement) for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail, audited and accompanied by a report and opinion of an independent certified public accountant of nationally recognized standing reasonably acceptable to the Purchaser, which report and opinion shall be prepared in accordance with GAAP and shall not be subject to any qualifications or exceptions as to the scope of the audit nor to any qualifications and exceptions not reasonably acceptable to the Purchaser; and

TABLE OF CONTENTS – CONT.

Page

(c) as soon as available, but in any event within forty-five (45) days after the end of each fiscal quarter of the Institution, an operating statement (budget to actual), a statement of financial position (balance sheet) of the Institution as at the end of such fiscal quarter, and the related statement of activities (income statement) for such fiscal quarter and for the portion of the fiscal year then ended, setting forth in each case in comparative form the figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year, all in reasonable detail and certified by Chief Financial Officer of the Institution as fairly presenting the financial condition, results of operations and cash flows of the Institution in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes.

(d) not later than thirty (30) days after the start of any fiscal year, the annual approved operating budget of the Institution for such fiscal year.

ARTICLE XXIII. Certificates; Other Information. Deliver, or cause to be delivered, to the Purchaser, in form and detail reasonably satisfactory to the Purchaser:

(b) concurrently with the delivery of the financial statements referred to in Section 4.1(a) and (b), (i) a duly completed Compliance Certificate in the form of Exhibit A hereto signed by a Responsible Officer of the Institution and (ii) a disclosure of all contingent liabilities of the Institution;

(c) concurrently with the delivery of the financial statements referred to in Section 4.1(a) or 4.1(b), as applicable, a copy of the calculation of financial covenant provided to other creditors and incorporated herein by virtue of Section 4.12 below;

(d) promptly after requested by the Purchaser, copies of any detailed audit reports, management letters or recommendations submitted to the board of directors (or the audit committee of the board of directors) of the Institution by independent accountants in connection with the accounts or books of the Institution; and

(e) promptly, such additional information regarding the operations, financial or corporate affairs of the Institution as the Purchaser may from time to time reasonably request.

ARTICLE XXIV. Notices. Promptly notify the Purchaser:

(b) of the occurrence of any Default or Event of Default;

(c) of any matter that has resulted or is reasonably likely to result in a Material Adverse Effect, including (i) breach or non-performance of, or any default under, a Contractual Obligation of the Institution; (ii) any dispute, litigation, investigation, proceeding or suspension between the Institution and any Governmental Authority; (iii) the commencement of, or any material development in, any litigation or proceeding affecting the Institution, including pursuant to any applicable environmental

TABLE OF CONTENTS – CONT.Page

laws; (iv) the loss of any accreditation which is material to the operations of the Institution as conducted as of the date of this Agreement; or (v) the loss of, or the occurrence of any default by the Institution under, its sponsorship agreement with the University of Central Missouri;

(d) of any litigation, investigation or proceeding affecting the Institution in which the amount involved exceeds the Threshold Amount, or in which injunctive relief or similar relief is sought, which relief, if granted, could be reasonably expected to have a Material Adverse Effect;

(e) of any event which would constitute a reportable event under Section 4043(b) of Title IV of ERISA with respect to any employee pension or other benefit plan of the Institution subject to such Title has occurred (other than an event for which the 30 day notice requirement to the PBGC has been waived), or that the PBGC or the Institution has instituted or will institute proceedings under such Title to terminate such plan, the Institution will deliver to the Purchaser a certificate of the chief financial officer of the Institution, setting forth details as to such reportable event and the action which the Institution proposes to take with respect thereto, together with a copy of any notice of such reportable event which may be required to be filed with the PBGC, or any notice delivered by the PBGC evidencing its intent to institute such proceedings, or any notice of the PBGC that the plan is to be terminated, as the case may be. For the purposes of this covenant, Institution shall be deemed to have knowledge of all facts attributable to the plan administrator under such Title IV. If the Purchaser so requests or if any annual report referred to in this sentence describes an event for which the 30 day notice period to the PBGC has been waived, Institution shall furnish the Purchaser (or cause the plan administrator to furnish the Purchaser) with the annual report for each plan covered by such Title IV and filed with the Internal Revenue Service not later than ten days after such report has been filed; and

(f) of any material change in accounting policies or financial reporting practices by the Institution.

Each notice pursuant to this Section shall be accompanied by a statement of a Responsible Officer of the Institution setting forth details of the occurrence referred to therein and stating what action the Institution has taken and proposes to take with respect thereto. Each notice pursuant to Section 4.3(a) shall describe with particularity any and all provisions of this Agreement or other Transaction Document that have been breached.

ARTICLE XXV. Payment of Obligations. Pay and discharge as the same shall become due and payable, all its obligations and liabilities, including (a) all tax liabilities, assessments and governmental charges or levies upon it or its properties or assets, unless the same are being contested in good faith by appropriate proceedings and adequate reserves in accordance with GAAP are being maintained by the Institution; (b) all lawful claims which, if unpaid, would by law become a Lien upon its property involving amounts in excess of the Threshold Amount, but

TABLE OF CONTENTS – CONT.Page

not until such claims could become such a Lien; and (c) all Indebtedness in excess of the Threshold Amount, as and when due and payable, but subject to any subordination provisions contained in any instrument or agreement evidencing such Indebtedness.

ARTICLE XXVI. Preservation of Existence, Etc. Preserve, renew and maintain in full force and effect its legal existence as a private non-profit corporation, a “Tax Exempt Organization” (as defined in the Indenture) and remain in good standing under the Laws of the jurisdiction of its organization; take all reasonable action to maintain all rights, privileges, permits, licenses and franchises necessary or desirable in the normal conduct of its operations; and preserve or renew all of its registered patents, trademarks, trade names and service marks, the non-preservation of which could reasonably be expected to have a Material Adverse Effect.

ARTICLE XXVII. Maintenance of Properties. Maintain, preserve and protect all of its material properties and equipment necessary in the operation of its business in good working order and condition, ordinary wear and tear excepted; and (b) make all necessary repairs thereto and renewals and replacements thereof except where the failure to do so could not reasonably be expected to have a Material Adverse Effect.

ARTICLE XXVIII. Maintenance of Insurance. Maintain with financially sound and reputable insurance companies, insurance with respect to its properties and operations against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar operations, of such types and in such amounts as are customarily carried under similar circumstances by such other Persons, including, without limitation, insurance required pursuant to the terms of the Mortgage.

ARTICLE XXIX. Compliance with Laws. Comply in all material respects with the requirements of all Laws applicable to it or to its operations or property including, without limitation, ERISA and laws applicable to “educational institutions” under the Missouri Health and Educational Facilities Authority Act, Chapter 360 of the Revised Statutes of Missouri, as amended, except in such instances in which (a) such requirement of Law is being contested in good faith or a bona fide dispute exists with respect thereto; or (b) the failure to comply therewith could not be reasonably expected to have a Material Adverse Effect.

ARTICLE XXX. Books and Records. Maintain proper books of record and account, in which full, true and correct entries in conformity with GAAP consistently applied shall be made of all financial transactions and matters involving the assets and operations of the Institution, as the case may be.

ARTICLE XXXI. Inspection Rights. Permit representatives and independent contractors of the Purchaser to visit and inspect any of its properties, to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its directors, officers, and independent public accountants, all at such reasonable times during normal business hours and at reasonable intervals, upon reasonable advance notice to the Institution; provided, however, that when an Event of Default exists the Purchaser (or any of their respective representatives or independent contractors) may do any of

TABLE OF CONTENTS – CONT.Page

the foregoing at the expense of the Institution at any time during normal business hours and without advance notice.

ARTICLE XXXII. Financial Covenant. Maintain a Debt Service Coverage Ratio of not less than 1.10 to 1.00 as of the end of each fiscal quarter, commencing with the fiscal quarter ending December 31, 2018, determined on a trailing twelve (12) month basis. Compliance with this Section 4.11 shall be determined based upon reporting provided by the Institution pursuant to Section 4.1(a) and (b).

ARTICLE XXXIII. Most Favored Nations. In the event the Institution has entered into or shall, directly or indirectly, enter into or otherwise consent to any credit agreement, bond purchase agreement, liquidity agreement or other agreement or instrument (or any amendment, supplement or modification thereto) under which, directly or indirectly, any Person undertakes to make available or provide funds to Institution, which such agreement (or amendment thereto) provides such Person with more restrictive financial covenants than are provided to Purchaser pursuant to the Loan Agreement and/or the terms of this Agreement (including, without limitation, additional or different financial covenants which are more restrictive financial covenants), other than any such more restrictive financial covenants (including, without limitation, additional or different financial covenants which are more restrictive financial covenants) that would adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes, the Institution shall provide Purchaser a copy of each such agreement (or amendment thereto) and such more restrictive financial covenants shall automatically be deemed to be incorporated into this Agreement for so long as such other agreement or instrument remains in effect, and Purchaser shall have the benefits of such more restrictive financial covenants as if specifically set forth herein for so long as such other agreement or instrument remains in effect. If requested by Purchaser, the Institution shall promptly enter into an amendment to this Agreement to include such more restrictive financial covenants for so long as such other agreement remains in effect; provided that Purchaser shall maintain the benefit of such more restrictive financial covenants even if the Institution fails to provide such an amendment. Any amendment of a more restrictive financial covenant by a Person benefitted thereby shall operate to amend the financial covenant as contained in this Agreement; provided, however, any waiver of a breach of a financial covenant by such other Person shall not operate as a waiver of the breach of the financial covenant for the purpose of this Agreement. Notwithstanding anything herein to the contrary, any amendment or deemed incorporation of any more restriction covenants that create amounts that are subject to arbitrage with respect to the Bonds under Internal Revenue Code Section 148 shall not be applicable to the Bonds until this agreement is formally amended and opinion of Bond Counsel has been obtained in accordance with Section 3.11 of the Tax Compliance Agreement.

ARTICLE XXXIV. Sponsorship Agreement. The Institution shall maintain all accreditations necessary for the conduct of its operations and shall take all actions necessary to maintain its sponsorship agreement with the University of Central Missouri.

TABLE OF CONTENTS – CONT.Page

ARTICLE XXXV. Tax-Exempt Bonds. The Institution shall take all actions necessary to maintain the tax-exempt status of the Bonds.

ARTICLE XXXVI. Incorporation of Loan Agreement Covenants. The Institution hereby agrees that the covenants made by the Institution to and for the benefit of the Bond Trustee under Article V of the Loan Agreement are hereby incorporated by this reference and are deemed to be made by the Institution to the Purchaser hereunder as if expressly set forth herein, and such covenants may be enforced by the Purchaser as an obligation of the Institution hereunder, subject to the enforcement limitations elsewhere provided herein and in the Transaction Documents.

ARTICLE XXXVII. Redemption of Bonds. The Institution shall timely make deposits of funds with the Bond Trustee pursuant to Section 305 of the Indenture as necessary to cause the redemption of Bonds pursuant to Section 301(c) of the Indenture.

ARTICLE XXXVIII. Debt Service Fund. The Institution shall make all deposits into the Series 2018 Debt Service Reserve Fund, as defined in the Indenture, requested by the Bond Trustee pursuant to Section 404 of the Indenture. The Institution shall maintain the Series 2018 Debt Service Reserve Fund as required under Section 404 of the Indenture.

**ARTICLE XXXIX.
NEGATIVE COVENANTS**

So long as any Obligation shall remain unpaid or unsatisfied, the Institution shall not directly or indirectly, without the prior written consent of the Purchaser:

ARTICLE XL. Reserved.

ARTICLE XLI. Liens. Enter into any binding agreement to, incur, create or permit to exist any pledge, lien, charge or other encumbrance of any nature whatsoever on the property of the Institution, whether now owned or hereafter acquired, other than Liens constituting Permitted Encumbrances; provided, however, that the Institution may, after giving notice thereof to the Purchaser, at its expense and in its own name and behalf contest in good faith any such lien or encumbrance 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 (provided, the Purchaser may require the establishment of reserves or the posting of a bond).

ARTICLE XLII. Fundamental Changes. (a) Merge, consolidate with or into another Person, (b) convey, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to or in favor of any Person or (c) fundamentally change its structure or the manner in which it holds assets or owns its assets.

ARTICLE XLIII. Change in Nature of Operations. Engage in any material operations substantially different from those operations conducted by the Institution on the date hereof.

TABLE OF CONTENTS – CONT.Page

ARTICLE XLIV. Transactions with Affiliates. Enter into any transaction of any kind with any Affiliate of the Institution other than (a) salary, bonus, employee stock option and other compensation arrangements with directors or officers in the ordinary course of business, (b) transactions that are fully disclosed to the governing body of the Institution and expressly authorized by a resolution of the governing body of the Institution which is approved by a majority of the members of the governing body not having an interest in the transaction, and (c) transactions on overall terms at least as favorable to the Institution or its Affiliates as would be the case in an arm's-length transaction between unrelated parties of equal bargaining power.

ARTICLE XLV. Use of Proceeds. Use the proceeds of the Bonds, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry margin stock (within the meaning of Regulation U of the Board) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose.

ARTICLE XLVI. Transaction Documents. Amend, supplement or otherwise modify (or permit any of the foregoing), or request or agree to any consent or waiver under, or effect or permit the cancellation, acceleration or termination of any of the Transaction Documents without the prior written consent of the Purchaser.

ARTICLE XLVII. Tax-Status. Take any action or suffer any action to be taken by others that will impair the tax-exempt status of the Bonds.

ARTICLE XLVIII. Unrestricted Funds. Take any action to restrict the Institution's unrestricted funds in a manner that such unrestricted funds are not available to repay the Obligations.

ARTICLE XLIX.
EVENTS OF DEFAULT

The occurrence of any of the following events, unless waived by the Purchaser, shall constitute an Event of Default by the Institution under this Agreement:

(b) Payment. The Institution fails to pay any amount due hereunder when such amount is due and owing or fail to pay any amount due under any other Transaction Document when such amount is due and owing taking into account any applicable grace or notice and cure period in such Transaction Document.

(c) Specific Covenants. The Institution fails to perform or observe any term, covenant or agreement contained in any of Section 4.3, 4.5, 4.11, 4.12, 4.13, 4.14 or 4.16, 4.17 or Article V; or

(d) Other Defaults. The Institution fails to perform or observe any other covenant or agreement (not specified elsewhere in this Article VI) contained herein on its part to be performed or observed and such failure continues for thirty (30) days after

TABLE OF CONTENTS – CONT.Page

written notice from Purchaser, provided, however, such failure shall not constitute an Event of Default hereunder if the default is not capable of being cured in the thirty (30) day period, the Institution has commenced attempts to cure the default within the initial thirty (30) day period, is diligently taking actions to cure default and the Institution actually cures the default within a period not exceeding sixty (60) days from the initial written notice; or

(e) Representations and Warranties. Any representation or warranty made or deemed made by the Institution herein or by the Institution, in any other Transaction Document, or in any document delivered in connection herewith or therewith proves to have been incorrect in any material respect when made or deemed made; or

(f) Cross-Default. Subject to any applicable grace periods or cure rights, the Institution (A) fails to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of any Indebtedness having an aggregate principal amount of more than the Threshold Amount, or (B) fails to observe or perform any other agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs, the effect of which default or other event is to cause, or to permit the holder or holders of such Indebtedness to cause, with the giving of notice if required, such Indebtedness to be demanded or to become due or to be repurchased or redeemed (automatically or otherwise) prior to its stated maturity; or

(g) Insolvency Proceedings, Etc. The Institution institutes or consents to the filing of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any material part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed without the application or consent of the Institution and the appointment continues undischarged or unstayed for ninety (90) calendar days; or any proceeding under any Debtor Relief Law relating to the Institution or to all or any part of its property is instituted without the consent of the Institution and continues un-dismissed or un-stayed for ninety (90) calendar days, or an order for relief is entered in any such proceeding; or

(h) Inability to Pay Debts; Attachment. (i) The Institution becomes unable or admits in writing its inability or fails generally to pay its debts as they become due, or (ii) any writ or warrant of attachment or execution or similar process is issued or levied against all or any material part of the property of the Institution and is not released, vacated or fully bonded within thirty (30) days after its issue or levy; or

(i) Judgments. There is entered against the Institution (i) a final judgment or order for the payment of money in an aggregate amount exceeding the Threshold Amount (to the extent not covered by independent third-party insurance as to which the insurer

TABLE OF CONTENTS – CONT.Page

does not dispute coverage), or (ii) any non-monetary final judgment that has, or would reasonably be expected to have, a Material Adverse Effect and, in either case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order, or (B) there is a period of thirty (30) consecutive days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect; or

(j) Reportable ERISA Event. There shall occur a “reportable event” under Section 4043(b) of Title IV of ERISA with respect to any Pension Plan (other than an event for which the 30 day notice requirement of the PBGC has been waived) or any such Pension Plan shall be the subject of termination proceedings (whether voluntary or involuntary) and there shall result from such event or termination proceedings a liability of the Institution to the PBGC that has, or would reasonably be expected to have, a Material Adverse Effect;

(k) Invalidity of Transaction Documents. Any Transaction Document, at any time after its execution and delivery and for any reason other than the agreement of Purchaser or satisfaction in full of all the Obligations, ceases to be in full force and effect, or is declared by a court of competent jurisdiction to be null and void, invalid or unenforceable in any respect; or the Institution denies that it has any or further liability or obligation under any Transaction Document, or purports to revoke, terminate or rescind any Transaction Document; or

(l) Transaction Document Default. An “Event of Default” under the Loan Agreement, the Indenture, the Mortgage, the Security Agreement, or any other Transaction Document shall have occurred and be continuing; or

(m) Other Obligations to Purchaser. The Institution shall be declared by the Purchaser to be in default on or pursuant to the terms of any other obligation of the Institution to the Purchaser (taking into account any applicable notice and cure period).

Upon the occurrence of an Event of Default under this Agreement, the Purchaser shall be entitled to take any action to which it is entitled, or may request the Bond Trustee to take any enforcement action to which it is entitled, to take on account of the occurrence of an event of default under any security document or instrument delivered to the Purchaser or the Bond Trustee for the benefit of the owner of the Bonds or at law generally. The Purchaser shall further be entitled to provide written notice of the Event of Default to the Bond Trustee and may request the Bond Trustee to cause the acceleration of the Bonds pursuant to Section 802 of the Indenture.

ARTICLE L.
MISCELLANEOUS

ARTICLE LI. OFAC. The Institution shall (a) ensure that no person who owns a controlling interest in or otherwise controls the Institution is or shall be listed on the Specially Designated Nationals and Blocked Person List or other similar lists maintained by the Office of Foreign Assets Control (“OFAC”), the Department of the Treasury or included in any Executive Orders,

TABLE OF CONTENTS – CONT.Page

that prohibits or limits Purchaser from making any advance or extension of credit to the Institution or from otherwise conducting business with the Institution and (b) ensure that the Bond proceeds shall not be used to violate any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order relating thereto. Further, the Institution shall comply with all applicable Bank Secrecy Act (“BSA”) laws and regulations, as amended.

ARTICLE LII. Right of Setoff. Upon the occurrence and during the continuance of any Event of Default, the Purchaser is hereby authorized at any time and from time to time, without notice to the Institution (any such notice being expressly waived by the Institution), to set-off any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by the Purchaser to or for the credit or the account of the Institution, regardless of the currency of such deposits or indebtedness, against any and all of the obligations of the Institution now or hereafter existing under this Agreement, irrespective of whether or not the Purchaser shall have made any demand under this Agreement and although such obligations may be contingent and unmatured. The rights of the Purchaser under this Section are in addition to other rights and remedies which the Purchaser may have including, without limitation, other rights of set-off.

ARTICLE LIII. Indemnification. In addition to any and all rights of reimbursement, indemnification, subrogation or any other rights pursuant hereto or under law or equity, the Institution hereby agrees (to the extent permitted by law) to indemnify and hold harmless Purchaser and its officers, directors and agents (each, an “*Indemnitee*”) from and against any and all claims, damages, losses, liabilities, reasonable costs or expenses whatsoever (including reasonable attorneys’ fees) which may incur or which may be claimed against an Indemnitee by any Person or entity whatsoever (collectively, the “*Liabilities*”) by reason of or in connection with (a) the execution and delivery, or payment or failure to pay under, any Transaction Document; (b) the issuance and sale of the Bonds; and (c) the use of the proceeds of the Bonds; *provided* that the Institution shall not be required to indemnify an Indemnitee for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by the willful misconduct or negligence of such Indemnitee. If any proceeding shall be brought or threatened against an Indemnitee by reason of or in connection with the events described in clause (a), (b) or (c) as a condition of indemnity hereunder each Indemnitee shall promptly notify the Institution in writing and the Institution shall assume the defense thereof, including the employment of counsel satisfactory to such Indemnitee and the payment of all reasonable costs of litigation. Notwithstanding the preceding sentence, each Indemnitee shall have the right to employ its own counsel and to determine its own defense of such action in any such case, but the fees and expenses of such counsel shall be at the expense of such Indemnitee unless (i) the employment of such counsel shall have been authorized in writing by the Institution, or (ii) the Institution, after due notice of the action, shall not have employed counsel satisfactory to such Indemnitee to have charge of such defense, in either of which events the reasonable fees and expenses of counsel for such Indemnitee shall be borne by the Institution. The Institution shall not be liable for any settlement of any such action effected without its consent. Nothing under this Section 5.01 is intended to limit the Institution’s payment of the Purchaser Obligations. The

TABLE OF CONTENTS – CONT.Page

obligations of the Institution under this Section shall survive the payment of the Bonds and the termination of this Agreement.

ARTICLE LIV. Costs, Expenses and Taxes. The Institution agrees to pay on demand all reasonable costs and expenses of the Purchaser in connection with the preparation, execution, delivery and administration of the Purchase Contract, this Agreement and any other documents which may be delivered in connection with this Agreement or the Purchase Contract, including, without limitation, the reasonable fees and out-of-pocket expenses of counsel for the Purchaser with respect thereto, with respect to any opinions rendered by such counsel, and with respect to advising the Purchaser as to its rights and responsibilities under the Purchase Contract, this Agreement or any Transaction Document, and all reasonable costs and expenses in connection with the enforcement or any renegotiation or amendment of any Transaction Document.

ARTICLE LV. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

ARTICLE LVI. Integration. This Agreement, together with the other Transaction Documents, comprises the complete and integrated agreement of the parties on the subject matter hereof and thereof and supersedes all prior agreements, written or oral, on such subject matter. In the event of any conflict between the provisions of this Agreement and those of any other Transaction Document, the provisions of this Agreement shall control; provided that the inclusion of supplemental rights or remedies in favor of the Purchaser in any other Transaction Document shall not be deemed a conflict with this Agreement. Each Transaction Document was drafted with the joint participation of the respective parties thereto and shall be construed neither against nor in favor of any party, but rather in accordance with the fair meaning thereof.

ARTICLE LVII. Survival of Representations and Warranties. All representations and warranties made hereunder and in any other Transaction Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Purchaser, regardless of any investigation made by the Purchaser, and shall continue in full force and effect as long as any Obligation shall remain unpaid or unsatisfied.

ARTICLE LVIII. Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions thereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

ARTICLE LIX. Notices. Any notice which any party hereto may be required or may desire to give hereunder shall be deemed to have been given if in writing and delivered personally or by a national overnight delivery service or if mailed, postage prepaid, by United States registered or certified mail, return receipt requested, addressed as follows:

TABLE OF CONTENTS – CONT.

Page

If to the Institution: Crossroads Charter Schools
 1011 Central Street
 Kansas City, MO 64106
 Attn: Executive Director

With a copy to:

in the case of Purchaser to: Clayton Holdings, LLC
 c/o Commerce Bank
 1000 Walnut Street, 17th Floor
 Kansas City, Missouri 64106
 Attn: Dane Barkes

or to such other address or addresses as the party to be given notice may have furnished in writing to the party seeking or desiring to give notice, as a place for the giving of notice, provided that no change in address shall be effective until ten (10) days after served or given to the other party in the manner provided above. Any notice given in accordance with the foregoing shall be deemed given when delivered personally, or if mailed, two (2) business days after it shall have been deposited in the United States mails as aforesaid. Notices sent by a party's counsel shall be deemed sent by such party.

ARTICLE LX. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF MISSOURI APPLICABLE TO AGREEMENTS MADE AND TO BE PERFORMED ENTIRELY WITHIN SUCH STATE; PROVIDED THAT THE PURCHASER SHALL RETAIN ALL RIGHTS ARISING UNDER FEDERAL LAW.

ARTICLE LXI. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective successors and permitted assigns. The Institution may not assign its rights or obligations under this Agreement or the other Transaction Documents without the prior consent of the Purchaser. The Purchaser shall have the right to assign all or any portion of its interest in the Bonds, this Agreement and the other Transaction Documents to one or more Persons, provided that such assignments shall be in minimum amounts of not less than \$100,000.00 and shall be made in accordance with the requirements of the Bond Indenture. The costs of any assignment shall not be paid by the Institution, and in no event shall the Institution become subject to the terms of Rule 15c2-12 of the Securities Exchange Act of 1934, as amended, as a result of such assignment.

TABLE OF CONTENTS – CONT.Page

ARTICLE LXII. Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

ARTICLE LXIII. Electronic Signatures. The parties agree that the electronic signature of a party to this Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Agreement. The parties agree that any electronically signed document (including this Agreement) shall be deemed (i) to be “written” or “in writing,” (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Such paper copies or “printouts,” if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule. For purposes hereof, “electronic signature” means a manually signed original signature that is then transmitted by electronic means; “transmitted by electronic means” means sent in the form of a facsimile or sent via the internet as a “pdf” (portable document format) or other replicating image attached to an e mail message; and, “electronically signed document” means a document transmitted by electronic means and containing, or to which there is affixed, an electronic signature.

ARTICLE LXIV. No Advisory or Fiduciary Relationship. In connection with all aspects of the transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any Transaction Document), the Institution acknowledges and agrees, and acknowledges its affiliates’ understanding, that: (a) (i) the services regarding this Agreement provided by the Purchaser and any affiliate thereof are arm’s-length commercial transactions between the Institution, on the one hand, and the Purchaser and its affiliates, on the other hand, (ii) the Institution has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) the Institution is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Transaction Documents; (b) (i) the Purchaser and its affiliates each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary, for the Institution, or any other Person and (ii) neither the Purchaser nor any of its affiliates has any obligation to the Institution with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Transaction Documents; and (c) the Purchaser and its affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Institution, and neither the Purchaser nor any of its affiliates has any obligation to disclose any of such interests to the Institution. To the fullest extent permitted by law, the Institution hereby waives and releases any claims that it may have against the Purchaser or any of its affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transactions contemplated hereby.

TABLE OF CONTENTS – CONT.

Page

ARTICLE LXV. U.S.A. PATRIOT ACT. PURCHASER HEREBY NOTIFIES THE INSTITUTION, AND INSTITUTION HEREBY ACKNOWLEDGES, THAT PURSUANT TO THE REQUIREMENTS OF THE USA PATRIOT ACT (TITLE III OF PUB. L. 107-56) (THE “ACT”), PURCHASER IS REQUIRED TO OBTAIN, VERIFY AND RECORD INFORMATION THAT IDENTIFIES THE INSTITUTION, WHICH INFORMATION INCLUDES THE NAME AND ADDRESS OF THE INSTITUTION AND OTHER INFORMATION THAT WILL ALLOW THE PURCHASER TO IDENTIFY THE INSTITUTION IN ACCORDANCE WITH THE ACT.

ARTICLE LXVI. WAIVER OF JURY TRIAL. THE PURCHASER AND THE INSTITUTION HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN), OR ACTIONS OF THE PURCHASER OR THE INSTITUTION. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PURCHASER ENTERING INTO THIS AGREEMENT.

ARTICLE LXVII. Incorporation of Terms. Capitalized terms not defined herein shall have the meaning such terms are given in the Purchase Contract or the Indenture, as applicable.

ARTICLE LXVIII. MISSOURI STATUTORY NOTICE. ORAL OR UNEXECUTED AGREEMENTS OR COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT INCLUDING PROMISES TO EXTEND OR RENEW SUCH DEBT ARE NOT ENFORCEABLE, REGARDLESS OF THE LEGAL THEORY UPON WHICH IT IS BASED, THAT IS IN ANY WAY RELATED TO THE CREDIT AGREEMENT. TO PROTECT YOU (BORROWER(S)) AND US (CREDITOR) FROM MISUNDERSTANDING OR DISAPPOINTMENT, ANY AGREEMENTS WE REACH COVERING SUCH MATTERS ARE CONTAINED IN THIS WRITING, WHICH IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN US, EXCEPT AS WE MAY LATER AGREE IN WRITING TO MODIFY IT.

[Signatures appear on the following page.]

TABLE OF CONTENTS – CONT.

Page

In Witness Whereof, the Purchaser and the Institution have executed and delivered this Agreement as of the date set forth above.

Institution:

CROSSROADS CHARTER SCHOOLS,
a Missouri non-profit corporation

By:

Name:

Title:

Purchaser:

CLAYTON HOLDINGS, LLC,
a Missouri limited liability company

By

Name:

Title:

TABLE OF CONTENTS – CONT.

Page

EXHIBIT A

COMPLIANCE CERTIFICATE

FORM OF COMPLIANCE CERTIFICATE

Financial Statement Date: _____, 20__

To: Clayton Holdings, LLC

Ladies and Gentlemen:

Reference is made to that certain Continuing Covenant Agreement, dated as of November 1, 2018 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the “Agreement,” the terms defined therein being used herein as therein defined), between Crossroads Charter Schools (the “Institution”) and Clayton Holdings LLC (the “Purchaser”).

The undersigned Responsible Officer hereby certifies as of the date hereof that he/she is the _____ of the Institution, and that, as such, is authorized to execute and deliver this Certificate to the Purchaser on the behalf of the Institution, and that:

[Use following for fiscal year-end financial statements]

1. Attached hereto as Schedule 1 are the year-end audited financial statements required by Section 4.1(a) of the Agreement for the fiscal year of the Institution ended as of the above date, together with the report and opinion of an independent certified public accountant required by such section.

2. The undersigned has reviewed and is familiar with the terms of the Agreement and has made, or has caused to be made under his/her supervision, a detailed review of the transactions and condition (financial or otherwise) of the Institution during the accounting period covered by the attached financial statements.

3. A review of the activities of the Institution during such fiscal period has been made under the supervision of the undersigned with a view to determining whether during such fiscal period the Institution performed and observed all its obligations under the Transaction Documents, and

[select one:]

[to the best knowledge of the undersigned during such fiscal period, the Institution has performed and observed each covenant and condition of the Continuing Covenant Agreement applicable to it.]

--or--

TABLE OF CONTENTS – CONT.

Page

[the following covenants or conditions have not been performed or observed and the following is a list of each such Default or Event of Default and its nature and status:]

4. The financial covenant analyses and information set forth on Schedule 2 attached hereto are true and accurate on and as of the date of this Certificate.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of

Institution:

CROSSROADS CHARTER SCHOOLS,
a Missouri non-profit corporation

By:

Name:

Title:

Coversheet

Board Safety Committee

Section: IV. Operations
Item: A. Board Safety Committee
Purpose: Vote
Submitted by:
Related Material: Board Safety Committee Plan- October 2018.pdf

Safety Committee

The safety committee is commissioned by and responsible to the Board to assume the primary responsibility for working with COO to regularly evaluate current safety and security plans, procedures, policies and protocols; assist in the development of new safety and security plans and procedures as needed based on best practice research and/or identified gaps from current plans; review findings from annual staff training, drills and other safety assessments conducted at the school.

This committee is led by the COO and is comprised of board members, school leadership and community safety experts. Where appropriate, this committee will solicit feedback from teachers, parents, students and other community members. The initial issues the committee will address include:

- Review of all current school safety policies and procedures, including drills
- Assessment of all notification and drill technology systems currently in place
- Staff augmentation plans
- Alignment with any state and federal school safety policies and recommendations

Timeline: The first meeting of the safety committee will convene no later than November 30 with an initial report ready for board review in the December board meeting