

**ORLEANS SCHOOLS FACILITIES FOUNDATION, INC.
RESOLUTION NO. 01-14**

The following resolution was offered by _____ and seconded by _____:

**WRITTEN CONSENT OF THE BOARD OF DIRECTORS OF
ORLEANS SCHOOLS FACILITIES FOUNDATION, INC.**

The undersigned directors of Orleans Schools Facilities Foundation, Inc., a Louisiana nonprofit corporation (the “**Corporation**”) constituting a public benefit corporation of the Orleans Parish School Board (the “**OPSB**”), hereby certify that the following resolutions set forth herein were adopted by the Board of Directors (the “**Board**”) of the Corporation at the meeting of the Corporation held on October 20, 2014.

RECITALS

WHEREAS, the Corporation was formed as a nonprofit public benefit corporation of the OPSB under the laws of the State of Louisiana pursuant to the Articles of Incorporation dated September 8, 2011 and filed with the Louisiana Secretary of State on September 28, 2011 and pursuant to the Bylaws of the Corporation adopted on November 16, 2011; and

WHEREAS, the OPSB and the Board approved on April 1, 2013 Amended and Restated Articles of Incorporation (the “**Corporate Articles**”) attached hereto as **Exhibit “A”**; and

WHEREAS, Article IV, Section 2 of the Corporate Articles provides that the Board shall consist of five (5) members as follows:

- (i) President of the Orleans Parish School Board as Ex-Officio Member;
- (ii) Chairperson of the Orleans Parish School Board Budget and Finance Committee as Ex-Officio Member;
- (iii) Secretary of the Orleans Parish School Board as Ex-Officio Member;
- (iv) Chief Financial Officer of the Orleans Parish School Board as Ex-Officio Member; and
- (v) Financial Expert, initially, Damon Burns, until his successor is appointed by the Orleans Parish School Board.

WHEREAS, the Board further approved on April 1, 2013 the Amended and Restated Bylaws (the “**Bylaws**”) of the Corporation attached hereto as **Exhibit “B”**; and

WHEREAS, Article III, Section 2 of the Bylaws provides that any director who is removed at any time from a position with the OPSB shall likewise be deemed removed from the Board; and

WHEREAS, the OPSB approved on January 1, 2014 the election of Nolan A. Marshall, Jr. as President of the OPSB and on February 18, 2014 approved Leslie Ellison as Chairperson of the OPSB Budget and Finance Committee; and

WHEREAS, by virtue of Article IV, Section 2 of the Corporate Articles, the following individuals constitute the Board of the Corporation:

<u>Name</u>	<u>Ex-Officio Position</u>
Nolan A. Marshall, Jr.	President of OPSB
Leslie Ellison	Chairperson of OPSB Budget and Finance Committee
Stanley C. Smith	Secretary of OPSB
Wayne DeLarge	OPSB Chief Financial Officer
Damon Burns	Financial Expert

WHEREAS, the Board of Director now desires to elect and confirm officers of the Board and to approve certain financing arrangements (the “**Leveraged Financing**”) and documents related to the historic rehabilitation and renovation of the Drew Elementary School.

NOW, THEREFORE, BE IT RESOLVED AND CONSENTED TO BY THE DIRECTORS OF THE CORPORATION THAT:

SECTION 1. The following members of the Board are hereby elected and/or confirmed as designated officers:

<u>Name</u>	<u>Title</u>
Nolan A. Marshall, Jr.	Chairman
Leslie Ellison	Vice-Chairman
Stanley C. Smith	Secretary
Wayne DeLarge	Treasurer

SECTION 2. The following items of organization are also authorized and/or confirmed:

- The appointment of the OPSB General Counsel, Edward Morris, as registered agent of the Corporation for service of process in the State of Louisiana is hereby ratified and confirmed.
- The registered office of the Corporation in the State of Louisiana maintained at 3520 General DeGaulle Drive, Suite 5088, New Orleans, Louisiana 70114 is hereby ratified and confirmed.

- The Secretary and Treasurer are hereby authorized and directed to obtain such books and/or accounts as are necessary and proper for the transaction of the business of the Corporation in connection with the Leveraged Financing of Drew Elementary School.
- All contracts and agreements of this Corporation, including (but not by way of limitation) bills payable, notes, checks, drafts, and other negotiable instruments, leases, bonds and mortgages, shall be executed or signed on behalf of this Corporation by the Chairman and Secretary subject to the limitations of the Bylaws of the Corporation, unless otherwise specifically authorized by the Board.
- The Treasurer is authorized to appoint and adopt JPMorgan Chase Bank and such other banks or other financial institutions as and for the depository of funds for the Corporation and that the printed form of resolution supplied by said bank or other financial institution be adopted and be properly executed by the Secretary and furnished to said bank or other financial institution.
- The Treasurer shall establish and maintain books of account of the Corporation and enter therein all financial transactions of the Corporation, that said books be kept and maintained at the principal office of the Corporation at 3520 General DeGaulle Drive, Suite 5088, New Orleans, Louisiana 70114, or at such other place as the Treasurer may determine to be advisable.

SECTION 3. The forms of the following documents and/or agreements are hereby authorized and approved with such revisions and/or modifications as approved by the Chairman as may be necessary to implement the Leveraged Financing for the historic rehabilitation and renovation of the Drew Elementary School:

- The Cooperative Endeavor Agreement by and among the OPSB, the Recovery School District (“**RSD**”) and the Corporation attached hereto as **Exhibit “C”** is hereby accepted and approved.
- The Master Lease by and among the OPSB, RSD and the Corporation of the Drew Elementary School attached hereto as **Exhibit “D”** (the “**Master Lease**”) is hereby accepted and approved.
- The Ground Lease by and between the Corporation and Drew Elementary School Facility, LLC (the “**Sub-Lessee**” and “**Drew School Facility Owner**”) attached hereto as **Exhibit “E”** (the “**Ground Lease**”) is hereby accepted and approved.
- The Loan Agreement by and between the Corporation, as Lender, and the Drew School Facility Owner, as Borrower; the Promissory Note in the principal amount not to exceed \$25,000,000; the Leasehold Mortgage, Security and Pledge Agreement entered into by the Drew School Facility Owner to and for the benefit of the Corporation (collectively, the “**Loan Documents**”) attached hereto as **Exhibit “F”** are hereby accepted and approved.

- The Corporation hereby agrees to accept not to exceed \$25,000,000 from the OPSB and agrees to loan such amount to the Drew School Facility Owner.
- The Unconditional Guaranty and Environmental Indemnification by the Corporation, for the benefit of U.S. Bancorp Community Development Corporation, attached hereto as **Exhibit “G”**.
- The Subordination, Non-Disturbance and Attornment Agreement by and among the Drew School Facility Owner, the OPSB, the RSD and the Corporation, attached hereto as **Exhibit “H”**.
- The Closing Transfers and Authorizations Agreement by and among US Bancorp Community Development Corporation, the Corporation, the OPSB and Baronne Title Co., Inc., attached hereto as **Exhibit “I”**.
- Such other documents as shall be necessary and appropriate to implement the Leveraged Financing of the Drew Elementary School as approved by the Chairman.

Section 4. Wayne J. Neveu, Esq. and the firm of Foley & Judell, L.L.P. are hereby retained as counsel and attorney-in-fact (the “**Corporation Counsel**”) to represent the Corporation in connection with the Leveraged Financing of the Drew Elementary School and are authorized to render such opinions as may be necessary to implement such Leveraged Financing.

Section 5. The Chairman, Secretary and Treasurer are authorized to take any and all actions necessary to maintain the nonprofit status of the Corporation without advance authorization from the Board.

Section 6. The Chairman is hereby authorized and directed to execute such documents and agreements requiring the execution thereof by the Corporation as referenced in Section 3 of this resolution or such other documents and agreements as may be further required to implement the Leveraged Financing of the Drew Elementary School following review and approval of the Corporation Counsel.

IN WITNESS WHEREOF, the undersigned has executed this unanimous written consent as of the ____ day of _____, 2014.

Nolan Marshall, Jr.
Chairperson

Leslie Ellison
Vice-Chairperson

Stanley C. Smith
Secretary

Wayne DeLarge
Acting CFO

Damon Burns
Financial Expert

**Constituting the entire Board of Directors of
Orleans Schools Facilities Foundation, Inc.**

EXHIBIT "A"

AMENDED AND RESTATED ARTICLES OF INCORPORATION

STATE OF LOUISIANA

PARISH OF ORLEANS

AMENDED AND RESTATED

ARTICLES OF INCORPORATION

OF

ORLEANS SCHOOLS FACILITIES FOUNDATION, INC.

Article I
Names and Offices

Section 1. The name of this nonprofit corporation organized under and pursuant to the provisions of the laws of the State of Louisiana, and particularly LSA R.S. 12:201-269, relative to the organization of nonprofit organizations, and Act 739 of the 2008 Regular Session of the Louisiana State Legislatures is: **Orleans Schools Facilities Foundation, Inc.** (hereafter "**Foundation**").

Section 2. The principal office of the Foundation shall be in Orleans Parish, Louisiana, but the Foundation may also have offices at such other places in Orleans Parish as the Board of Directors may from time to time determine to be necessary or convenient to carry out the Foundation purposes.

Article II
Purposes and Limitations

Section 1. The purposes for which the Foundation is organized are:

a. To engage exclusively in educational and charitable activities under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future revenue act) which are exempt from Federal income tax, and to act as a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1954 (or corresponding provision of any future revenue act).

b. To enter into such agreements, including leases, loans, guaranties or investment agreements, and to engage in such financing arrangements as may be necessary or appropriate for the planning, renovation, construction, leasing, subleasing, managing, and improving of schools and school property within the Parish of Orleans.

c. To serve as a clearinghouse for the exchange of information on such opportunities and financial assistance available for pursuing the same.

d. To make loans, grants, guaranties or investments in order to facilitate the construction of new schools or the renovation of existing schools within the parish of Orleans.

e. To act alone or in partnership with any public or other private entity in order to leverage funds for the planning, renovation, construction, managing and improving of school properties.

f. To receive donations, contributions, funds and property from any and all sources and to use the same for its corporate purposes.

g. To engage in such other activities as will assists in generally carrying out the purposes of the Foundation.

Section 2. The limitations upon the Foundation shall be as follows:

a. No part of the net earnings of the Foundation shall inure to the benefit of, or be distributable to its members, directors, officers or other private persons, except that the Foundation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Section 1 above.

b. No substantial part of the activities of the Foundation shall be the carrying on of propaganda, or otherwise attempting to influence legislation; and the foundation shall not participate in, or intervene in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office.

c. Notwithstanding any other provision of these articles, the Foundation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code (or the corresponding provisions of any future United States Internal Revenue Law) or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code (or the corresponding provisions of any future United States Internal Revenue Law).

Article III **Members**

Section 1. The Foundation is organized on a nonstock basis and there shall be but one class of membership. The sole member of this corporation shall be the Orleans Parish School Board.

Article IV
Board of Directors

Section 1. The powers, affairs and business of the Foundation shall be exercised, its property controlled, and its affairs conducted by the Board of Directors.

Section 2. The Board of Directors shall consist of five (5) members as follows:

- (i) President of the Orleans Parish School Board as Ex-Officio Member, 3520 General DeGaulle Drive, Suite 5055, New Orleans, Louisiana 70114;
- (ii) Chairperson of the Orleans Parish School Board Budget and Finance Committee as Ex-Officio Member, 3520 General DeGaulle Drive, Suite 5055, New Orleans, Louisiana 70114;
- (iii) Secretary of the Orleans Parish School Board as Ex-Officio Member, 3520 General DeGaulle Drive, Suite 5055, New Orleans, Louisiana 70114;
- (iv) Chief Financial Officer of the Orleans Parish School Board as Ex-Officio Member, 3520 General DeGaulle Drive, Suite 5055, New Orleans, Louisiana 70114; and
- (v) Financial Expert, initially, Damon Burns, until his successor is appointed by the Orleans Parish School Board, 909 Poydras Street, Suite 1300, New Orleans, Louisiana 70112.

Article V
Meetings

Section 1. Meetings of the Board of Directors shall be held at the Office of the Foundation in New Orleans or at such other places in New Orleans as the Board of Directors may from time to time determine to be necessary or convenient to carry out the corporation purpose.

Section 2. At least ten (10) days' advance written notice shall be given by the Secretary of the annual and other meetings of the Board of Directors, except in the case of an emergency when reasonable notice, including oral notice, shall be given.

Section 3. The quorum for transaction of business at meetings of the Board of Directors shall be a majority of the total number of Directors. Where a quorum is not present, the meeting may be adjourned without further notice to another time or date when a quorum is present.

Section 4. A meeting of the Board of Directors may be held by conference call or on a holiday with the same force and effect as if on a business day. If a meeting is held by conference call, the Secretary of the Board shall duly record in the records of the Foundation the manner in which each member of the Board was given notice and the names of each member participating in the meeting by conference call.

Article VI
Officers of the Board of Directors

Section 1. The Officers of the Board shall be as follows: Chairman, Vice-Chairman, Secretary and Treasurer.

Section 2. Officers of the Board shall be elected by the Board of Directors at its organization meeting and appropriate annual meeting and shall serve for a two (2) year term, extending until each individual successor is elected and qualified by the Board.

Article VII
Duties of the Board of Directors

Section 1. The Board of Directors shall direct the affairs of the Foundation, and shall have all the powers, duties and responsibilities necessary and proper to carry out its purposes, including, among others the powers:

- a. to direct the affairs and determine the policies of the Foundation;
- b. to elect the Officers of the Board of Directors and the Foundation;
- c. to elect non-voting Honorary or Emeritus Directors;
- d. to collect and receive all monies, property or donations paid or transferred;
- e. to control the disbursement of funds, handle, invest and reinvest funds as it deems appropriate; and
- f. to employ personnel to assist in the administration of the affairs of the Foundation.

Article VIII
Duties of Officers

Section 1. Chairman of the Board

The Chairman of the Board of Directors shall preside at all meetings of the Board, and he shall perform the usual duties attendant upon his office.

Section 2. Vice-Chairman of the Board

The Vice-Chairman shall perform the usual duties attendant upon his office. In the event of the absence or inability of the Chairman of the Board of Directors for any reason to serve, the Chairman's duties shall be performed by the Vice-Chairman.

Section 3. Secretary of the Board of Directors

The Secretary shall cause to be prepared an agenda for all meetings and shall attend to giving all notices required by the Bylaws. He shall be responsible for keeping and reporting the minutes of the meetings of the Board of Directors. He shall be the custodian of all records and reports of the Foundation. He shall be custodian of the corporate seal of the Foundation. He shall issue all notices required by the Board of Directors, and he shall perform the usual duties attendant upon his office, including those that the Board of Directors, or the President in actions consistent with the Board of Directors, may from time to time prescribe.

Section 4. Treasurer of the Board of Directors

The Treasurer shall receive all funds and shall be the custodian of all securities and intangible assets belonging to the Foundation. He shall perform the usual duties attendant upon his office, including those that the Board of Directors may prescribe. He shall present financial reports as desired and make an annual report to the Board of Directors at its annual meeting.

Section 5. The Board of Directors may establish additional officers and elect officers to fill them to perform such duties as they may from time to time direct.

Article IX
General Powers of the Foundation

Section 1. Without limiting the generality of its powers to act to carry out its Foundation purposes, the Foundation shall have powers to accomplish the following:

- a. to sue, complain and defend in its Foundation name;
- b. to purchase, take, receive, lease, take by gift, devise or bequest, or otherwise acquire, own, hold, improve, use and otherwise deal in and with, real or personal or mixed property or any interest therein, wherever situated;
- c. to sell, convey, mortgage, pledge, lease, exchange, transfer and otherwise dispose of all or any part of its property and assets;
- d. to make contracts and incur liabilities, borrow money at such rates of interests as the Foundation may determine, issue its notes, bonds and other obligations, and secure any of its obligations by mortgage or pledge of all or any of its property, franchises and income;
- e. to lend money for its Foundation purposes, invest and reinvest its funds, and take and hold title to real and personal property as security for the payment of funds so loaned or invested;
- f. to conduct its affairs, carry on its operations, hold property, and have offices and exercise the powers granted hereunder;
- g. to elect or appoint officers and agents of the Foundation and define their duties and fix their compensation;

h. to make and alter Bylaws, not inconsistent with its Articles of Incorporation or with laws of the State of Louisiana, for the administration and regulation of the Affairs of the Foundation;

i. to have and exercise all powers necessary or convenient to effect any or all of the purposes for which the Foundation is organized, and as provided under the State of Louisiana Non-Profit Corporation Law contained in Chapter 2 of Title 12 of the Louisiana Revised Statutes of 1950, as amended;

j. to solicit and raise funds, engage in fund development, and arrange for various forms of giving, and the like; and

k. to make contributions, grants, gifts and other transfers of money and property in furtherance of the Foundation purposes.

Article X **Execution of Legal Instruments**

Section 1. The President shall have authority to execute and acknowledge on behalf of the Foundation contracts, legal documents or other instruments where required in connection with the operation of the Foundation. The Secretary shall have authority to attest to same and affix the corporate seal thereto on behalf of the Foundation.

Article XI **Conflict of Interest**

Section 1. No member shall engage in any action which presents any duality of interest, probability of conflict or appearance of impropriety, hereinafter described as “conflict.” The existence of any such conflict shall be disclosed promptly to the other members of the Board. Such conflict shall be made a matter of record (i) through an annual disclosure, and (ii) when the matter underlying the conflict becomes a potential subject of Board action. The member to whom the conflict applies may elect to abstain from the conflicting Foundation activity. Absent such abstention, the majority vote of the Board shall finally determine that member’s participation in the action at issue.

Section 2. The Board member to whom the conflict applies shall not vote or use his personal influence on the matter at issue, and shall not be counted in determining the quorum for the meeting, even where permitted by law. The minutes of the meeting shall reflect that a disclosure was made, that the applicable member did not vote, and that the applicable member was not counted toward the determination of a quorum.

Section 3. The foregoing requirements shall not be construed as preventing the Board member to whom the conflict applies from briefly stating his position on the matter in question, nor from answering pertinent questions of other Board members since his knowledge may be of great assistance.

Section 4. Any new member of the Board will be advised promptly of all conflicts arising under this Article.

Article XII **General Provisions**

Section 1. The fiscal year of the Corporation shall end on December 31st of each year.

Section 2. All checks, drafts, bills of exchange, notes, or other obligations or order for the payment of money, shall require two signatures, including those of the Chairman and the Treasurer or such other officer of officers or persons as the Board of Directors may designate by resolution, except that the Board of Directors may authorize the Chairman alone to sign such instruments up to an amount specified by an appropriate resolution of the Board of Directors, which amount shall be reviewed at least annually.

Article XIII **Dissolution**

Section 1. Upon dissolution of the Foundation, the Board of Directors shall, after paying and making provision for the payment of all of the liabilities of the Foundation, dispose of all the assets of the Foundation exclusively to the Orleans Parish School Board.

Article XIV **Donations, Gifts, Earnings and Revenue or Other Payments**

Section 1. Any gifts, devises, bequests, donations, subscriptions or other payments made by a person or persons to the Foundation without specific direction as to the use thereof, shall upon acceptance be used for the purposes of the Foundation as determined by the Board of Directors; but any such payments and things of value given to the Foundation with specific directions as to the use thereof, shall upon acceptance be received, held and used by the Foundation in conformity with said directions.

Section 2. The revenue or other payments, earning and surplus derived from the operation of the Foundation, and from gifts, devises, bequests, donations, appropriations, grants or loans and other sources shall be applied to the costs and expenses of such activities or its facilities, equipment, property or the acquiring of the property. Any surplus remaining after the payment of aforesaid costs and expenses shall be subject to such use and disposal by the Board of Directors as may be consistent with the purpose set forth in the Articles of Incorporation and Bylaws.

Article XV **Amendment of Bylaws**

Section 1. The Bylaws may be amended at any meeting of the Board of Directors at which a quorum is present by the affirmative vote of a majority of the Directors present, provided ten

(10) days' advance written notice has been give of the language and purpose of the proposed amendment.

Article XVI
Seal

Section I. The corporate seal of the Foundation shall be circular in form and shall have inscribed thereon the name of the Foundation, **Orleans Schools Facilities Foundation, Inc.**, the year of its incorporation, and the words, "Corporate Seal, State of Louisiana." Said seal may be used by causing it, or a facsimile thereof, to be impressed, affixed, reproduced, or otherwise properly used.

Article XVII
Registered Agent and Office Address

Section I. The registered agent of this Foundation for service of process and registered office address of Foundation is:

Registered Agent
Edward Morris
General Counsel, Orleans Parish School Board
3520 General DeGaulle Drive, Suite 5088
New Orleans, Louisiana 70114

Article XVIII
Indemnification

Section I. The Foundation shall indemnify and hold harmless each Director and Officer now or hereafter serving the Foundation from and against any and all claims and liabilities to which he may be or become subject by reason of his now or hereafter being or heretofore been a Director or Officer of the Foundation and/or by reason of his alleged acts or omissions as such Director or Officer, whether or not he continues to be such Officer or Director at the time when any such claim or liability is asserted, and shall reimburse each such Director and Officer for all legal and other reasonable expenses incurred by him in connection with defending paid or agreed to be paid reasonable settlements and/or adjudication with the approval of the Board of Directors whether or not he continues to be such Director or Officer at the time such expenses are incurred; provided, however, that the Director or Officer shall not be indemnified against any claim or liability arising out of his own negligence or willful misconduct nor shall such Director or Officer be indemnified against or reimbursed for any expenses in defending any and all such claims or liability or in settlement of the same unless in the judgment of the Directors of the Foundation the Director or Officer against whom such claim or liability is asserted has not been guilty of negligence or willful misconduct. The foregoing right of indemnification shall not be exclusive of any other rights to which any Director or Officer may be entitled as a matter of law.

Article XIX

The full name and street address of the incorporator is:

Edward Morris
General Counsel, Orleans Parish School Board
3520 General DeGaulle Drive, Suite 5088
New Orleans, Louisiana 70114

Witness the signature of the undersigned Secretary of the Foundation, on this 1st day of April 2013.

WITNESSES:

Sharon W. Butler
Print Name: Sharon Butler

By: [Signature]
Stanley Smith, Secretary

[Signature]
Print Name: LESLIE J REY

[Signature]

NOTARY PUBLIC

Name: _____
Louisiana Bar No./Notary Number: _____
My commission expires at death.



EDWARD M. MORRIS
Notary Public
State of Louisiana
La. Bar No. 1986
Notary ID No. 52490
My Commission is issued for Life

CERTIFICATE

STATE OF LOUISIANA

PARISH OF ORLEANS

The undersigned, being the Secretary of ORLEANS SCHOOLS FACILITIES FOUNDATION, INC., a Louisiana nonprofit corporation (the "**Corporation**"), hereby certifies as follows:

1. That the attached Amended and Restated Articles of Incorporation accurately reflect all amendments thereto in effect as of this date without substantive change except as made by any new amendments contained in the restatement.
2. Each amendment has been effected in conformity with law
3. The date of incorporation is September 28, 2011 and the date of the Amended and Restated Articles of Incorporation is February 22, 2013.

Witness my signature on this, the 1st day of April 2013 by:

WITNESSES:

Sharon W. Butler
 Print Name: Sharon Butler

By: [Signature]
 Stanley Smith

[Signature]
 Print Name: Leslie J Rey

[Signature]

NOTARY PUBLIC

Name: _____

Louisiana Bar No./Notary Number: _____

My commission expires at death.



EDWARD M. MORRIS

Notary Public

State of Louisiana

La. Bar No. 1986

Notary ID No. 52490

My Commission is issued for Lif

EXHIBIT "B"

AMENDED AND RESTATED BYLAWS

**AMENDED AND RESTATED
BYLAWS
OF
ORLEANS SCHOOLS FACILITIES FOUNDATION, INC.**

**ARTICLE I
Offices**

Section 1. Principal Offices. The initial principal office of the Orleans Schools Facilities Foundation, Inc. (the “**Foundation**”) in the State of Louisiana shall be located at 3520 General DeGaulle Drive, Suite 5088, New Orleans, Louisiana 70114.

Section 2. Other Offices. The Foundation may maintain other offices within Orleans Parish, Louisiana, as determined by the Board of Directors, where all business of the Foundation may be transacted.

**ARTICLE II
Meetings of the Membership**

Section 1. Annual Meetings. The annual meetings of the sole member of the Foundation shall be held in Orleans Parish, Louisiana, on the 1st day of July of each year, or at such other time on such other day within such month as shall be fixed by the Board of Directors in conjunction with a meeting of the Board of Directors, for the purpose of transacting such business properly coming before the meeting.

Section 2. Special Meetings. Special meetings of the members, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the Chairman of the Board or by a majority of the Board of Directors.

Section 3. Place of Meetings. The Board of Directors may designate any place, within Orleans Parish, Louisiana, as the place of meeting for any annual meeting or for any special meeting. If no designation is made, or if a special meeting is otherwise called, the place of meeting shall be the known place of business of the Foundation in the State of Louisiana.

Section 4. Notice of Meetings. Written notice stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall, unless otherwise prescribed by statute, be delivered not less than ten (10) nor more than thirty (30) days before the date of the meeting, either delivered personally, by telegram, email, facsimile or by mail, by an officer of the Foundation at the direction of the person or persons calling the meeting. If mailed, such notice shall be deemed to be delivered when mailed to the member at his or her address as it appears on the membership books of the Foundation. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place are announced at the meeting at which the adjournment is taken. At the adjourned meeting the Foundation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days or if after the

adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each member entitled to vote at the meeting.

ARTICLE III Board of Directors

Section 1. Powers of Directors. The business and affairs of the Foundation shall be managed by its Board of Directors.

Section 2. Resignation and Removal. Any director who resigns or is removed at any time from a position with the Orleans Parish School Board shall likewise resign or be deemed removed from the Board of Directors of the Foundation. Any director who is removed at any time from the Orleans Parish School Board shall likewise be removed from the Board of Directors of the Foundation. The Financial Advisor serving as director of the Foundation may resign or be removed at anytime and a replacement Financial Advisor shall be designated by the Orleans Parish School Board.

Section 4. Quorum. A majority of the number of directors then serving shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but if less than such majority is present at a meeting, the majority of the directors present may adjourn the meeting from time to time without further notice.

Section 5. Manner of Acting. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 6. Regular and Special Meetings. Regular meetings of the Board of Directors of the Foundation shall be conducted after notice indicating the time and place of such meeting and the subject matter to be discussed is given to each Board member at least twenty-four (24) hours prior to such meeting. Special meetings of the Board of Directors may be called by or at the request of the Chairman of the Board or a majority of the Board of Directors.

Section 7. Notice. Notice of any special meeting shall be given at least twenty-four (24) hours previous thereto by written notice either delivered personally, by telegram, email, facsimile, or mailed to each director at his or her business address. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Notice of special or regular meetings may be waived by a waiver of notice of meeting, signed by all the Board of Directors. However, in no event shall such special meeting be conducted without twenty-four (24) hours public notice as specified herein.

Section 8. Chairman of the Board. At all meetings of the Board of Directors, the Chairman of the Board, if present, shall preside. If the Chairman of the Board and President shall be absent, then the Vice-Chairman shall preside and, in his or her absence, a Chairman chosen by a majority of the directors present at such meeting shall preside.

Section 9. Presumption of Assent. A director of the Foundation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action unless his or her dissent shall be entered in the minutes of the meeting or unless he or she shall file his or her written dissent to such action with the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered or certified mail to the Secretary of the Foundation before 5:00 P.M. of the afternoon of the next day which is not a holiday or a Saturday after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

Section 10. Conflict of Interest Policy. The Board of Directors' Conflict of Interest Policy regarding transactions between the Foundation and one or more of its directors or any other Foundation, firm, association or entity in which one or more of its directors are financially interested shall be governed by the provisions of Louisiana Code of Governmental Ethics, LA R.S. §42:1101 et seq., as that code now exists or may hereafter from time be amended to provide, and by any conflict of interest policy adopted by the Board of Directors.

ARTICLE IV Officers

Section 1. Chairman of the Board. The Chairman of the Board shall preside at all meetings of the Board of Directors and members. The Chairman may sign, with the Secretary or any other proper officer of the Foundation duly authorized by the Board of Directors, deeds, mortgages, bonds, contracts, instruments of conveyance, checks, drafts, notes, and other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be otherwise expressly delegated by the Board of Directors, these Bylaws, or law. The Chairman of the Board shall perform all duties incident to the office of chairman of the board and such other duties as may be prescribed by the Board of Directors from time to time.

Section 2. Vice-Chairman of the Board. In the absence of the Chairman of the Board or in the event of his death, inability or refusal to act, the Vice-Chairman of the Board shall perform the duties and exercise the powers of the Chairman of the Board.

Section 3. Secretary. The Secretary, or his or her designee, shall (a) keep the minutes of all meetings of the Board of Directors and of the members, (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law, (c) have charge of all the corporate books, records and accounts and of the seal of the Foundation, (d) see that the seal of the Foundation is affixed to all documents the execution of which on behalf of the Foundation under its seal is duly authorized, and (e) keep a register of the post office address of each member which shall be furnished to the Foundation by such member.

Section 4. Treasurer. The Treasurer, or his or her designee, shall (a) have charge and custody of all funds and securities of the Foundation, (b) receive and give receipt for monies due and payable to the Foundation from any source whatsoever, and deposit all such monies in the name of the Foundation in such banks, trust companies or other depositories as shall be selected by the Board of Directors, and (c) in general, perform all of the duties incident to the office of Treasurer

and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 5. Salaries. The Chairman of the Board, Vice-Chairman of the Board, Secretary and Treasurer shall serve without compensation; however, they may be reimbursed for their expenses, if any, incurred on behalf of the Foundation.

ARTICLE V

Contracts, Loans, Checks, Deposits and Chief Executive Officer

Section 1. Contracts. The Board of Directors, to the extent permitted by law, may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Foundation, and such authority may be general or confined to specific instances.

Section 2. Loans. No loans shall be contracted on behalf of the Foundation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 3. Checks and Other Instruments. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Foundation shall be signed by such officer or officers, agent or agents of the Foundation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 4. Deposits. All funds of the Foundation not otherwise employed shall be deposited to the credit of the Foundation in such banks, trust companies or other depositories as the Board of Directors may select.

ARTICLE VI

Waiver of Notice

Whenever any notice is required to be given to any member or director of the Foundation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends such meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE VII

Amendment of Bylaws

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by a vote of the majority of the Board of Directors or by the affirmative vote of a majority of the membership entitled to vote thereon.

EXHIBIT "C"
COOPERATIVE ENDEAVOR AGREEMENT

**STATE OF LOUISIANA
DEPARTMENT OF EDUCATION
COOPERATIVE ENDEAVOR AGREEMENT**

In accordance with Article VII, Section 14(c) of the Constitution of the State of Louisiana of 1974 (“**Constitution**”), the **ORLEANS PARISH SCHOOL BOARD, PARISH OF ORLEANS, STATE OF LOUISIANA** (the “**School Board**” or “**OPSB**”) the **RECOVERY SCHOOL DISTRICT**, a public body and instrumentality of the State of Louisiana (“**RSD**”) administered by the Louisiana State Department of Education, and Orleans Schools Facilities Foundation, Inc., a Louisiana nonprofit public benefit corporation of which the School Board is the sole member (“**Facilities Foundation**”), are entering into this Cooperative Endeavor Agreement (the “**Drew Leverage CEA**”).

WHEREAS, the Public School Facilities Financing Act contained in La. R.S. 17:100.10 (the “**PSFFA**”) authorizes the School Board and the RSD to create one or more public benefit corporations (a “**PBC**”) and to enter into financing arrangements with such PBCs and certain other private parties to leverage additional funds (a “**Leveraged Financing**”) not otherwise available to the School Board or the RSD for the purpose of planning, renovating, constructing, leasing, subleasing, managing, and improving schools and school properties within the Parish of Orleans; and

WHEREAS, the RSD and the School Board have entered into a Cooperative Endeavor Agreement as of March 20, 2014 (the “**Coordinating CEA**”) which, among other provisions, affirms their commitment to work together to provide excellent, equitable education for all students in Orleans Parish by rebuilding the Orleans Parish School system through construction and repair of public school campuses, and the efficient use of available funding sources for the education of children within Orleans Parish (the “**Parish**”); and

WHEREAS, Section 3.4 of the Coordinating CEA provides that the RSD will continue to pursue tax credits to further leverage current funds to finance the School Facilities Master Plan (the “**Master Plan**”) and other school construction needs and provide support to the School Board in pursuing tax credits for School Board controlled facilities; and

WHEREAS, Section 3.4 of the Coordinating CEA provides that the School Board will bring to a vote before the full board action items requesting approval of tax credit transactions as requested by the RSD, upon request by the RSD no later than two weeks prior to a scheduled School Board Business meeting; and

WHEREAS, the RSD has received a preliminary commitment from U.S. Bancorp Community Development Corporation (“**USBCDC**”) to make an equity investment of approximately [\$4,111,568] (the “**FHTC Equity**”) to facilitate the completion of the historic rehabilitation and renovation of the Drew Elementary School located on that certain [_____]acre parcel of real estate (the “**Drew Land**”) and improvements thereon (the “**Drew Improvements**”)

located in the City of New Orleans, Parish of Orleans, with a municipal address of 3819 St. Claude Avenue, New Orleans, Louisiana 701___, as more particularly described in **Exhibit “A”** attached hereto and incorporated herein by reference (the Drew Land and Drew Improvements to be designated the “**Drew Property**” and the Drew Improvements and its historic rehabilitation and renovation to be designated the “**Drew School Facility**”) in a Leveraged Financing resulting in Federal Historic Rehabilitation Tax Credits (“**FHTCs**”) of approximately [\$4,111,568] (the “**Credit Amount**”) being available to USBCDC in connection with Qualified Rehabilitation Expenditures (“**QREs**”) of approximately [\$20.1] million, provided, however, that the Drew School Facility’s QRE must be placed in service before April 30, 2015 (the “**PIS Deadline**”); and

WHEREAS, the purpose of this Drew Leverage CEA is:

(i) to approve the transfer and conveyance of the Drew Property by the School Board and RSD to Facilities Foundation pursuant to a Master Lease (the “**Master Lease**”) entered into by and among the School Board and RSD (together, the “**Master Lessor**”) and the Facilities Foundation (the “**Master Lessee**”) as the first step to obtain funds not otherwise available to the School Board or the RSD in order to complete the historic rehabilitation and restoration of the Drew School Facility,

(ii) to approve the sale, transfer and conveyance of the ownership rights and interests of the RSD vested in the Drew School Facility to the Facilities Foundation for a payment of \$_____ (the “**Purchase Price**”), which Purchase Price represents amounts paid by RSD for certain qualified rehabilitation expenditures (“**QREs**”) for the period commencing on _____, 201__ and ending on the date of the sale of the Drew School Facility to the Facilities Foundation and which QREs must be sold by the Facilities Foundation to Drew Elementary School Facility, LLC, a Louisiana limited liability company (referred to hereinafter as “**Sub-Lessee**” or “**Drew School Facility Owner**”) in furtherance of the Leveraged Financing,

(iii) to cause Facilities Foundation as Master Lessee to sub-lease the Drew Land and to sell, transfer and convey the Drew School Facility to Drew School Facility Owner through the execution of a Ground Lease (the “**Ground Lease**”) by and between the Facilities Foundation (the “**Master Lessee**”) and provisions of the Ground Lease requiring a payment in cash by the Drew School Facility Owner to the Facilities Foundation in an amount not less than the Purchase Price and to provide in the Ground Lease that the Drew School Facility Owner obtain debt and other financing to complete the historic rehabilitation and restoration of the Drew School Facility,

(iv) to provide capital to the Facilities Foundation by the School Board in order to facilitate the Leveraged Financing in connection with the historic rehabilitation and restoration of the Drew School Facility,

(iv) to memorialize the commitment of the School Board to provide funds to the Facilities Foundation in the event that certain guarantees made by the Facilities Foundation in connection with the Leveraged Financing are called upon; and

(v) to acknowledge and agree that the OPSB is responsible under any Environmental

Law (as defined in the Master Lease) for any Hazardous Material (as defined in the Master Lease) found on the Drew Property which is not attributable to the historic rehabilitation and restoration or operation of the Drew School Facility; and

WHEREAS, the PSFFA authorizes the School Board to make loans and/or guarantees to a PBC or to other third parties that may be necessary and appropriate in a Leveraged Financing in order to facilitate the construction of new schools or the renovation of existing schools, or both, in accordance the Master Plan; and

WHEREAS, the Facilities Foundation has been established as the initial PBC to facilitate all Leveraged Financings by the School Board; and

WHEREAS, the Louisiana State Bond Commission (the “**SBC**”) has approved, in an application submitted to the SBC as required by the PSFFA, the Leveraged Financing of the Drew School; and

WHEREAS, RSD has agreed to provide certain services under the Development Agreement by and between the RSD and the Drew School Facility Owner (as may be amended, the “**Development Agreement**”); and

WHEREAS, the School Board proposes to provide sufficient funds to the Facilities Foundation, either by loan or grant of such funds, as may be necessary to (A) enable Facilities Foundation to meet its obligations under the Environmental Indemnity Agreement to be entered into and (B) finance a portion of the historic rehabilitation and restoration of the Drew School Facility in accordance with the Master Plan; and

WHEREAS, pursuant to OPSB Resolution No. __-14, the School Board (i) authorized a cooperative endeavor agreement with the RSD to implement a leveraged financing transaction for the Drew School in accordance with the Master Plan, (ii) authorized and directed the transfer of the Drew School to the Facilities Foundation through the Master Lease in accordance with the provisions of the PSFFA in order to complete the historic rehabilitation and restoration of the Drew School through a Leveraged Financing in accordance with the Master Plan, (iii) provided that any loans and/or guarantees in a Leveraged Financing for the Drew School must be determined to be safe and sound by the Interim Superintendent and necessary to implement the Leveraged Financing, and (iv) required that the Interim Superintendent arrange to make loans to and/or guarantees by the School Board on behalf of the Facilities Foundation and/or to such other third parties in order to facilitate a Leveraged Financing for the Drew School in connection with the historic rehabilitation and restoration of the Drew School under the Master Plan; and

WHEREAS, the Drew School has been transferred to RSD pursuant to the provisions of R.S. 17:10.7 of the Louisiana Revised Statutes; and

WHEREAS, pursuant to action taken by the State Board of Elementary and Secondary Education (“**BESE**”) on June 19, 2012, RSD was authorized to transfer properties such as the Drew School to one or more PBCs in order to pursue FHTCs or new market tax credits (“**NMTCs**”) for the purpose of generating additional revenue to complete the Master Plan; and

WHEREAS, the Ground Lease provides that the Drew School Facility Owner will complete the historic rehabilitation and restoration of the Drew School in accordance with the Development Agreement; and

WHEREAS, pursuant to this Drew Leverage CEA, the School Board and the RSD agree that the operation of the Drew School Facility following its transfer to and the historic rehabilitation and restoration by the Drew School Facility Owner will be initially through a Charter School Operator approved either by the School Board or RSD pursuant to a sublease (the “**Charter Lease**”) by and between the Drew School Facility Owner and the Charter School Operator; and

WHEREAS, the School Board and the RSD each agree to invest monies as needed into the Facilities Foundation and/or to enter into such additional agreements as may be necessary to facilitate the Leveraged Financing and the historic rehabilitation and restoration Drew School Facility; and

WHEREAS, the Facilities Foundation will loan monies made available by the School Board and/or the RSD as may be required to complete the historic rehabilitation and restoration of the Drew School Facility in accordance with the Master Plan; provided, however, that any loan made by Facilities Foundation will be payable at an interest rate per annum not in excess of four percent (4.0%) and will mature in not more than forty (40) years from the date of such loan; and provided further that the historic rehabilitation and renovation financing of the Drew School is not contingent upon the receipt of any FEMA Funds and to fulfill Facilities Foundation’s obligations under the Environmental Indemnity.

NOW, THEREFORE, IT IS HEREBY AGREED by and between the School Board, RSD and Facilities Foundation that:

SECTION 1: Purpose as Funding Agreement: The recitals cited above are hereby incorporated into this Drew Leverage CEA to serve as a funding agreement between the School Board, RSD and Facilities Foundation.

SECTION 2: Financing Structure Summary of the Leveraged Financing for the Drew School Facility: The School Board and the RSD hereby approve the Financing Structure Summary for the Leveraged Financing of the Drew School (the “**Drew School Financing Summary**”) attached hereto as **Exhibit “A”**. Pursuant to the Drew School Financing Summary, the School Board hereby commits (i) to advance \$_____ to Facilities Foundation on behalf of the School Board solely to finance a loan to the Drew School Facility Owner to finance all or a portion of the Purchase Price and to pay for a portion of the historic rehabilitation and renovation costs of the Drew School Facility and (ii) to advance such additional funds as may be required to complete the historic rehabilitation and renovation of the Drew School and to fulfill Facilities

Foundation's obligations under the Environmental Indemnity Agreement. OPSB and RSD acknowledge and agree that the ownership rights and interests in the Drew School Facility transferred to the Master Lessee are ownership rights and interests of the RSD valued at the Purchase Price, representing payments by RSD for QREs and that the Purchase Price received by the Master Lessor from the Drew School Facility Owner shall be remitted to the RSD upon receipt.

SECTION 3: Master Lease, Ground Lease and Charter Lease: The School Board and the RSD agree (i) to execute the Master Lease attached hereto as **Exhibit "B"** individually and jointly (together, the "**Master Lessor**") with the Facilities Foundation, as lessee (the "**Master Lessee**") and (ii) to approve the form and execution of the Ground Lease attached hereto as **Exhibit "C"** and to authorize and direct Facilities Foundation to execute the same with the Drew School Facility Owner, as lessee of the Drew Land and purchaser and owner of the Drew School Facility pursuant to sale, transfer and conveyance provisions contained in the Ground Lease, in order to complete the historic rehabilitation and renovation of the Drew School in accordance with the Master Plan. The parties hereto approve the form of the Charter Lease attached hereto as **Exhibit "D"** which provides for monthly payments by the initial Charter School Operator to the Drew School Facility Owner in the initial amount (the "**Charter Lease Payment**").

SECTION 4: Debt Service Offset. The School Board and RSD hereby agree that the initial amount of the per pupil debt service offset (the "**Debt Service Offset**") to be made available to the initial Charter School Operator shall be an amount not less than \$_____ multiplied by the number of students enrolled in the Drew School. The total Debt Service Offset based upon the then current number of students enrolled in the Drew School shall be allocated to the Charter School Operator annually commencing in school year July 1, 2015 – June 30, 2016 which amount corresponds to the Debt Service Offset referenced in La. R.S. 17:3995(A)(1)(c) for calendar year 20__ as adjusted for the then current number of students to be enrolled in the Drew School. The School Board and the RSD further agree that the Debt Service Offset shall be increased each year by an inflation factor not exceeding a simple one and one-half percent (1.5%), without compounding, and that the Debt Service Offset as adjusted each year shall be applied to adjust the per pupil amount to be provided to Type 1, 1B, 2, 3, 4 and 5 charter schools notwithstanding the exclusion of Type 5 charter schools in La. R.S. 17:3995(A)(1)(c); provided,

however, that the inflation factor adjustment to the Debt Service Offset in any year shall not result in payments under the Charter Lease exceeding the amounts actually due as lease payments to the Drew School Facility Owner.

SECTION 5: Insurance. The Drew School Facility Owner shall be required to maintain liability insurance, property insurance, and such other insurance as set forth on **Exhibit “E”** attached hereto. During the term of the Charter Lease, the parties hereto agree that the Charter School Operator shall maintain such insurance coverage as referenced in the Charter Lease, including liability insurance. Property insurance coverage for the Drew School meeting the requirements of **Exhibit “E”**, the Master Lease and the Ground Lease shall be provided to the Drew School Facility Owner as additional insured by the RSD under its umbrella insurance coverage at all times during the term of the Ground Lease; provided, however, that the premium owed for such coverage shall be payable by the Drew School Facility Owner and billed to the Charter School Operator in accordance with the terms of the Charter Lease. RSD’s obligation to provide such property insurance coverage shall be for the benefit of and shall be enforceable by the Facilities Foundation. Proceeds of any casualty insurance shall be used to repair any damage to or to rebuild the Drew School Facility in accordance with the Ground Lease.

SECTION 6: Loans by the Facilities Foundation in accordance with the Drew School Financing Summary. The School Board agrees to grant to the Facilities Foundation and to direct the Facilities Foundation to acknowledge the initial receipt of, \$_____ from the School Board to facilitate the Leveraged Financing of the historic rehabilitation and renovation of the Drew School. The School Board agrees to cause Facilities Foundation to loan the \$_____ to the Drew School Facility Owner in accordance with the leveraged loan documents (the “**Drew School Loan Documents**”) attached hereto as **Exhibit “F”**. The School Board agrees for the full term of the Ground Lease to grant to the Facilities Foundation and to cause the Facilities Foundation to loan such additional monies received by the Facilities Foundation to the Drew School Facility Owner as may be required to provide for all repairs to the Drew School that would be considered to be a capital repair or capital expenditure that is required but not covered but not covered by insurance.

SECTION 7: Loans to Facilities Foundation:

(a) Obligations under the Environmental Indemnity: The School Board acknowledges and authorizes Facilities Foundation to enter into the Environmental Indemnity (the “**Environmental Indemnity**”) for the benefit of the USBCDC in the form attached hereto as **Exhibit “G”**. The School Board hereby irrevocably commits and agrees to loan to Facilities Foundation all such amounts, when and as required under the Environmental Indemnity, to enable Facilities Foundation to fulfill its obligations under the Environmental Indemnity (the “**Environmental Commitment**”). The School Board acknowledges and agrees that the Environmental Indemnity shall be for the benefit of and enforceable by USBCDC, and that USBCDC shall have the right to require that any amount required to be advanced by the School Board under the Environmental Commitment to the Facilities Foundation be funded directly to USBCDC

SECTION 8: RSD Funds deposited with the Facilities Foundation: Funds deposited to the Facilities Foundation by the RSD as provided for in Section 2 or otherwise shall be used exclusively by the Facilities Foundation to finance school facilities in accordance with the Master Plan.

SECTION 9: Term: This Drew Leverage CEA shall be effective from the date of execution hereof and shall remain in effect until the later of December 31, 20__ or such time there is no recapture risk for any investment by Investor or other third party investors in a Leveraged Financing of a school facility identified in the Master Plan.

SECTION 10: Amendment of this Drew Leverage CEA: The parties agree that this Drew Leverage CEA may be amended only by the written instrument and mutual consent of the parties hereto, with the prior written consent of USBCDC. Following the closing of a Leveraged Financing, this Drew Leverage CEA shall not be amended without the consent of USBCDC and any other third party investor or lender beneficiaries of a Leveraged Financing.

SECTION 11: Third Party Beneficiary: The parties agree that USBCDC shall be deemed a third party beneficiary of this Drew Leverage CEA, entitled to enforce the provisions contained herein.

(Signatures follow on next page)

[SIGNATURE PAGE COOPERATIVE ENDEAVOR AGREEMENT]

THUS DONE AND SIGNED, this ____ day, of _____, 2014, at _____, Louisiana.

ORLEANS PARISH SCHOOL BOARD

By: _____
Name: Nolan Marshall, Jr.
Title: President

RECOVERY SCHOOL DISTRICT

By: _____
Name: Patrick Dobbard
Title: Superintendent

LOUISIANA DEPARTMENT OF EDUCATION

By: _____
Name: John White
Title: Superintendent

**ORLEANS SCHOOLS FACILITIES
FOUNDATION, INC.**

By: _____
Name: Nolan Marshall, Jr.
Title: Chairman

EXHIBIT "A"

**Drew School
Leveraged Financing Structure Summary**

EXHIBIT "B"

Master Lease

EXHIBIT “C”

Ground Lease

EXHIBIT “D”

Charter Lease

EXHIBIT “E”

Insurance Requirements

EXHIBIT “F”

Loan Documents

EXHIBIT “G”

Environmental Indemnity

EXHIBIT "D"
MASTER LEASE

MASTER LEASE

among

**THE STATE OF LOUISIANA, DEPARTMENT OF EDUCATION,
RECOVERY SCHOOL DISTRICT (“RSD”)**

and

**THE ORLEANS PARISH SCHOOL BOARD (“OPSB”)
RSD and OPSB together, as Master Lessor**

and

**ORLEANS SCHOOLS FACILITIES FOUNDATION, INC.
as Master Lessee**

Effective as of [_____], 2014

Master Lease

This Master Lease (this “**Master Lease**”), made and entered into as of the [____] day of [____], 2014 (the “**Effective Date**”), is by and among the **ORLEANS PARISH SCHOOL BOARD**, a political subdivision of the State of Louisiana (“**School Board**”) and the **STATE OF LOUISIANA, DEPARTMENT OF EDUCATION, RECOVERY SCHOOL DISTRICT**, a public body and instrumentality of the State of Louisiana (“**RSD**”) (together the School Board and the RSD are referred to hereinafter as the “**Master Lessor**”), and the **ORLEANS SCHOOLS FACILITIES FOUNDATION, INC.**, a Louisiana nonprofit and public benefit corporation (referred to hereinafter as the “**Master Lessee**”) (Master Lessor and Master Lessee are each referred to herein singularly as a “**Party**”, and Master Lessor and Master Lessee are referred to hereinafter collectively as the “**Parties**”).

Recitals:

WHEREAS, the School Board is the record title owner of that approximately [____] acre parcel of real estate (the “**Drew Land**”) and improvements thereon (the “**Drew Improvements**”) located in the City of New Orleans, Parish of Orleans, with a municipal address of [____], New Orleans, Louisiana [____], as more particularly described in **Exhibit “A”** attached hereto and incorporated herein by reference (the Drew Land and Drew Improvements to be designated the “**Drew Property**”);

WHEREAS, pursuant to Louisiana Revised Statute §17:10.7, the RSD was given certain control over the operations and management of certain schools in Orleans Parish, including the authority to determine which schools under its jurisdiction should be rebuilt;

WHEREAS, the Drew Elementary School (the “**Drew School**”), located on the Drew Property, was determined by the Board of Elementary and Secondary Education (“**BESE**”) to be an academically failing school and was transferred to the jurisdiction of the RSD as mandated by Louisiana Revised Statute § 17:10.7;

WHEREAS, pursuant to Louisiana Revised Statute §1900B.(4)(b), the RSD acquires with the transfer of schools, such as the Drew School, transferred to its jurisdiction pursuant to Louisiana Revised Statute §17:10.7 all the rights and responsibility of ownership regarding all land, buildings, facilities, and other property that is part of the school being transferred, including the right to lease the land, rebuild school buildings, and to dispose of property other than the land as is necessary to properly manage the operation of the schools, but is prohibited from disposing of land through sale, the title to the land remaining vested in the School Board;

WHEREAS, the RSD has made the determination that the components of the Drew School constituting Drew Improvements should be substantially renovated in accordance with the School Facilities Master Plan as revised in October 2011 (the “**Master Plan**”) in a leveraged financing initiated through the Master Lessee in a manner that preserves the historic integrity and character of the 4 Drew Improvements;

WHEREAS, the Drew Improvements, including an approximately [____] square foot school and related facilities and all machinery, equipment, fixtures, appliances, furniture, and any other personal property of any kind or description (the “**Personalty**”) owned by the Sub-Lessee and used in connection with the Drew Improvements that is or will be located on the Drew Land shall hereinafter be re-designated the “**Drew School Facility**” in connection with its historic restoration and renovation under the provisions of the Public School Facilities Financing Act (Louisiana Revised Statutes 17:100.10) (“**Financing Act**”);

WHEREAS, the RSD, School Board and Master Lessee have entered into a Cooperative Endeavor Agreement dated as of _____, 2014 (the “**CEA**”) setting forth the terms and conditions of the continued historic restoration and renovation of the Drew School Facility through a leveraged financing under the Financing Act;

WHEREAS, pursuant to the CEA and this Master Lease, the Master Lessor leases the Drew Land to the Master Lessee;

WHEREAS, pursuant to the CEA and this Master Lease and in consideration of a payment of \$_____ to be received from the Master Lessee, the RSD and School Board sell, transfer and convey all of their respective rights and responsibilities of ownership in the Drew School Facility to the Master Lessee as a wholly owned public benefit corporation of the School Board;

WHEREAS, the School Board and the RSD acknowledge and agree that ownership rights and interests in the Drew School Facility being transferred to the Master Lessee are ownership rights and interests vested in the RSD and that the value of RSD’s vested ownership rights and interests in the Drew School Facility amount to \$_____, representing the payment by RSD for certain qualified rehabilitation expenditures (“**QREs**”) for the period commencing on _____, 201__ and ending on the date of the sale of the Drew School Facility to the Master Lessee;

WHEREAS, Drew School Facility purchased by the Master Lessee will be sold by the Master Lessee to Drew Elementary School Facility, LLC, a Louisiana limited liability company (the “**Sub-Lessee**”) pursuant to provisions of a Ground Lease (the “**Ground Lease**”) attached hereto as **Exhibit “B”** between the Master Lessee and Sub-Lessee ;

WHEREAS, Master Lessor acknowledges and agrees that the Master Lessee shall sublease the Drew Land to the Sub-Lessee pursuant to the Ground Lease;

WHEREAS, the Master Lessor and the Master Lessee further acknowledge and agree that, in consideration of a payment of \$_____ to be received from the Sub-Lessee to the Master Lessee, the Master Lessee shall sell and convey ownership of the Drew School Facility to the Sub-Lessee as provided for in the Ground Lease to allow the Sub-Lessee to continue and complete the historic restoration and renovation of the Drew School Facility;

WHEREAS, the Master Lessor and the Master Lessee further acknowledge and agree that the Drew School Facility shall be owned and operated by the Sub-Lessee or by any successor in interest to the Sub-Lessee or by any other intermediary required to own and operate the Drew School Facility pursuant to any financing arrangement required to complete the historic restoration and renovation of the Drew School Facility through a leveraged financing under the Financing Act in an efficient and cost effective manner;

WHEREAS, the Ground Lease directs the Sub-Lessee, subject to the terms and conditions of the Ground Lease, to arrange equity and debt financing to complete the historic restoration and renovation of the Drew School Facility;

WHEREAS, U.S Bancorp Community Development Corporation (the “**Investor**”) and [Drew Managing Member, LLC,] a Louisiana limited liability company (the “**Managing Member**”) are acquiring ownership interests in the Sub-Lessee in order to invest capital (the “**Equity Financing**”) in the Sub-Lessee and the Master Lessee is providing debt financing (the “**Debt Financing**”) to the Sub-Lessee

in order to complete the historic rehabilitation, development, construction, furnishing and equipping of the Drew School Facility;

WHEREAS, it is a condition of the Equity Financing being provided by the Investor and the Managing Member that the School Board make the agreements in Section 6 hereof;

Master Lease:

NOW, THEREFORE, in consideration of the premises, the mutual covenants and agreements herein set forth by each Party to be kept and performed, and for other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby expressly acknowledged by each Party hereto, the Master Lessor and Master Lessee, intending to be legally bound, do hereby mutually covenant and agree as follows:

The Master Lessor does hereby lease, demise and let the Drew Property and does hereby sell, transfer and convey the Drew School Facility to the Master Lessee, subject only to the “**Permitted Encumbrances**” (as defined in the Ground Lease), and the Master Lessee does hereby take and hire the Drew Property and accept ownership of the Drew School Facility from the Master Lessor, subject only to the Permitted Encumbrances and the obligations of the Master Lessee hereunder and under the Ground Lease.

TOGETHER WITH all appurtenances, rights, privileges, and easements benefiting, belonging, or pertaining thereto, and together with the buildings, structures, and improvements erected or to be erected thereon (which shall be deemed to be included in the term Drew Property).

TO HAVE AND TO HOLD the Drew Property for a term of years set forth herein unless this Master Lease shall be sooner terminated as hereinafter provided.

SALE OF DREW SCHOOL FACILITY TO MASTER LESSEE: Subject to this Master Lease and in consideration of the Purchase Price (herein defined), the Master Lessor sells and conveys its ownership of the Drew School Facility to the Master Lessee.

This Master Lease and all rights of the Parties hereunder are expressly subject to the provisions as hereinafter set forth, all of which the Parties hereto respectively agree to keep, abide by, and perform during the Term (as defined herein) hereof.

Section 1. Definitions. The following terms as used in this Master Lease shall have the meanings set forth below, unless the context indicates otherwise. Capitalized terms not otherwise defined in this Master Lease shall have the meaning ascribed to such terms in the Ground Lease.

“**Beneficiaries**” means collectively or individually as may be intended, Master Lessee, Sub-Lessee, the Investor, or the Managing Member (together with their officers, directors, employees, agents, participants, members, partners, successors and assigns, and any parent or affiliate or such entity).

“**Debt Financing**” shall have the meaning set forth in the Recitals.

“**Drew Improvements**” shall have the meaning set forth in the Recitals.

“**Drew Land**” shall have the meaning set forth in the Recitals.

“**Drew Property**” shall have the meaning set forth in the Recitals.

“**Drew School Facility**” shall have the meaning set forth in the Recitals.

“**Environmental Law**” means, collectively, the Resource Conservation and Recovery Act of 1976, 42 U.S.C. §6901 et seq., the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Liability Act, 42 U.S.C. §9601 et seq., the Toxic Substance Control Act, 15 U.S.C. §2601 et seq., the Clean Air Act, 42 U.S.C. §7401 et seq., the Clean Water Act, 33 U.S.C. §1251 et seq., all municipal, county, and state analogues to any of the foregoing, all amendments to any of the foregoing, any other municipal, county, state or federal law, rule, regulation, ordinance or directive regulating Hazardous Materials, and all enforceable orders, regulations and requirements under any of the foregoing.

“**Equity Financing**” shall have the meaning set forth in the Recitals.

“**Event of Default**” means any material breach or intentional violation of the terms and conditions set forth in this Master Lease by either party, which remains uncured following written notice of such event by the non-defaulting party and expiration of any cure periods provided herein. No Event of Default may be initiated by Master Lessor unless both the School Board and the RSD agree in writing.

“**Financing Act**” shall have the meaning set forth in the Recitals.

“**Ground Lease**” shall have the meaning set forth in the Recitals.

“**Hazardous Material**” means, collectively (A) any hazardous, toxic, or infectious substance, material or waste, including, but not limited to, those substances, materials, and wastes listed in the United States Department of Transportation Hazardous Materials Table (49 CFR 172.101) or by the Environmental Protection Agency as hazardous substances (40 CFR Part 302) and amendments thereto and replacements therefor; (B) such substances, materials or wastes as are regulated by the Resource Conservation and Recovery Act of 1976, 42 U.S.C. §6901 et. seq. (“**RCRA**”), the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Liability Act, 42 U.S.C. §9601 et. seq. (“**CERCLA**”), the Toxic Substance Control Act, 15 U.S.C. §2601 et seq. (“**TSCA**”), the Clean Air Act, 42 U.S.C. §7401 et seq. (“**CAA**”), the Clean Water Act, 33 U.S.C §1251 et. seq. (“**CWA**”), and all amendments to any of the foregoing laws, and all orders, regulations, directions and requirements thereunder; (C) asbestos; (D) such toxic, hazardous, or infectious substances, materials or wastes that are or may become regulated under any other applicable municipal, county, state or federal law, rule, ordinance, direction, or regulation; and (E) any other substance or material regulated under any applicable municipal, county, state or federal law, rule, ordinance, direction, or regulation because of its dangerous or deleterious effects on human health or the environment.

“**Investor**” shall have the meaning set forth in the Recitals.

“**Master Lessor Representative**” means the Person or Persons designated by the Master Lessor to serve as the Master Lessor's representatives hereunder.

“**Master Drew Land Lease Payment**” shall have the meaning given in Section 3 hereof.

“**Master Lease**” shall have the meaning given in Section 2.

“**Master Lessee**” shall have the meaning set forth in the Recitals.

“**Memorandum of Master Lease**” means the agreement of even date herewith executed by the Parties which sets forth certain of the basic terms of this Master Lease, and is in recordable form.

“**Operating Supplies**” means such materials which may be Hazardous Material such as cleaning materials and fuel oil used in the ordinary course in the operation and maintenance of the Drew School Facility or the conduct of any tenant’s business therein or the conduct of any tenant’s business at the Drew School Facility, and legally permissible construction items incorporated into the Drew School Facility during the construction thereof, in each case only to the extent in compliance with all Environmental Laws and other federal, state and local laws, rules and regulations, and only in such quantities as shall be used in the ordinary course for the operation and maintenance of the Drew School Facility, and legally permissible construction items incorporated into the Drew School Facility during the construction thereof.

“**Other Property**” means any property which becomes contaminated with Hazardous Materials directly as a result of construction, operations or other activities on, or the contamination of, the Drew School Facility.

“**Purchase Price**” means the sum of \$_____ to be paid by the Master Lessee to the Master Lessor for the purchase of the Drew School Facility from the Master Lessor.

“**Rent**” means the Master Drew Land Lease Payment payable under this Master Lease, as defined and described in Section 3 hereof.

“**Rent Commencement Date**” shall mean [_____, 201_].

“**Reports**” means [TBD]..

“**School Purposes**” means, without narrowing the definition set forth in the Financing Act, such term includes but is not limited to any of the following activities carried on at the Drew School Facility: (a) activities that primarily benefit Orleans Parish public school students, teachers or staff; (b) activities that primarily benefit both Orleans Parish public school students, teachers or staff and private and post-secondary school students, teachers or staff; (c) activities pursuant to a cooperative endeavor agreement with Master Lessor that primarily provide benefits outside the school context, but for other state and local public bodies; and (d) activities that primarily benefits only private and post-secondary school students, teachers or staff. Without limiting the foregoing, the following examples are permitted with regard to the Drew School Facility being operated for School Purposes: (a) public school or public for-profit or non-profit charter school serving any age group (pre-kindergarten through grade 12), (b) private pre-school, elementary school, middle school or high school, (c) public or private trade school, (d) public or private university or college, (e) housing primarily for public or private school students, teachers and/or staff, (f) office facilities associated with the administration and/or management of public or private schools or school facilities, (h) retail facilities associated with supporting public or private schools or school facilities, (i) educational training facilities for teachers and/or staff of public or private schools, and (j) health care facilities primarily for the benefit of public or private school students, faculty and/or staff.

“**SNDA**” means the Subordination, Non-disturbance and Attornment Agreement to be entered into on or about the Rent Commencement Date , by and among the Master Lessee, the Master Lessor, the Sub-Lessee and [_____].

“**State**” means the State of Louisiana.

“**Sub-Lessee**” shall have the meaning set forth in the Recitals.

“**Sub-Sublessee**” means any subsequent lessee pursuant to a sublease by the Sub-Lessee.

“**Term**” shall have the meaning given in Section 2.

“**Termination Date**” means the date on which the Term hereof ends by termination or expiration of this Master Lease.

Section 2. Term.

(a) The term of the leasehold estate of the Master Lessee in the Drew Property created hereunder shall begin on the Rent Commencement Date, and shall expire at 12:00 midnight on the ninety-ninth (99th) annual anniversary of the Rent Commencement Date, unless otherwise extended by a written agreement of the Parties or sooner terminated in accordance with this Master Lease or by operation of law (the “**Term**”).

(b) The Master Lessor and Master Lessee, within thirty (30) days after request of the other, shall confirm the then current Termination Date in writing, and if so requested, by an instrument in recordable form.

Section 3. Purchase Price of Drew School Facility and Master Drew Land Lease Payment.

(a) Purchase Price of Drew School Facility: Master Lessor acknowledges receipt on [____], 2014 (the “**Sale Date**”) of the Purchase Price from the Master Lessee for the purchase of the Drew School Facility by the Master Lessee from the Master Lessor.

(b) Master Drew Land Lease Payment: Master Lessee shall pay to the Master Lessor as rent for the Drew Land the sum of ONE AND 00/100 DOLLAR (\$1.00) per year of the Term (the “**Master Drew Land Lease Payment**”). Master Lessor acknowledges the receipt of \$99.00 in hand paid as of the Effective Date as full capitalized payment of the Master Drew Land Lease Payment due hereunder.

Section 4. Execution and Enforceability of the Ground Lease and Sale of Drew School Facility to Sub-Lessee. As of the Effective Date and the Rent Commencement Date, (i) the Master Lessee acknowledges and agrees that the Master Lessee has executed and entered into the Ground Lease with the Sub-Lessee and that the Ground Lease is binding and enforceable on and against the Master Lessee and the Sub-Lessee, (ii) the Master Lessor acknowledges and consents to the Ground Lease and approves Sub-Lessee as the Sub-Lessee under the Ground Lease and (iii) the Master Lessor acknowledges and consents to the sales and conveyance of the Drew School Facility to the Sub-Lessee pursuant to provisions embedded in the Ground Lease.

Section 5. Quiet Enjoyment/Police Service. The School Board represents that, as of the Effective Date and the Rent Commencement Date, the School Board owns the Drew Property subject to no restrictions, liens, or other encumbrances other than Permitted Encumbrances. The RSD represents that it has received the authority to control the lease of the Drew Property to the Master Lessee, and to authorize the rehabilitation, construction and development of the Drew School Facility pursuant to Louisiana law and the Ground Lease. Collectively, Master Lessor and Master Lessee further covenant and agree that, throughout the term of the Ground Lease, the Sub-Lessee may peaceably and quietly enjoy the Drew School Facility without interference from any party claiming by or through Master Lessor or Drew School Master Lease

Master Lessee, subject, however, to Permitted Encumbrances under the Ground Lease and the Sub-Lessee's fulfillment of the covenants and agreements contained in the Ground Lease. Notwithstanding anything to the contrary contained in this Master Lease or the Ground Lease, the Drew School Facility shall be subject, at all times during the term of the Ground Lease, to the jurisdiction of the City of New Orleans police and fire departments, and Sub-Lessee shall accept a sub-leasehold interest to the Drew School Facility "AS IS".

Section 6. Environmental Condition of the Drew Property. The School Board agrees and acknowledges that it has held continuous and uninterrupted title to the Drew Property since on or before [*September 14, 1953*], and that as owner of the Drew Property, pursuant to the Environmental Laws, it is liable for any, and agrees to pay, protect, defend every Beneficiary (at trial and appellate levels) with attorneys and experts reasonably acceptable to Investor and Master Lessee, from and against any and all, Costs (defined below) which may at any time be actually imposed upon, incurred by or asserted or awarded against the Beneficiaries with respect to the Drew Property, and arising directly or indirectly from or out of: (i) the violation of any Environmental Law; (ii) the actual or alleged presence, release or threat of release of any Hazardous Material now or hereafter on, in, under or affecting all or any portion of the Drew Property or any surrounding areas, regardless of whether or not caused by or within the control of the School Board, or at any other location if the Hazardous Materials were generated, treated, stored, transported or disposed of by or on behalf of the School Board; (iii) the failure by the School Board to comply fully with the terms and conditions of this Section 6; or (iv) the enforcement of this Section 6, including, without limitation, the cost of assessment, containment and/or removal of any and all Hazardous Materials from all or any portion of the Drew Property or any surrounding areas, the cost of any actions taken in response to the presence, release or threat of release of any Hazardous Materials on, in, under or affecting any portion of the Drew Property or any surrounding areas. The School Board has delivered the Reports to the Beneficiaries and except as set forth in the Reports, the School Board is unaware (i) of any violation on the Drew Property of any Environmental Law; (ii) of the presence of any Hazardous Materials located on or being handled, generated, stored, processed or disposed of on or released or discharged from the Drew Property (including underground contamination); (iii) of any private or governmental lien or judicial or administrative notice or action relating to Hazardous Materials; (iv) of any existing or closed underground storage tanks or other underground storage receptacles for Hazardous Materials on the Drew Property. The School Board has received no notice of, and there exists no investigation, action, proceeding or claim by any agency, authority or unit of government or by any third party which could reasonably be expected to result in any liability, penalty, sanction or judgment under any Environmental Laws with respect to any condition, use or operation of the Drew Property.

As used in this Section 6 “Costs” shall include all present or future liens, damages, losses, liabilities, obligations, settlement payments, penalties, assessments, citations, directives, claims, litigation, demands, defenses, judgments, suits, proceedings, costs, disbursements and expenses of any kind or of any nature whatsoever (including, without limitation, attorneys’, consultants’ and experts’ fees and disbursements actually incurred in investigating, defending, settling or prosecuting any claim, litigation or proceeding or enforcing the obligations of the School Board hereunder), together with any diminution in the value of the Drew Property or any Other Property, or any future reduction of the appraised sales or rental price of the Drew Property or any Other Property, loss of use of the Drew Property or any Other Property (in each case due to the presence of Hazardous Materials on the Drew Property or Other Property respectively), and the imposition of any lien on or against the Drew Property or any Other Property by reason of any matter set forth in this Section 6; but “Costs” shall not include any punitive damages except to the extent that the damages listed in this sentence may be considered punitive damages.

- a. *Limitation on Liability.* Master Lessor acknowledges that in no event shall any Beneficiary have any liability in the event a claim is filed by any person against one or

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more Beneficiaries arising out of, or as a result of the environmental condition of, or any environmental hazard or violation of any Environmental Law, which existed as of the Effective Date of this Master Lease, or which occurs after the Effective Date of this Master Lease. But which arises out of circumstances or events which occurred prior to the Effective Date of this Master Lease.

- b. *Obligations of Master Lessee.* The Master Lessee shall, for so long as the Drew Property is leased by Master Lessee, exercise the same degree of care as a reasonable, prudent lessee of like properties would exercise to keep or cause the Drew Property to be kept free from Hazardous Materials (other than Operating Supplies) and in compliance with all applicable Environmental Laws, shall not install or use any underground storage tanks, shall expressly prohibit the use (other than Operating Supplies), generation, handling, storage, production, processing and disposal of Hazardous Materials by all occupants of space in the improvements at the Drew Property (including Sub-Lessee and any Sub-Sublessee), and, without limiting the generality of the foregoing, shall not install in the improvements at the Drew Property or permit to be installed in the improvements at the Drew Property asbestos or any substance containing asbestos. Such obligations of Master Lessee shall not be a condition of the School Board's obligations under this Section 6.
- c. *Notice of Presence of Hazardous Materials.* The Master Lessee shall immediately notify the Master Lessor should Master Lessee become aware of (A) any Hazardous Materials (other than Operating Supplies), or other potential environmental problem or liability, with respect to the Drew School Facility, (B) any lien, regulatory or enforcement action or notice affecting the Drew School Facility or the Sub-Lessee resulting from any violation or alleged violation of the Environmental Laws, or (C) the institution of any investigation, inquiry or proceeding by any applicable governmental authority concerning the Sub-Lessee or the Drew School Facility pursuant to any Environmental Law or otherwise relating to Hazardous Materials. Master Lessor agrees to provide such notice to the remaining Beneficiaries upon receipt. Such notice obligation shall not be a condition of the School Board's obligations under this Section 6.
- d. *Costs of Remediation.* Upon discovery, the School Board shall, promptly and when and as required and regardless of the source of the contamination, at its own expense, take all actions as shall be required pursuant to any applicable Environmental Laws, consistent with the use of the Drew Property, for the remediation of any and all portions of the Drew Property or Other Property, including, without limitation, all investigative, monitoring, removal, containment and remedial actions in accordance with all Environmental Laws that are applicable to the Drew Property, and shall further pay or cause to be paid, at no expense to the Beneficiaries, all remediation, administrative and enforcement costs imposed by applicable governmental agencies and which may be asserted against the Drew Property. In the event the School Board fails to do so any or all Beneficiaries may, in their sole discretion (but shall have no obligation to), cause the Drew Property or Other Property to be so freed from any Hazardous Materials or otherwise brought into compliance with Environmental Laws consistent with the use of the Drew Property and any actual out-of-pocket cost incurred in connection therewith shall be included in Costs and shall be paid by the School Board; provided, however, that the Beneficiaries shall not take such action unless either (i) the School Board fails to commence such required actions within fifteen (15) days after written notice by any Beneficiary, and/or the School Board thereafter fails to diligently and/or continuously prosecute to completion all required work and actions, and/or any Beneficiary determines in its discretion that the

School Board may fail to complete the required work and actions within the time frames required under any applicable Environmental Laws and/or under the requirements of any governmental agency or body or (ii) any Beneficiary determines in its discretion that the School Board's failure to take the required actions is likely to have a material and adverse effect on the operation of the Drew Property as a whole or any Beneficiary's interests in the Drew Property and such Beneficiary gives notice to the School Board of such determination. In furtherance of the foregoing, subject to the terms of the Leases, the School Board hereby grants to the Beneficiaries access to the Drew Property and an irrevocable license to remove any items deemed by the Beneficiaries to be Hazardous Materials in violation of Environmental Laws and to do all things any Beneficiary shall deem necessary to bring the Drew Property into compliance with Environmental Laws.

- e. *Subsequent Investigation.* Upon the request of any Beneficiary, at such time as any Beneficiary has grounds to believe or suspect that Hazardous Materials are or have been released, stored or disposed of on or around the Drew Property (other than in accordance with applicable Environmental Laws) or that the Drew Property may be in violation of the Environmental Laws, the School Board shall provide, at its sole expense, an inspection or audit of the Drew Property prepared by a hydrogeologist or environmental engineer or other appropriate consultant selected by the School Board and approved by the Beneficiaries assessing the presence or absence of Hazardous Materials on the Drew Property. If the School Board fails to commence such inspection or audit within fifteen (15) days after such request, any Beneficiary may order the same, and the School Board hereby grants to the Beneficiaries access to the Drew Property and an irrevocable license to undertake such inspection or audit. The cost of such inspection or audit shall be included in Costs and shall be paid by the School Board.

- f. *Development of Drew Property.* Notwithstanding anything to the contrary contained herein, Master Lessor and Master Lessee agree, and Beneficiaries acknowledge, that Master Lessor is undertaking no obligation to develop or conduct construction activities on the Drew Property, those obligations belonging exclusively to the Sub-Lessee. The School Board shall not, except as expressly required by the Environmental Laws, bear any liability for the presence of Hazardous Materials or the violation of any Environmental Laws arising out of the construction or development of the Drew School Facility. Master Lessee shall require that Sub-Lessee maintain and operate the Drew Property so as to comply with all applicable Environmental Laws. To the extent that any violations of Environmental Laws are reasonably believed by the School Board to have occurred after the Effective Date and due to the activities of Sub-Lessee, nothing herein shall be deemed to prohibit the School Board from pursuing all available remedies against Sub-Lessee or its agents.

Section 7. Application of the Public School Facilities Financing Act. The Master Lessor and Master Lessee acknowledge and agree that the development, renovation and construction of the Drew School Facility is being facilitated by the provisions of the Financing Act. The Financing Act requires that any arrangement, such as this Master Lease, providing for the renovation of existing schools or the construction of new schools through a public benefit corporation created under the Financing Act must specifically provide that title and control of such schools and school facilities, such as the Drew School Facility, shall automatically and immediately, by operation of law, revert to the School Board if the property is used for purposes other than School Purposes.

The Master Lessee further acknowledges and agrees that all documents related to the financing of the Drew School Facility shall contain a specific acknowledgement that the provisions of the Financing Drew School Master Lease

Act apply, including the automatic reversion of the Drew School Facility to the School Board if the Drew School Facility is used for a purpose other than for School Purposes. Notwithstanding the foregoing, the Master Lessor confirms that (i) prior to completion of renovation or construction and (ii) in the event that any sub-sublease between the Sub-Lessee and any Sub-Sublessee terminates other than as a result of a breach or default thereunder by the Sub-Lessee (provided that the Sub-Lessee is exercising reasonably diligent efforts to enter into a replacement sub-sublease with a Sub-Sublessee), the Drew School Facility shall not be deemed to be used for a purpose other than School Purposes for purposes of this Section 7 and title and control of the Drew School Facility shall not automatically and immediately, by operation of law, revert to the School Board.

Section 8. Master Lessor’s Obligation for Extensive Repairs. Notwithstanding anything in this Master Lease to the contrary, pursuant to Louisiana Revised Statute 17:1900(B)(4)(a), the School Board shall provide for the type of extensive repair to buildings or facilities that would be considered to be a capital expense. Therefore, Master Lessor and Master Lessee agree that upon damage or destruction to the Drew School Facility after construction, the cost of any repairs shall be paid: first, from any available insurance proceeds obtained for such purpose; second, from any reserve funds held by Sub-Lessee for capital expenditures; and third, from funds made available by the School Board pursuant to applicable law.

Section 9. Notices. (a) All notices, certificates, demands, requests, or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by certified mail, postage prepaid, return receipt requested, or given when dispatched by facsimile transmission, or by personal delivery addressed as follows:

If to the Master Lessee: Orleans Schools Facilities Foundation, Inc.
c/o Orleans Parish School Board
3520 General DeGaulle Drive, Suite 5088
New Orleans, Louisiana 70114
Attention: Nolan Marshall, Jr., President
Facsimile: (504) 379-4185

With a copy to: Orleans Parish School Board
3520 General DeGaulle Drive, Suite 5088
New Orleans, Louisiana 70114
Attention: Edward Morris, Esq.
Facsimile: (504) 366-0142

And a copy to: Foley & Judell, L.L.P.
One Canal Place, Suite 2600
365 Canal Street
New Orleans, LA 70130
Attention: Wayne Neveu
Facsimile: (504) 565-3900

If to the Master Lessor: Orleans Parish School Board
3520 General DeGaulle Drive, Suite 5088
New Orleans, Louisiana 70114
Attention: Nolan Marshall, Jr., President
Facsimile: (504) 379-4185

Recovery School District

Attention: Patrick Dobard, Superintendent
1615 Poydras Street, Suite 1400
New Orleans, Louisiana 70112
Telephone: (504) 373-6200, Ext. 20016

With a copy to:

Foley & Judell, L.L.P.
One Canal Place, Suite 2600
365 Canal Street
New Orleans, Louisiana 70130
Attention: Wayne Neveu
Facsimile: (504) 565-3900

And a copy to:

Jones Walker L.L.P.
8555 United Plaza Blvd., 5th Floor
Baton Rouge, Louisiana 70809
Attention: Amanda S. Wells
Facsimile: (225) 248-3118

And a copy to:

U.S. Bancorp Community Development Corporation
1307 Washington Avenue, Suite 300
St. Louis, Missouri 53103
Attention: Director of Asset Management –
NMTC/HTC/ITC
Reference #23318
Facsimile: (314) 335-2602

(b) Either party hereto may, by notice given to each of the other, designate any additional or different addresses to which subsequent notices, certificates, demands, requests, or other communications shall be sent.

(c) Notwithstanding anything contained herein to the contrary, any notice required to be given by the Master Lessor or the Master Lessee shall be deemed to have been given and shall be effective as of the date such notice is received or refused reflected on said notice. All notices, certificates, demands, requests, or other communications made by either party to the other which are required or permitted by the provisions of this Master Lease shall be in writing and a copy of the same shall be delivered simultaneously to the Investor.

Section 10. Representations.

(a) OPSB and RSD each makes the following representations on behalf of itself only as the basis for the undertakings on its part herein contained:

(i) *Organization and Power.* The School Board is a political subdivision of the State of Louisiana and has all requisite power and authority and all necessary licenses and permits to own and operate its properties and to carry on its business as it is now being conducted and as it is currently proposed to be conducted. The RSD is a public body and instrumentality of the State of Louisiana and is duly organized, validly existing, and in good standing under the laws of the State of Louisiana, is authorized to do business in the State, and has all requisite power and authority and all necessary licenses and permits to own and operate its properties and to carry on its business as it is now being conducted and as it is currently proposed to be conducted.

(ii) Pending Litigation and Taxes. There are no actions, suits, proceedings, inquiries, or investigations pending or, to the knowledge of the OPSB and RSD, threatened against or affecting the OPSB or RSD in any court or by or before any governmental authority or arbitration board or tribunal that involve the likelihood of materially and adversely affecting the properties, business, prospects, profits, operations, or condition (financial or otherwise) of the OPSB or RSD, or the ability of the OPSB or RSD to perform its obligations under this Master Lease, or the transactions contemplated by this Master Lease or that, in any way, would adversely affect the validity or enforceability of this Master Lease or any agreement or instrument to which the OPSB or RSD is a party and that is used or contemplated for use in the consummation of the transactions contemplated hereby, nor are the OPSB or RSD aware of any facts or circumstances currently existing that would form the basis for any such action, suit, or proceeding. Neither the OPSB nor RSD is in default with respect to any judgment, order, writ, injunction, decree, demand, or rule issued in favor of or against it, by any court, governmental authority, or arbitration board or tribunal. All tax returns (federal, state, and local) required to be filed by or on behalf of the OPSB or RSD have been duly filed, and all taxes, assessments, and other governmental charges shown thereon to be due, including interest and penalties, except such, if any, as are being actively contested by the OPSB or RSD in good faith, have been paid or adequate reserves have been made for the payment thereof.

(iii) Agreements Are Legal and Authorized. The execution and delivery by the OPSB or RSD of this Master Lease, the consummation of the transactions herein contemplated, and the fulfillment of or the compliance with all of the provisions hereof (1) are within the power, legal right, and authority of the OPSB and RSD, (2) are legal and will not conflict with or constitute on the part of the Master Lessor a violation of or a breach of or a default under, or result in the creation or imposition of any lien, charge, restriction, or encumbrance (other than Permitted Encumbrances) upon any property of the OPSB or RSD (other than the Drew Property) under the provisions of, any charter instrument, bylaw, indenture, mortgage, deed of trust, pledge, note, lease, or loan, or installment sale agreement, contract, or other agreement or instrument to which the OPSB or RSD is a party or by which the OPSB or RSD or its properties are otherwise subject or bound, or, to its knowledge, any license, law, statute, rule, regulation, judgment, order, writ, injunction, decree, or demand of any court or governmental agency or body having jurisdiction over the OPSB or RSD or any of its activities or properties, and (3) have been duly authorized by all necessary and appropriate corporate action on the part of the OPSB and RSD and all necessary and appropriate governmental action. This Master Lease is the valid, legal, binding, and enforceable obligations of the OPSB and RSD. The officer or officers of the OPSB and RSD executing this Master Lease are duly and properly in office and are fully authorized and empowered to execute the same for and on behalf of the OPSB and RSD.

(iv) Governmental Consents. Neither the OPSB nor RSD nor any of the businesses or properties of either, nor any relationship between the OPSB and RSD and any other person or entity, nor any circumstance in connection with the execution, delivery, and performance by the OPSB or RSD of its obligations under this Master Lease, is such as to require the consent, approval, permission, order, license, or authorization of, or the filing, registration, or qualification with, any governmental authority on the part of the OPSB or RSD in connection with the execution, delivery, and performance of this Master Lease or the consummation of any transaction herein contemplated, except as shall have been obtained or made and as are in full force and effect.

(v) *Fee Title.* The School Board owns good and marketable fee simple absolute title to the Drew Property free and clear of all liens, claims, and encumbrances other than Permitted Encumbrances.

(c) The Master Lessee makes the following representations as the basis for the undertakings on its part herein contained:

(i) *Organization/Power.* The Master Lessee is a nonprofit public benefit corporation of the School Board duly organized, validly existing, and in good standing under the laws of the State of Louisiana, is authorized to do business in the State, and has all requisite power and authority and all necessary licenses and permits to own and operate its properties and to carry on its business as it is now being conducted and as it is currently proposed to be conducted. The sole purpose and business of Master Lessee shall be to engage exclusively in educational and charitable activities under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future revenue act) which are exempt from Federal income tax, and to act as a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986 (or corresponding provision of any future revenue act) and related activities associated therewith.

(ii) *Pending Litigation and Taxes.* There are no actions, suits, proceedings, inquiries, or investigations pending or, to the knowledge of the Master Lessee, threatened against or affecting the Master Lessee in any court or by or before any governmental authority or arbitration board or tribunal that involve the likelihood of materially and adversely affecting the properties, business, prospects, profits, operations, or condition (financial or otherwise) of the Master Lessee, or the ability of the Master Lessee to perform its obligations under this Master Lease, or the transactions contemplated by this Master Lease or that, in any way, would adversely affect the validity or enforceability of this Master Lease or any agreement or instrument to which the Master Lessee is a party and that is used or contemplated for use in the consummation of the transactions contemplated hereby or thereby, nor is the Master Lessee aware of any facts or circumstances currently existing that would form the basis for any such action, suit, or proceeding. The Master Lessee is not in default with respect to any judgment, order, writ, injunction, decree, demand, rule, or regulation of any court, governmental authority, or arbitration board or tribunal. All tax returns (federal, state, and local) required to be filed by or on behalf of the Master Lessee have been duly filed, and all taxes, assessments, and other governmental charges shown thereon to be due, including interest and penalties, except such, if any, as are being actively contested by the Master Lessee in good faith, have been paid or adequate reserves have been made for the payment thereof.

(iii) *Agreements Are Legal and Authorized.* The execution and delivery by the Master Lessee of this Master Lease, the consummation of the transactions herein contemplated, and the fulfillment of or the compliance with all of the provisions hereof (1) are within the power, legal right, and authority of the Master Lessee, (2) are legal and will not conflict with or constitute on the part of the Master Lessee a violation of or a breach of or a default under, or result in the creation or imposition of any lien, charge, restriction, or encumbrance (other than Permitted Encumbrances) upon any property of the Master Lessee under the provisions of, any charter instrument, bylaw, indenture, mortgage, deed of trust, pledge, note, lease, or loan, or installment sale agreement, contract, or other agreement or instrument to which the Master Lessee is a party or by which the Master Lessee or its properties are otherwise subject or bound, or, to its knowledge, any license, law, statute, rule, regulation, judgment, order, writ, injunction, decree, or demand of any court or governmental agency or body having jurisdiction over the Master Lessee or any of its activities or properties, and (3) have been duly authorized by all necessary and

appropriate corporate action on the part of the Master Lessee and all necessary and appropriate governmental action. This Master Lease is the valid, legal, binding, and enforceable obligations of the Master Lessee. The officer or officers of the Master Lessee executing this Master Lease are duly and properly in office and are fully authorized and empowered to execute the same for and on behalf of the Master Lessee.

(iv) Governmental Consents. Neither the Master Lessee nor any of its business or properties, nor any relationship between the Master Lessee and any other person or entity, nor any circumstance in connection with the execution, delivery, and performance by the Master Lessee of its obligations under this Master Lease, is such as to require the consent, approval, permission, order, license, or authorization of, or the filing, registration, or qualification with, any governmental authority on the part of the Master Lessee in connection with the execution, delivery, and performance of this Master Lease or the consummation of any transaction herein contemplated, except as shall have been obtained or made and as are in full force and effect.

(v) Compliance with Law. To the knowledge of the Master Lessee, the Master Lessee is not in violation of any laws, ordinances, or governmental rules or regulations to which it is subject and has not failed to obtain any licenses, permits, franchises, or other governmental authorizations (that are currently obtainable) necessary to the ownership of its or their properties or to the conduct of its business, which violation or failure to obtain might materially and adversely affect the properties, business, prospects, profits, or condition (financial or otherwise) of the Master Lessee.

Section 11. Event of Default. If either Master Lessor or Master Lessee believes that the other has caused an Event of Default hereunder, the party claiming such breach or default shall give the other party notice of such breach or default and shall afford such other party one hundred twenty days to cure such breach or default (provided that if such breach or default cannot reasonably be cured within such one hundred twenty day period, then such one hundred twenty day period shall be extended so long as such other party is exercising reasonably diligent efforts to cure such breach or default, but not beyond a period for cure that equals one hundred eighty days in the aggregate (including the initial one hundred twenty-day cure period)). If such breach or default has not been cured within such permitted cure period, then the non-breaching party may, subject to the terms and conditions of the SNDA, terminate this Master Lease by notice to the breaching party. For purposes of this Section, the Investor shall receive any notice of a breach or default and shall have the right, but not the obligation, to cure such default within the prescribed cure period.

Section 12. SNDA to Govern. The SNDA shall govern any inconsistent provisions of this Master Lease.

Section 13. Miscellaneous.

(a) Rights are Cumulative. All rights, powers, and privileges conferred herein upon both parties hereto shall be cumulative.

(b) Applicable Law. This Master Lease shall be governed, construed, performed and enforced in accordance with the laws of the State without regard to conflicts of law principle.

(c) Genders and Numbers Included. Whenever the singular or plural number, or masculine, feminine, or neuter gender is used in this Master Lease, it shall equally apply to, extend to, and include the other.

(d) Invalidity of Provision or Part Thereof. In the event any provision, or any portion of any provision of this Master Lease is held invalid, the other provisions of this Master Lease and the remaining portion of said provision, shall not be affected thereby and shall continue in full force and effect.

(e) Time is of the Essence. All time limits stated in this Master Lease are of the essence of this Master Lease.

(f) Section Captions are to be Disregarded. The captions of the numbered sections of this Master Lease are for purposes of identification and convenience only and are to be completely disregarded in construing this Master Lease.

(g) Recordation of Memorandum of Lease. The Master Lessor and Master Lessee agree that the parties shall execute, seal, acknowledge and deliver simultaneously with the execution of this Master Lease, the Memorandum of Master Lease.

(h) Counterparts. This Master Lease may be executed simultaneously in two or more counterparts, each of which shall be deemed original and all of which, when taken together, shall constitute one in the same document. The signature of any party to any counterpart shall be deemed a signature too, and may be appended to, any other counterpart.

(i) Non-Waiver. No waiver by either party of any violation or breach of any of the terms, provisions and covenants contained in this Master Lease shall be deemed or construed to constitute a waiver of any other violation or breach of any of the terms, provisions and covenants contained in this Master Lease. Forbearance by either party in enforcing one or more of the remedies provided in this Master Lease upon an Event of Default shall not be deemed or construed to constitute a waiver of such Event of Default or of such party's right to enforce any such remedies with respect to such Event of Default or any subsequent Event of Default.

(j) Third Party Beneficiaries. Each Beneficiary shall be a third party beneficiary of and shall be entitled to enforce the provisions of Section 6 hereof. No changes to Section 6 hereof shall have any force and effect unless and until Beneficiaries consent to same.

Section 14. Sale and Conveyance of Drew School Facility. Master Lessor and Master Lessee hereby acknowledge and agree that, in consideration of the Purchase Price paid by the Master Lessee on the Sale Date to the Master Lessor in accordance with the provisions of Section 3(a) hereof, notwithstanding the form of the transaction contemplated by this Master Lease, the Master Lessor hereby sells, conveys and assigns to Master Lessee the Drew School Facility. Master Lessee is and shall be treated as the owner of the Drew School Facility for state law and federal income tax purposes. For Federal income tax and accounting purposes, Master Lessor recognizes and shall continue to recognize the Master Lease as a sale, and Master Lessee and Master Lessor shall not take any tax reporting position to the contrary.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the Master Lessor and the Master Lessee have caused this Master Lease to be duly executed in duplicate counterparts each of which shall be deemed to be an original, the day and year first above written.

Master Lessor:

WITNESSES:

ORLEANS PARISH SCHOOL BOARD

Print Name: _____

By: _____
Name: Nolan Marshall, Jr.
Title: President

Print Name: _____

Notary Public
My commission expires: _____

WITNESSES:

RECOVERY SCHOOL DISTRICT

Print Name: _____

By: _____
Name: Patrick Dobbard
Title: Superintendent

Print Name: _____

Notary Public
My commission expires: _____

[SIGNATURE PAGE TO MASTER LEASE]

Master Lessee:

**ORLEANS SCHOOLS FACILITIES
FOUNDATION, INC.**

WITNESSES:

Print Name: _____

Name: Nolan Marshall, Jr.
Title: Chairman

Print Name: _____

Notary Public
My commission expires: _____

[SIGNATURE PAGE TO MASTER LEASE]

EXHIBIT "A"

DESCRIPTION OF DREW PROPERTY

EXHIBIT "B"
FORM OF GROUND LEASE
[ATTACHED]

EXHIBIT "E"
GROUND LEASE

GROUND LEASE

between

**ORLEANS SCHOOLS FACILITIES FOUNDATION, INC.,
as Master Lessee**

and

**DREW ELEMENTARY SCHOOL FACILITY, LLC,
A Louisiana limited liability company
As Sub-Lessee**

Effective as of [____], 2014

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Ground Lease

This Ground Lease (this “**Ground Lease**”), made and entered into as of the __ day of [____], 2014 (the “**Effective Date**”), is by and between the **ORLEANS SCHOOLS FACILITIES FOUNDATION, INC.**, a Louisiana nonprofit and public benefit corporation (referred to hereinafter as the “**Master Lessee**”) and **DREW ELEMENTARY SCHOOL FACILITY, LLC**, a Louisiana limited liability company (referred to hereinafter as “**Sub-Lessee**” or “**Drew School Facility Owner**”) (Master Lessee and Sub-Lessee are each referred to herein singularly as a “**Party**”, and Master Lessee and Sub-Lessee are referred to hereinafter collectively as the “**Parties**”).

Recitals:

WHEREAS, the Orleans Parish School Board (the “**School Board**”) is the record title owner of that approximately [____] acre parcel of real estate (the “**Drew Land**”) and improvements thereon (the “**Drew Improvements**”) located in the City of New Orleans, Parish of Orleans, with a municipal address of 3819 St. Claude Avenue, New Orleans, Louisiana 701__, as more particularly described in **Exhibit “A”** attached hereto and incorporated herein by reference (the Drew Land and Drew Improvements to be designated the “**Drew Property**”);

WHEREAS, pursuant to Louisiana Revised Statute §17:10.7, the Recovery School District (“**RSD**”), a public body and instrumentality of the State of Louisiana administered by the Louisiana State Department of Education, was given certain control over the operations and management of certain schools in Orleans Parish, including the authority to determine which schools under its jurisdiction should be rehabilitated, renovated and/or rebuilt;

WHEREAS, the Drew Elementary School (the “**Drew School**”), located on the Drew Property, was determined by the Board of Elementary and Secondary Education (“**BESE**”) to be an academically failing school and was transferred to the jurisdiction of the RSD as mandated by Louisiana Revised Statute § 17:10.7;

WHEREAS, pursuant to Louisiana Revised Statute §1900B.(4)(b), the RSD acquires with the transfer of schools, such as the Drew School, transferred to its jurisdiction pursuant to Louisiana Revised Statute §17:10.7 all the rights and responsibility of ownership regarding all land, buildings, facilities, and other property that is part of the school being transferred, including the right to lease the land, rebuild school buildings, and to dispose of property other than the land as is necessary to properly manage the operation of the schools, but is prohibited from disposing of land through sale, the title to the land remaining vested in the School Board;

WHEREAS, the RSD has made the determination that the components of the Drew School constituting Drew Improvements should be substantially renovated in accordance with the School Facilities Master Plan as revised in October 2011 (the “**Master Plan**”) in a leveraged financing initiated through the Master Lessee in a manner that preserves the historic integrity and character of the Drew Improvements;

WHEREAS, the Drew Improvements, including an approximately [_____] square foot school and related facilities and all machinery, equipment, fixtures, appliances, furniture, and any other personal property of any kind or description (the “**Personalty**”) owned by the Sub-Lessee and used in connection with the Drew Improvements that is or will be located on the Drew Land and any leasehold and/or ownership interest in the Drew Improvements, has been re-designated the “**Drew School Facility**” in connection with its historic restoration and renovation under the provisions of the Public School Facilities Financing Act (Louisiana Revised Statutes 17:100.10) (“**Financing Act**”);

WHEREAS, the RSD, School Board and Master Lessee have entered into a Cooperative Endeavor Agreement dated as of _____, 2014 (the “**CEA**”) setting forth the terms and conditions of the continued historic restoration and renovation of the Drew School Facility through a leveraged financing under the Financing Act;

WHEREAS, pursuant to the CEA and a Master Lease made and entered into as of the [___] day of [_____], 2014 (the “**Effective Date**”) among the RSD and the School Board (together, the “**Master Lessor**”) and the Master Lessee, the Master Lessor leased the Drew Land to the Master Lessee and, in consideration of a payment of \$_____ from the Master Lessee, sold, transferred and conveyed all of their respective rights and responsibilities of ownership in the Drew School Facility to the Master Lessee as a wholly owned public benefit corporation of the School Board;

WHEREAS, Master Lessor acknowledged and agreed that the Master Lessee shall sublease the Drew Land to the Sub-Lessee pursuant to this Ground Lease;

WHEREAS, the Master Lessor and the Master Lessee also acknowledged and agreed that the Master Lessee shall sell and convey ownership of the Drew School Facility to the Sub-Lessee as the Drew School Facility Owner in accordance with the sale and conveyance provisions herein of this Ground Lease and to allow the Sub-Lessee to continue and complete the historic restoration and renovation of the Drew School Facility in accordance with the Plans and Specifications herein defined;

WHEREAS, the Master Lessor and the Master Lessee further acknowledged and agreed that the Drew School Facility shall be owned and operated by the Sub-Lessee or by any successor in interest to the Sub-Lessee or by any other intermediary required to own and operate the Drew School Facility pursuant to any financing arrangement required to complete the historic restoration and renovation of the Drew School Facility through a leveraged financing under the Financing Act in an efficient and cost effective manner;

WHEREAS, this Ground Lease directs the Sub-Lessee, subject to the terms and conditions of the Ground Lease, to arrange equity and debt financing to complete the historic restoration and renovation of the Drew School Facility;

WHEREAS, U.S Bancorp Community Development Corporation (the “**Investor**”) and [Drew Managing Member, LLC,] a Louisiana limited liability company (the “**Managing Member**”) are acquiring ownership interests in the Sub-Lessee in order to invest capital (the “**Equity Financing**”) in the Sub-Lessee and the Master Lessee is selling and conveying to the Sub-Lessee its ownership of the Drew School Facility and providing debt financing (the “**Debt Financing**”) to the Sub-Lessee so that the Sub-Lessee may complete the historic rehabilitation, development, construction, furnishing and equipping of the Drew School Facility;

WHEREAS, to facilitate the operation of the Drew School Facility, Sub-Lessee will enter into one or more successive facilities leases (each, a “**Facilities Lease**”) pursuant to the terms and conditions set forth herein;

Agreement:

NOW, THEREFORE, in consideration of the premises, the mutual covenants and agreements herein set forth by each Party to be kept and performed, and for other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby expressly acknowledged by each Party hereto,

the Master Lessee and the Sub-Lessee, intending to be legally bound, do hereby mutually covenant and agree as follows:

The Master Lessee and the Sub-Lessee acknowledge the terms of the Master Lease requiring the execution of this Ground Lease by the Master Lessee and the Sub-Lessee.

The Master Lessee does hereby sub-lease, demise and let the Drew Property unto the Sub-Lessee, subject only to the "Permitted Encumbrances" (as defined herein), and the Sub-Lessee does hereby take and hire the Drew Property from the Master Lessee, subject only to the Permitted Encumbrances and the obligations of the Sub-Lessee hereunder.

TOGETHER WITH all appurtenances, rights, privileges, and easements benefiting, belonging, or pertaining thereto, and together with the buildings, structures, and improvements erected or to be erected thereon.

TO HAVE AND TO HOLD the Drew Property for a term of years set forth herein unless this Ground Lease shall be sooner terminated as hereinafter provided.

SALE OF DREW SCHOOL FACILITY TO SUB-LESSEE: Subject to this Ground Lease and in consideration of the Purchase Price (herein defined), the Master Lessee sells and conveys its ownership of the Drew School Facility to the Sub-Lessee.

This Ground Lease and all rights of the Parties hereunder are expressly subject to the provisions as hereinafter set forth, all of which the Parties hereto respectively agree to keep, abide by, and perform during the Term (as defined herein) hereof.

Section 1. Definitions. The following terms as used in this Ground Lease shall have the meanings set forth below, unless the context indicates otherwise:

"Accountants" means Novogradac & Company LLP or such other firm or independent certified public accountants retained by Sub-Lessee.

"Additional Financing" means financing described in Section 4(b).

"Additional Rent Payment" shall have the meaning given in Section 3(b) hereof.

"Administrative Expenditures" means the types and categories of administrative fees and expenses of the Leasehold Mortgagee (in all of its/their capacities under the Financing Documents) and of the Sub-Lessee relating to the Drew School Facility and allowed as Expenses hereunder, and specifically includes any expenses incurred by the Sub-Lessee in order to preserve and protect the Drew Property.

"Annual Period" means, during the Sub-Lease Term, the twelve (12) month period commencing on August 1 of each calendar year and ending on July 31 of the immediately succeeding calendar year.

"Architect" means [_____], the licensed architect selected by the Sub-Lessee or the Developer to perform architectural services with respect to the Drew School Facility, and its (their) successors and assigns.

"Architect's Agreement" means the Contract Between Owner and [_____] dated _____, 201_ entered into between the Developer and the Architect pursuant to which the Architect agrees

to provide certain architectural services in connection with the Design and Construction of the Drew School Facility or any portion thereof, and any amendments thereof and/or supplements thereto.

“Authorized Master Lessee Representative” means Nolan Marshall, Jr., President of Master Lessee.

“Authorized Sub-Lessee Representative” means [_____].

“Bankruptcy” or **“Bankrupt”** means for any Person (a) that such Person (i) applies for or consents to the appointment of a receiver or trustee, or the liquidation of such Person or of all or a substantial portion of its assets, (ii) files a voluntary petition in bankruptcy or admits in writing its inability to pay its debts as the same become due, (iii) makes an assignment for the benefit of its creditors, (iv) files a petition or an answer seeking a reorganization or an arrangement with its creditors or seeks to take advantage of any insolvency law; or (b) performs any other act of bankruptcy, or (c) files an answer admitting the material allegations of a petition filed against such Person in any bankruptcy, reorganization or insolvency proceedings; or (d) that an order, judgment or decree is entered by any court having jurisdiction adjudicating such Person as bankrupt or insolvent, approving a petition seeking such a reorganization, or appointing a receiver, trustee or liquidator of such Person or all or a substantial part of its assets and such order, judgment or decree is not stayed or dismissed within sixty (60) days from the entry thereof; or (e) that there is otherwise commenced with respect to such Person, or any of its assets, any proceeding under bankruptcy, reorganization, arrangement, insolvency, readjustment, receivership, or similar legal requirements, and such proceeding is not discharged, stayed or dismissed within sixty (60) days from the entry thereof.

“Closing Date” means [_____] 2014.

“Completion”, **“Complete”** or **“Completed”** means, in connection with the historic restoration and renovation of the Drew School Facility, that the Drew School Facility is determined under this Ground Lease to be Substantially Complete.

“Construct”, **“Constructed”** or **“Construction”** means to develop, improve, install, construct, demolish, renew, restore or perform any other work of similar nature in connection with locating, placing, renovating and installing the improvements, equipment or furnishings, comprising the Drew School Facility.

“Construction Contract” means the Standard Form Agreement between Owner and [_____], entered into between the RSD and Contractor pursuant to which the Contractor agrees to provide certain construction and development services in connection with the development and construction of the Drew School Facility, and any amendments thereof and/or supplements thereto

“Construction Documents” means, collectively, the Development Agreement, the Construction Contract, the Architect’s Agreement, the Engineer’s Agreement, the Plans and Specifications and any and all contracts entered into by the Sub-Lessee, Developer or Contractor for engagement of contractors, materialmen, and laborers from time to time in connection with the Construction of the Drew School Facility or the provision of materials or labor in respect thereto, and all those other contracts and/or agreements from any person or firm rendering services or supplying material in connection with the Design, Development, Construction, furnishing and equipping of the Drew School Facility.

“Construction Monitoring and Disbursement Agreement” means the construction monitoring and disbursement agreement, of even date herewith, by and among the Sub-Lessee, the Lender, the Master Lessee and [_____].

“**Contractor**” means [_____], a [_____], which is a contractor licensed to do business in the State of Louisiana and selected by the Developer to perform Construction services for the School Facility, and its successors and assigns, or any other Person who with the approval of the Lender has undertaken responsibility for all or any portion of the Construction of the School Facility, and its successors and assigns.

“**Debt Financing**” means the initial construction debt financing of \$_____ arranged by the Sub-Lessee with the Lender to finance a part of the Purchase Price of the Drew School Facility and a part of the Design, Construction, furnishing and equipping of the Drew School Facility pursuant to the Financing Documents.

“**Design**” means any and all design, planning, architectural or engineering activity required in connection with and for the Construction of the Drew School Facility.

“**Developer Representative**” means the Person or Persons designated by the Developer from time to time to serve as the Developer’s representative(s) in connection with the Design, Development, Construction, furnishing and equipping the Drew School Facility.

“**Developer**” means the State of Louisiana Department of Education, Recovery School District, a public body and instrumentality of the State of Louisiana, and its successors and assigns.

“**Development**” or “**Develop**” means any acts necessary and appropriate to (a) obtain any required land use, environmental or like approvals for the Construction and use of the Drew School Facility from the Person having jurisdiction other than those being obtained by the Master Lessor, (b) obtain any required extension of public and private utility services for the Drew School Facility other than those being obtained or provided by the Master Lessor, (c) obtain any required vehicular or pedestrian rights of way and access from or to the Drew School Facility other than those being obtained or provided by the Master Lessor, (d) satisfy the legal requirements and insurance requirements in connection with the Design or Construction of the Drew School Facility, (e) create and develop a Drew School Facility Development and Construction Schedule, (f) coordinate and oversee the Design process, (g) arrange Drew School Facility financing, (h) oversee the Construction of the Drew School Facility and (i) oversee the transition of the Drew School Facility from Development and Construction to operations.

“**Development Agreement**” means the Development Agreement between the Sub-Lessee and the Developer pertaining to the development and Construction of the Drew School Facility, and any amendments thereof and/or supplements thereto.

“**Drew Improvements**” shall have the meaning set forth in the Recitals.

“**Drew Land**” shall have the meaning set forth in the Recitals.

“**Drew Property**” shall have the meaning set forth in the Recitals.

“**Drew School Facility**” shall have the meaning set forth in the Recitals.

“**Drew School Facility Operator**” means any person executing a Facilities Lease with the Drew School Facility Owner to operate the Drew School Facility for School Purposes.

“**Drew School Facility Owner**” means Drew Elementary School Facility, LLC, a Louisiana limited liability company, and its successors and assigns.

“**Effective Date**” shall have the meaning given in the introductory paragraph of this Ground Lease.

“**Engineer**” means the engineer or engineers licensed to do business in the State of Louisiana selected by the Sub-Lessee or Developer to perform engineering services with respect to the Drew School Facility, and its (their) successors and assigns.

“**Engineer’s Agreement**” means the agreement between Sub-Lessee (or, if applicable, the Developer) and Engineer pursuant to which the Engineer agrees to provide certain engineering services in connection with the Design and Construction of the Drew School Facility, related Drew School Facility improvements or any portion thereof, and any amendments thereof and/or supplements thereto.

“**Environmental Laws**” means any federal, state or local statute, law, ordinance, code, common law, rule, regulation, order or decree, regulating, relating to or imposing liability or standards of conduct concerning the protection of the environment, natural resources, health and safety, and/or activities involving any asbestos, asbestos-containing materials, materials presumed by law to contain asbestos, PCBs, petroleum, petroleum byproduct (including but not limited to, crude oil, diesel oil, fuel oil, gasoline, lubrication oil, oil refuse, oil mixed with other waste, oil sludge, and all other liquid hydrocarbons, regardless of specific gravity), natural or synthetic gas products, radioactive materials, infectious waste, and/or hazardous or toxic substances, chemicals or materials, or any other waste, material, pollutant or contaminant that is regulated to protect the environment, as may now or at any time hereafter be in effect, including without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act “CERCLA”, the Resource Conservation and Recovery Act (“RCA”), the Clean Air Act, the Clean Water Act, the Toxic Substances Control Act, the Emergency Planning and Community Right-To-Know Act, and the Occupational Safety and Health Act.

“**Event of Default**” means each of the events specified in Section 23 hereof.

“**Expenses**” for any period, means the aggregate of all expenses relating to the Drew School Facility calculated under GAAP, including (i) necessary expenses incurred by the Developer or Sub-Lessee in connection with the inspection thereof, (ii) enforcement of the obligations of other parties to documents executed in connection with the Development, Design, financing, Construction, equipping, furnishing or operation of the Drew School Facility, and (iii) the performance of any other obligations of the Developer or Sub-Lessee under this Ground Lease or the Financing Documents, but excluding (a) any extraordinary expenses (including without limitation losses on the sale of assets other than in the ordinary course of business and losses on the extinguishment of debt or termination of pension plans), (b) losses resulting from any reappraisal, revaluation, or write-down of assets, (c) any expenses paid with proceeds of the Equity Financing, the Debt Financing and/or Additional Financing, (iv) payments made to the Master Lessee under this Ground Lease, (v) any unrealized loss resulting from changes in the value of investment securities, (vi) any Administrative Expenditures, (vii) any Operating Expenses and (viii) any expenses borne by the Master Lessee under the terms of, or contemplated in, this Ground Lease. Expenses incurred that involve the provision of goods or services by Persons who are affiliates of the Sub-Lessee may be included within the definition of “Expenses” only to the extent they are incurred on terms no more favorable to the affiliate of Sub-Lessee than if the goods or services were provided by Persons who are not affiliates of Sub-Lessee.

“**Equity Financing**” means \$_____ of capital contributions to be made by the Investor to acquire ownership interests in the Sub-Lessee; provided however, that the initial capital contribution by the Investor as of the Closing Date shall not be less than \$_____.

“Equity Financing Document” means the operating agreement of the Drew School Facility Owner evidencing a total committed capital contribution of not less than \$_____ by the Investor.

“Facilities Lease” means (i) the [_____] made, entered into and effective as of the [__]nd day of [____], 201_ (the **“Effective Date”**), between the Sub-Lessee and [_____] as the same may be amended and/or supplemented from time to time and (ii) any sublease, sub-sublease or similar agreement between the Sub-Lessee and any successor or sub-subleasee engaged by the Sub-Lessee as contemplated pursuant to the provisions of this Ground Lease to operate the Drew School Facility for School Purposes.

“Financial Closing” means the settlement and funding of the Debt Financing and the initial capital contribution of \$_____ in connection with the Equity Financing for the Construction of the Drew School Facility.

“Financing Act” shall have the meaning set forth in the Recitals.

“Financing Documents” means, collectively, Loan Agreement, the Note, the Leasehold Mortgage, security agreement, assignment of agreements and/or documents, and all other instruments or agreements executed by the Lender and the Sub-Lessee in connection with the issuance and delivery of the Debt Financing (each, a **“Financing Document”**).

“GAAP” means those principles of accounting set forth in pronouncements of the Financial Accounting Standards Board and its predecessors or pronouncements of the American Institute of Certified Public Accountants or those principles of accounting that have other substantial authoritative support and are applicable in the circumstances as of the date of application, as such principles are from time to time supplemented and amended.

“Gross Revenues” means, all rents, receipts, revenues, income, gifts, rental payments, forfeited security deposits and other moneys received by or on behalf of the Sub-Lessee, whether or not in connection with the ownership, operation or disposition of any of the Drew School Facility or any part thereof, including all rents received under any tenant lease agreements, and all other operating and non-operating revenues of the Sub-Lessee and all rights to receive the same whether in the form of cash, lease rights, accounts receivable, contract rights, chattel paper, instruments, general intangibles or other rights and the proceeds thereof and of any insurance thereon or condemnation or similar awards, or any gain on the sale or other disposition of property, whether now existing or hereafter coming into existence and whether now owned or held or hereafter acquired by the Sub-Lessee and all amounts received or receivable from the investment or deposit of moneys in any fund, but excluding (i) any monies or funds held as security deposits or otherwise to secure performance of any obligation by any Person and (ii) any philanthropic donations made to the Sub-Lessee that are not restricted to use in connection with the Drew School Facility.

“Ground Lease” means this Ground Lease, as the same may be amended and/or supplemented from time to time in accordance with the provisions hereof.

“Ground Lease Payment” shall have the meaning given in Section 3(a) hereof.

“Guaranty” means that Environmental Indemnification made as of [_____] , 2014, by and among the Master Lessee and Sub-Lessee in favor and for the benefit of the Investor.

“Hazardous Materials” means asbestos, asbestos-containing materials, materials presumed by law to contain asbestos, polychlorinated biphenyls (“**PCBs**”), petroleum, petroleum byproducts (including but not limited to, crude oil, diesel, oil, fuel oil, gasoline, lubrication oil, oil refuse, oil mixed with other waste, oil sludge, and all other liquid hydrocarbons, regardless of specific gravity), natural or synthetic gas products, infectious wastes, radioactive materials, and/or any hazardous or toxic substance, chemical or material, or any other environmentally regulated substance or material, waste, pollutant or contaminant, defined as such or regulated by any Environmental Laws.

“Investor” means U.S. Bancorp Community Development Corporation, a Minnesota corporation, and its successors and/or assigns.

“Leasehold Mortgage” means the mortgage or mortgages, and any other encumbrance of the Sub-Lessee’s interest in this Ground Lease or the Drew Property granted by the Sub-Lessee to the Lender as security for the Debt Financing and/or Additional Financing, or any obligations to the Lender under the Financing Documents, as the same may be amended and/or supplemented from time to time, and any other encumbrance of the Sub-Lessee’s interest in this Ground Lease as security for the indebtedness the Sub-Lessee may incur, whether by deed to secure the debt, mortgage, deed of trust or other security instrument.

“Leasehold Mortgagee” means the holder of the indebtedness secured by any Leasehold Mortgage or any agent or fiduciary therefor and any designee therefor for the purpose of taking title to the Sub-Lessee’s interest in this Ground Lease or the Drew Property.

“Lender” means the Orleans Schools Facilities Foundation, Inc., a Louisiana nonprofit and public benefit corporation of the School Board.

“Loan Agreement” means that certain loan agreement dated as of [_____], 2014, by and between the Lender and the Sub-Lessee providing for a loan to the Sub-Lessee by the Lender, a portion of the proceeds of which are to be used by the Sub-Lessee to pay the Master Lessee all or a portion of the Purchase Price on the Closing Date and other amounts thereafter to pay the Contractor in connection with the Construction of the Drew School Facility.

“Managing Member” means [Drew Managing Member, LLC,] a Louisiana limited liability company.

“Master Lease” means that certain Master Lease dated the Effective date between the Master Lessor and the Master Lessee pursuant to which the Master Lessor conveyed a leasehold interest in the Drew Property to the Master Lessee and sold the Drew School Facility to the Master Lessee.

“Master Lessee” means the Orleans Schools Facilities Foundation, Inc., a wholly owned Louisiana nonprofit public benefit corporation of the School Board, and its successors and assigns.

“Master Lessor” means collectively the Orleans Parish School Board, a political subdivision of the State of Louisiana, and the Recovery School District, a public body and instrumentality of the State of Louisiana, and each of their successors and assigns.

“Master Lessor Representative” means the Person or Persons designated by the Master Lessor to serve as the Master Lessor’s representatives hereunder.

“Memorandum of Ground Lease” means the agreement of even date herewith executed by the Parties which sets forth certain of the basic terms of this Ground Lease, and is in recordable form.

“Net Available Cash Flow” means all cash amounts received by the Sub-Lessee, including payments received under the Facilities Lease, reduced by the sum of (i) any payment required to be made pursuant to the Financing documents, and (ii) Operating Expenses.

“Note” means the promissory note executed by the Sub-Lessee payable to the Lender in the face amount of \$_____ to finance all or a portion of the Purchase Price and the costs of Construction to the Contractor.

“Notice of Termination” means notice to be given by the Master Lessee to any permitted Leasehold Mortgagee upon an Event of Default hereunder.

“Operating Expenses” means (a) all expenses actually paid by the Sub-Lessee or the Drew School Facility Operator for operation, maintenance and repair of the Drew School Facility and any expenses incurred by or for the Sub-Lessee or the Drew School Facility Operator to preserve and protect the Drew School Facility and Drew Property; (b) all reasonable costs and expenses, including reasonable attorney’s fees, paid by or for the Sub-Lessee in connection with the enforcement by the Sub-Lessee of this Ground Lease, the Facilities Lease, the Construction Documents and/or any other contractual arrangements to which the Sub-Lessee or Drew School Facility Operator may be a party; (d) all Administrative Expenditures; and (e) all expenses otherwise identified as an Operating Expense in this Ground Lease.

“Permitted Encumbrances” means, as of any particular time, (i) liens for ad valorem taxes, special assessments, and other charges not then delinquent or for taxes, assessments, and other charges being contested in accordance with the terms of this Ground Lease, (ii) the Financing Documents, (iii) currently existing utility, access, and other easements and rights of way, restrictions, liens or other encumbrances of record, and exceptions consented to in writing by the Master Lessee and the Sub-Lessee, (iv) inchoate mechanics’ and materialmen’s liens that arise by operation of law, but that have not been perfected by the required filing of record, for work done or materials delivered after the date of recording this Ground Lease, (v) any mechanics’ and materialmen’s liens permitted by the Financing Documents, (vi) liens or encumbrances securing the Debt Financing and/or any Additional Financing, (vii) this Ground Lease, (viii) statutory restrictions imposed on the use of real property owned by or for the benefit of the Master Lessor, and (ix) any additional exceptions or encumbrances created or consented to by the mutual consent of Master Lessee and Sub-Lessee.

“Person” means natural persons, firms, joint ventures, associations, trusts, partnerships, corporations, limited liability companies, public bodies, and similar entities.

“Personalty” shall have the meaning set forth in the Recitals.

“PILOT” means a payment in lieu of taxes.

“PILOT Conduit” means either (i) The Finance Authority of New Orleans, a public trust created pursuant to the provisions of Chapter 2-A of Title 9 of the Louisiana Revised Statutes of 1950, as amended (R.S. 9:2341-9:2347, inclusive) with the City of New Orleans as its beneficiary or (ii) Industrial Development Board of the City Of New Orleans, Louisiana, Inc., a non-profit public corporation and instrumentality of the City of New Orleans, Louisiana

“PILOT Financing Arrangement” means any financing and/or sale-leaseback arrangement that the Sub-Lessee enters into with a PILOT Authority to limit the payment of property taxes on the Drew School Facility.

“Plans and Specifications” means the plans and specifications for the Construction of the Drew School Facility identifying and describing the primary structural, mechanical, electrical, and plumbing systems, materials, signage and design prepared by the Architect or by architects and engineers acceptable to the Architect.

“Prime Rate” means the rate designated as the “prime rate” as published each business day in the Wall Street Journal.

“Purchase Price” means the sum of \$_____ to be paid by the Sub-Lessee to the Master Lessee for the purchase of the Drew School Facility from the Master Lessee.

“Recapture Period” means the period commencing on [_____] and ending on [_____].

“Rent” means the Ground Lease Payment payable under this Ground Lease, as defined and described in Section 3 hereof.

“School Purposes” means, without narrowing the definition set forth in the Financing Act, such term includes but is not limited to any of the following activities carried on at the Drew School Facility: (a) activities that primarily benefit Orleans Parish public school students, teachers or staff; (b) activities that primarily benefit both Orleans Parish public school students, teachers or staff and private and post-secondary school students, teachers or staff; (c) activities pursuant to a cooperative endeavor agreement with Master Lessor that primarily provide benefits outside the school context, but for other state and local public bodies; and (d) activities that primarily benefits only private and post-secondary school students, teachers or staff. Without limiting the foregoing, the following examples are permitted with regard to the Drew School Facility being operated for School Purposes: (a) public school or public for-profit or non-profit charter school serving any age group (pre-kindergarten through grade 12), (b) private pre-school, elementary school, middle school or high school, (c) public or private trade school, (d) public or private university or college, (e) housing primarily for public or private school students, teachers and/or staff, (f) office facilities associated with the administration and/or management of public or private schools or school facilities, (h) retail facilities associated with supporting public or private schools or school facilities, (i) educational training facilities for teachers and/or staff of public or private schools, and (j) health care facilities primarily for the benefit of public or private school students, faculty and/or staff.

“SNDA” means the subordination, non-disturbance and attornment agreement, dated [____], 2014, entered into by Master Lessor, Master Lessee, Sub-Lessee and Lender.

“State” means the State of Louisiana.

“Sub-Lease” shall have the meaning given in Section 2.

“Sub-Lease Term” shall have the meaning given in Section 2.

“Sub-Lessee” means Drew School Facility, LLC, a Louisiana limited liability company and its successors and assigns.

“Substantial Completion” or **“Substantially Complete”** shall mean certificates of occupancy (either temporary or permanent) have been issued with respect to all portions of the Drew School Facility, all applicable life safety systems shall be operational and have been approved by the appropriate permitting authorities, and the portions of the Drew School Facility necessary to conduct the operation of the school shall otherwise be ready for immediate occupancy and use; provided however, the failure of

various aspects of the Construction of the Drew School Facility to be complete, which shall not prohibit immediate use of the Drew School Facility for school purposes (including, without limitation, punch list items, landscaping and the like), shall not be required in order for Drew School Facility to be Substantially Complete.

“**Termination Date**” means the date on which the Sub-Lease Term ends by termination or expiration of this Ground Lease.

Section 2. Sub-Lease Term.

(a) The term of the sub-leasehold estate (the “**Sub-Lease**”) of the Sub-Lessee in the Drew Property created hereunder shall begin on the Effective Date, and shall expire at 12:00 midnight on the sixty-fifth (65th) annual anniversary of the Effective Date, unless otherwise extended by a written agreement of the Parties or sooner expired or terminated in accordance with this Ground Lease or by operation of law (the “**Sub-Lease Term**”).

(b) The Master Lessee and the Sub-Lessee, within thirty (30) days after request of the other, shall confirm the then current Termination Date in writing, and if so requested, by an instrument in recordable form.

Section 3. Purchase Price of Drew School Facility and Ground Lease Payment.

(a) Purchase Price of Drew School Facility: Master Lessee acknowledges receipt on [____], 2014 (the “**Sale Date**”) of the Purchase Price from the Sub-Lessee for the purchase of the Drew School Facility by the Sub-Lessee from the Master Lessee.

(b) Ground Lease Payment: Sub-Lessee shall pay on [____] (the “**Rent Commencement Date**”) and on each anniversary of the Rent Commencement Date throughout the Sub-Lease Term the sum of ____ (\$____) (the “**Ground Lease Payment**”) for the Drew Land.

Section 4. Financing of the Drew School Facility.

(a) Debt Financing and Leasehold Mortgage. The Parties acknowledge and agree that, as contemplated in Sections 11 and 25 hereof, and in connection with the Debt Financing, Sub-Lessee shall be required to execute and deliver to the Lender the Leasehold Mortgage. However, neither Master Lessor nor Master Lessee shall be primarily liable as an obligor with respect to any Debt Financing and, pursuant to the terms of the Debt Financing, Sub-Lessee shall pay off the Debt Financing over the Sub-Lease Term.

(b) Equity Financing. The Sub-Lessee agrees to provide the Master Lessor and the Master Lessee with copies of the Equity Financing Document.

(c) Additional Financing. Sub-Lessee may, subject to the terms of the Financing Documents, at any time during the Sub-Lease Term subsequent to the Financial Closing of the Debt Financing and with the consent of the Lender, incur additional financing, including a PILOT Financing Arrangement through a PILOT Conduit to pay a PILOT provided that (i) such additional financing is reasonably necessary to maintain the quality and/or competitiveness of the Drew School Facility in the marketplace (as demonstrated by Sub-Lessee to the Master Lessee prior to incurring the additional financing and (ii) the

additional financing is retired and repaid in its entirety by Sub-Lessee prior to the expiration of the term set forth therein under the terms of the Financing Documents.

Section 5. Taxes and Assessments.

(a) The Master Lessee and the Sub-Lessee intend to pursue a determination by the appropriate local or state authorities that the Drew School Facility will be immune or exempt from ad valorem property taxes. If an immunity or exemption from ad valorem property taxes is denied, the Master Lessee and Sub-Lessee agree to pursue a PILOT Financing Arrangement through a PILOT Conduit. The Master Lessee and the Sub-Lessee will work together cooperatively and in good faith in pursuing the immunity or exemption or PILOT Financing Arrangement, and also to reduce and/or eliminate any governmental assessments or charges regarding the Drew School Facility or the Drew Property which would not be payable by the Master Lessee or Sub-Lessee if this Ground Lease were not in effect or which would not be payable relative to other similar school facilities owned or operated by the Master Lessor or Master Lessee. In the event that additional ad valorem taxes or assessments or rental sales taxes with respect to the Drew School Facility are levied (or levy is attempted) in the future, the Sub-Lessee and the Master Lessee shall cooperate in good faith to defend, as an Operating Expense, such immunity or exemption from the levy of taxes or assessments. In the event that, despite the Sub-Lessee's and the Master Lessee's cooperation in good faith to defend against the levy of ad valorem taxes or assessments or to obtain a PILOT Financing Arrangement, ad valorem or assessments are levied against the Sub-Lessee's sub-leasehold interest in the Drew School Facility, the Sub-Lessee, shall pay, as an Operating Expense, such taxes or assessments, and as between Master Lessee and Sub-Lessee, Sub-Lessee shall bear sole liability, in addition to the payments described in Section 3 above, for payment of (i) all rental sales taxes, and (ii) any documentary stamp tax or intangibles tax payable upon this Ground Lease, upon any assignment or transfer of this Ground Lease by Sub-Lessee, upon recording of any memorandum of this Ground Lease, and upon the Leasehold Mortgage.

(b) The Sub-Lessee shall pay, as an Operating Expense, any and all real property, personal property or other taxes, municipal service fees or other assessments or charges which are levied against the Drew School Facility, the sub-leasehold estate or the rents collected therefrom and are payable with respect to any calendar or tax year or other period falling wholly or partly within the Sub-Lease Term (all of which are hereinafter referred to collectively as "Taxes"), except that if any such tax, charge or assessment is levied with respect to a period beginning before the Effective Date or ending after the Termination Date, the Master Lessee shall pay only that percentage thereof equaling the percentage of such period falling within the Sub-Lease Term. The Sub-Lessee shall pay the Taxes when due and payable and before any penalty is incurred for late payment thereof.

(c) If the imposition of any Tax shall be deemed by the Sub-Lessee to be improper, illegal, or excessive, the Sub-Lessee may, as an Operating Expense, dispute and contest the same and, in such event and to the extent permitted by law, any such Tax need not be paid until adjudged to be valid; provided, however, the Sub-Lessee shall in writing first notify the Master Lessee of such dispute and contest and shall comply with the requirements of the Financing Documents or any other Leasehold Mortgage permitted hereunder and related documents concerning the contest of taxes. Master Lessee agrees to work in good faith with Sub-Lessee to make or support the case for a lower tax appraisal if the Master Lessee agrees that any appraisal of the Drew School Facility is excessive. Unless so contested, any Tax shall be paid by the Sub-Lessee within the time provided by law, and if contested, any such Tax shall be paid before the imposition of a lien on the Drew School Facility or Drew Property with respect thereto.

(d) To the extent that at any time the Sub-Lessee has entered into an effective and in-force Facilities Lease with a Drew School Facility Operator that imposes upon such Drew School Facility Operator the obligation to pay Taxes with respect to the Drew School Facility to the same extent and on

the same terms as Section 5(b), the Sub-Lessee shall not be deemed to be in default and shall have no monetary liability to the Master Lessee hereunder to the extent that such Drew School Facility Operator fails to comply with such obligations under such Facilities Lease so long as the Sub-Lessee is diligently endeavoring to enforce such obligations.

Section 6. Utility Services. The Sub-Lessee shall make application for, obtain and pay for, and be solely responsible for, as an Operating Expense, all utilities required, used, or consumed on the Drew School Facility, including, but not limited to gas, water (including water for domestic uses and for fire protection), telephone, electricity, cable TV (or its equivalent), sewer service, garbage collection services, or any similar service. To the extent that at any time the Sub-Lessee has entered into an effective and in-force Facilities Lease with a Drew School Facility Operator that imposes upon such Drew School Facility Operator the obligation to obtain and pay for the utility services described in this Section 6, the Sub-Lessee shall not be deemed to be in default and shall have no monetary liability to the Master Lessee hereunder to the extent that such Drew School Facility Operator fails to comply with such obligations under such Facilities Lease so long as the Sub-Lessee is diligently endeavoring to enforce such obligations.

Section 7. Payments for the Sub-Lessee. If the Sub-Lessee fails to procure the insurance required to be procured by the Sub-Lessee under this Ground Lease or fails to pay any premium of insurance, Tax, or any other sum in this Ground Lease required to be paid by the Sub-Lessee, and if and to the extent that such obligation is not imposed on a Drew School Facility Operator pursuant to an effective and in-force Facilities Lease (or if such obligation is so imposed the Sub-Lessee is not diligently endeavoring to enforce such obligations), then, subject to the terms of the SNDA, the Master Lessee, may, after expiration of the applicable notice and cure period and the occurrence of an “Event of Default” and after notifying the Lender, at the option of the Master Lessee, elect to follow one of the options provided in Section 23(b) of this Ground Lease or may, without declaring an Event of Default, procure on behalf of the Sub-Lessee any such insurance, and pay on behalf of the Sub-Lessee any such payment or payments as may be necessary. Any sum(s) so paid or expended by the Master Lessee shall be immediately due and payable without demand and shall be reimbursed and paid by the Sub-Lessee to Master Lessee not more than thirty (30) days after demand by the Master Lessee.

Section 8. Interest on Unpaid Amounts. Any sums that are payable by the Sub-Lessee to the Master Lessee under this Ground Lease (including any Rent) and that are not paid to the Master Lessee within thirty (30) days after the due date thereof shall bear interest at the lower of (a) Prime Rate plus five percent (5%) per annum, or (b) the highest permissible interest rate under applicable law, from the due date thereof through the date payment of the same is made. If it becomes necessary for the Master Lessee to bring suit for collection of any sum(s) herein stipulated to be paid by the Sub-Lessee, and if the Master Lessee is the prevailing party in such suit, the Sub-Lessee agrees to pay any and all such reasonable expenses and costs as the Master Lessee may incur, including, but not limited to, reasonable attorneys’ fees actually incurred.

Section 9. Compliance by the Sub-Lessee with Laws and Ordinances. At all times during the Sub-Lease Term of this Ground Lease, and as an Operating Expense of the Drew School Facility, the Sub-Lessee shall conform to, obey, and comply in all material respects with, all present and future laws, ordinances, and regulations of all legally constituted authorities existing at the commencement of the Sub-Lease Term of this Ground Lease or at any time during the continuance of the Sub-Lease Term hereof which in any way are applicable to this Ground Lease or the use of the Drew Property or any repair, replacement, demolition, renovation, Construction, restoration, or excavation being done on or to the Drew Property. The Sub-Lessee shall not be deemed to be in default of this Section 9 if a Drew School Facility Operator under a Facilities Lease commits an act or omission that causes a violation of this Section 9 so long as the Sub-Lessee is diligently endeavoring to compel such

Drew School Facility Operator to cease any such violation. The Sub-Lessee, in its own name and as an Operating Expense, shall have the right to contest the validity of any law, ordinance, rule, regulation, or requirement contemplated under this Section 9.

Section 10. Quiet Enjoyment/Police Service. Pursuant to the provisions of the Master Lease, the School Board and the Master Lessee represented that as of the Effective Date the School Board owned the Drew Property subject to no restrictions, liens, or other encumbrances other than Permitted Encumbrances. The RSD represented that it had acquired pursuant to Louisiana Revised Statute §17:10.7 all the rights and responsibility of ownership regarding the Drew Improvements and authority to control the lease of the Drew Property to the Master Lessee, and to authorize the construction and development of the Drew School Facility pursuant to Louisiana law and this Ground Lease. Collectively, Master Lessor and Master Lessee further covenanted and agreed pursuant to the Master Lease that, throughout the Sub-Lease Term of this Ground Lease, the Sub-Lessee may peaceably and quietly enjoy the Drew Property, inclusive of the Drew School Facility, without interference from any party claiming by or through Master Lessor or Master Lessee, subject, however, to Permitted Encumbrances, Master Lessor's and Master Lessee's rights under the Master Lease and hereunder, and the Sub-Lessee's fulfillment of the covenants and agreements contained in this Ground Lease. Notwithstanding anything to the contrary contained in this Ground Lease, the Drew Property, inclusive of the Drew School Facility, shall be subject, at all times during the Sub-Lease Term of this Ground Lease, to the jurisdiction of the City of New Orleans police and fire departments, and Sub-Lessee has accepted a sub-leasehold interest to the Drew Property "AS IS".

Section 11. Construction of Improvements.

(a) Construction Documents. Upon the date of Financial Closing, the Sub-Lessee shall enter into the Development Agreement which provides that the Developer shall develop the School Facilities in accordance with the Construction Contract and the Architect's Agreement.

(b) Commencement of Construction. Upon the date of Financial Closing, the Sub-Lessee shall pursue to Completion the Construction of the Drew School Facility on the Drew Property and associated site development within the boundaries of the Drew Property, in accordance with the Construction Documents.

(c) Construction Approvals by the Master Lessee. The Sub-Lessee and the Developer have delivered to the Master Lessee a set of the Plans and Specifications which the Master Lessor and Master Lessee have determined is not inconsistent with the image, reputation and overall objectives of Master Lessor and Master Lessee for the Drew School Facility. Any repairs, modifications or alterations to the Drew School Facility that Sub-Lessee wishes to perform throughout the Sub-Lease Term are subject to the prior written approval of the Master Lessor and Master Lessee; provided, however, that such written approval shall not be unreasonably withheld.

(d) Construction According to Approved Plans and Specifications. The Drew School Facility shall be Constructed generally in accordance with the Plans and Specifications subject to change orders initiated as part of the Construction process. All building materials for the Drew School Facility must be new and of good quality in accordance with the Construction Documents. The Master Lessor and Master Lessee shall be permitted to monitor the Sub-Lessee's Construction of the Drew School Facility from its inception to its Completion, including participation in Master Lessor/Master Lessee-Developer Construction meetings to be scheduled not less than once a month during the Construction of the Drew School Facility. Notwithstanding the foregoing, neither Master Lessor nor Master Lessee shall interfere with the orderly progression of Construction, and each must observe all safety procedures reasonably imposed by the Sub-Lessee or Developer, and shall provide reasonable notice of all site visits.

(e) Right of Sub-Lessee to allow a Leasehold Mortgage to be placed on the Drew Property/Objection of Master Lessee to execute and deliver a Leasehold Mortgage to be placed on the Drew Property. The Parties acknowledge and agree that the Sub-Lessee has the right to allow the Lender to place a Leasehold Mortgage on the Drew Property as one form of Lender's security for the Debt Financing. The Master Lessee expressly agrees to allow such Leasehold Mortgage in favor of the Lender and acknowledges that the Leasehold Mortgage shall be on terms and conditions required by the Lender in the exercise of its sole discretion. Except for the rights of Lender under the Leasehold Mortgage and Financing Documents and/or another permitted Leasehold Mortgagee, the Sub-Lessee's rights, as well as the rights of anyone else, including, but not limited to, any mortgagee, architect, independent contractor, assignee, sublessee, sub-contractor, prime or general contractor, mechanic, laborer, materialman, or other lien or claim holder, shall always be and remain subordinate, inferior, and junior to the Master Lessor's title, interest, and estate in the Drew Property.

(f) Payment of Bills for Construction. Subject to the Master Lessee's compliance with the terms of the Loan Agreement, as a Construction expense, the Sub-Lessee covenants and agrees to pay or cause to be paid, currently as they become due and payable in accordance with the terms of the Construction Documents and the Financing Documents, all bills for labor, materials, insurance, and bonds, and all fees of architects, engineers, contractors, and subcontractors and all other costs and expenses incident to any construction in or on the Drew School Facility; provided, however, that the Sub-Lessee may, in good faith, on its own behalf, dispute and contest any such bill, fee, cost, or expense, and in such event, any such item need not be paid until adjudged to be valid. Unless so contested by the Sub-Lessee, all such items shall be paid by the Sub-Lessee within the time provided by law, and if contested, any such item shall be paid before the issuance of an execution on a final judgment with respect thereto.

(g) Ownership of the Drew School Facility. After the Effective Date, the Drew School Facility and all other improvements now or hereafter located on the Drew Property, including those to be Constructed in accordance with the Plans and Specifications and the Construction Documents, shall be conveyed and vested in the Sub-Lessee until the Termination Date, at which time all title to and ownership of the Drew School Facility and all other improvements to or upon the Drew Property or related to the Drew School Facility shall automatically and immediately vest (without the necessity of any further action being taken by the Sub-Lessee or the Master Lessee or any instrument being executed and delivered by the Sub-Lessee to the Master Lessee), in the Master Lessee. Notwithstanding the foregoing, the Sub-Lessee shall execute, acknowledge and deliver such deeds, bills of sale, termination statements or other instruments as may be reasonably requested by the Master Lessor or Master Lessee (i) to acknowledge the Termination Date of this Ground Lease with respect to the Sub-Lessee, all in recordable form or (ii) to convey ownership of the Drew School Facility, and all other improvements to or upon the Drew Property or related to the Drew School Facility (at the Sub-Lessee's cost) to such entities as may be designated by the Master Lessee.

(h) Architects, Engineers, Contractors, Specialists, and Consultants. The Sub-Lessee shall require any architects, engineers, contractors, subcontractors, specialists, and consultants engaged in connection with the Construction of the Drew School Facility to perform their respective obligations under the terms of the Construction Documents to be licensed in accordance with State law and to obtain and maintain for a period of two (2) years after the Substantial Completion of the Drew School Facility errors and omissions insurance and payment and performance bonds as contemplated herein.

(i) Permits, Laws, and Ordinances. The Sub-Lessee shall, as a Construction expense, comply and cause its contractors and subcontractors to comply in all material respects with all building codes, ordinances, rules, regulations, orders, directives, and statutes of all governmental authorities which may now or hereafter, from time to time, be established and which are or shall be applicable to the Sub-Lessee

and the Drew School Facility, including without limitation, the Americans With Disabilities Act of 1990, the Occupational Safety and Health Standards of the State and the United States, and shall take, as otherwise provided herein, all action necessary to cause the Drew School Facility to comply in all material respects with all provisions of the Construction Documents, the Financing Documents and this Ground Lease applicable to the Sub-Lessee.

(j) Payment and Performance Bonds/Liens. The Sub-Lessee shall cause the Contractor and, if and as it deems appropriate, certain subcontractors, to provide payment and performance bonds in a form and from a surety reasonably approved by the Lender. Sub-Lessee shall take commercially reasonable steps to keep the Drew School Facility free from any lien, encumbrance, or charge levied on account of any mechanic's, laborer's, or materialman's lien, or any security agreement, conditional bill of sale, title retention agreement, chattel mortgage, other obligations incurred by Sub-Lessee or otherwise (a "**Lien**") that might or does constitute a lien, encumbrance, or charge upon the Drew Property, or any part thereof, or the income therefrom, except for a Leasehold Mortgage as described in this Ground Lease that is required in connection with Debt Financing. In the event that Sub-Lessee fails, within thirty (30) days following the imposition of any Lien, to either cause the same to be released of record or provide Master Lessee with insurance against the same issued by a major title insurance company or such other protection against the same as is reasonably satisfactory to Master Lessee, then Master Lessee shall have the right to cause the same to be released by such means as it shall deem proper, including payment of the claim giving rise to such lien. All such sums paid by Master Lessee and all expenses incurred by it in connection therewith shall be payable to it by Master Lessee within five (5) days of Master Lessee's demand. Except for the Leasehold Mortgage or as required by the Lender as a condition to providing Debt Financing, the interest of Master Lessee in and to the Drew Property shall not be subject to liens for improvements made, or caused to be made, by Sub-Lessee. Sub-Lessee will not permit any construction liens to be placed upon the Drew Property, and nothing in this Lease shall be deemed or construed in any way as giving Sub-Lessee any right, power, or authority to contract for or permit the rendering of any services or the furnishing of any materials that would give rise to any construction, mechanic's or other liens against the Drew Property, except as to Sub-Lessee's leasehold interest.

(k) Reports and Information. The Sub-Lessee shall provide the Master Lessee with monthly progress reports regarding the Construction of the Drew School Facility. The Sub-Lessee shall also deliver or cause to be delivered to the Master Lessee copies of all soil reports, surveys, hazardous wastes or toxic materials reports, feasibility studies, and other similar written materials prepared for the Sub-Lessee pursuant to the Construction Documents with respect to the Drew Property.

(l) Substantial Completion of Drew School Facility. As soon as practicable after Substantial Completion, the Sub-Lessee shall furnish to the Master Lessee:

(i) one complete set of final "as-built" plans and specifications of the completed Drew School Facility improvements in auto-CAD format;

(ii) a current, accurate, properly labeled, and certified (by the applicable surveyor or Engineer), "as-built" plat of survey prepared by a State registered land surveyor or professional engineer depicting to scale the location of the completed Drew School Facility improvements, as the same have been Constructed; and

(iii) Contractor's final affidavit, release of lien, and other commercially reasonable and customary documentation demonstrating full payment for construction of the Drew School Facility.

(m) Sub-Lessee Access. Notwithstanding anything to the contrary herein, Sub-Lessee shall have unfettered access to the Drew Property, beginning on the Effective Date and throughout the Sub-Lease Term, twenty-four (24) hours a day, seven (7) days a week, three hundred sixty-five (365) days a year.

(n) Insurance during Construction. Developer, pursuant to the Development Agreement, shall require that the Contractor obtain and maintain, throughout the period of Construction, a policy of Builder's Risk insurance on an "All Risk" policy form for 100% of the replacement cost (completed value) of the Drew School Facility. Such policy must be of a form and substance acceptable to Master Lessee and any Leasehold Mortgagee and must name Master Lessee and Leasehold Mortgagee as additional insureds and Leasehold Mortgagee as loss payee. Developer, pursuant to the Development Agreement, shall also be required to obtain evidence that Contractor is covered by a Commercial General Liability policy of at least \$1,000,000 per occurrence/\$2,000,000 general aggregate. Developer shall provide to the Sub-Lessee and Sub-Lessee shall provide evidence of such policies upon the request of Master Lessee or Leasehold Mortgagee.

(o) Developer Obligations. Inasmuch as pursuant to the Development Agreement the Sub-Lessee has delegated to the Developer the authority and the Developer has assumed the responsibility for the Construction of the Drew School Facility in accordance with the requirements of this Ground Lease and for the submission of requisitions under and other compliance with the Construction Monitoring and Disbursement Agreement, so long as the Sub-Lessee is not in default under the Development Agreement, in no event will the Sub-Lessee be deemed to be in default under subsections 11(b), 11(c), 11(d), 11(f), 11(h), 11(i), 11(j), 11(k) or 11(l) of this Section 11.

Section 12. Operation of the Drew School Facility.

(a) Sub-Lessee's Obligation to Operate. Upon Completion of the Drew School Facility, the Sub-Lessee shall cause the Drew School Facility to be continuously operated for School Purposes; provided however, that Sub-Lessee shall not be deemed to be in default under this Section 12(a) if the Drew School Facility remains vacant for no more than one year provided that the Sub-Lessee is at all times diligently endeavoring to identify and enter into a Facilities Lease for the Drew School Facility with a Drew School Facility Operator.

(b) Permitted Uses of the Drew School Facility Generally. The Sub-Lessee shall at all times use the Drew School Facility for School Purposes.

(c) Operation of the Drew School Facility. The Sub-Lessee will directly operate or lease the Drew School Facility to a Drew School Facility Operator and provide in each Facilities Lease that the Drew School Facility Operator is obligated to operate the Drew School Facility for School Purposes.

Section 13. Application of the Public School Facilities Financing Act. The Master Lessee and Sub-Lessee acknowledge and agree that the development and construction of the Drew School Facility is being facilitated by the provisions of the Public School Facilities Financing Act (Louisiana Revised Statutes 17:100.10) ("**Financing Act**"). The Financing Act requires that any arrangement, such as this Ground Lease, for the construction of new schools or the renovation of existing schools must specifically provide that title and control of the Drew School Facility shall automatically and immediately, by operation of law, revert to the School Board if the property is used for purposes other than School Purposes; provided however, that in the event of the termination of a Facilities Lease for any reason other than the default of the Sub-Lessee, title and control of the Drew School Facility shall not automatically and immediately, by operation of law, revert to the School Board and the Sub-Lessee shall not be deemed to be in default under this Section 13 if the Drew School Facility remains vacant for no more than one year provided that (i) the Sub-Lessee is at all times diligently endeavoring to identify and

enter into a Facilities Lease for the Drew School Facility with a Drew School Facility Operator or (ii) the Sub-Lessee is operating the Drew School Facility directly for School Purposes. The Master Lessee and Sub-Lessee acknowledge and agree that all Financing Documents shall contain a specific acknowledgement that the provisions of the Financing Act apply, including the automatic reversion of the Drew School Facility to the School Board in accordance with this Section 13 if the Drew School Facility is no longer used for School Purposes.

The Master Lessee further acknowledges and agrees that all documents related to the financing of the Drew School Facility shall contain a specific acknowledgement that the provisions of the Financing Act apply, including the automatic reversion of the Drew School Facility to the School Board if the Drew School Facility is used for a purpose other than for School Purposes. Notwithstanding the foregoing, the Master Lessee confirms that (i) prior to completion of renovation or construction and (ii) in the event that any sub-sublease between the Sub-Lessee and any Sub-Sublessee terminates other than as a result of a breach or default thereunder by the Sub-Lessee (provided that the Sub-Lessee is exercising reasonably diligent efforts to enter into a replacement sub-sublease with a Sub-Sublessee), the Drew School Facility shall not be deemed to be used for a purpose other than School Purposes for purposes of this Section 13 and title and control of the Drew School Facility shall not automatically and immediately, by operation of law, revert to the School Board.

Section 14. Management. The parties acknowledge that the initial Drew School Facility Operator and Facilities Lease will be with [_____]. Sub-Lessee agrees to notify and seek the input of Master Lessor and Master Lessee at any time there is to be a change in Drew School Facility Operator, with the understanding that the selection and engagement of a replacement Drew School Facility Operator shall be within the sole discretion of the Sub-Lessee.

Section 15. Assignment of Lease; Sublease Approved.

(a) **Written Consent.** Except as otherwise provided in this Ground Lease (including, without limitation, the Facilities Lease, this Section 15 and Section 25 hereof), the Sub-Lessee, and its successors and assigns, shall not have the right to assign or transfer this Ground Lease or any interest herein or any right or privilege appurtenant hereto or to ground lease the Drew Property or any portion thereof, without the written consent of the Master Lessee. Any assignment or transfer for which consent is required but which is nevertheless made without such written consent shall be void ab initio.

(b) **Assignment to Leasehold Mortgagee.** Any other provisions of this Ground Lease to the contrary notwithstanding, subject to the Financing Act, the Sub-Lessee, and its successors and assigns, shall have the right without the consent or approval of the Master Lessee to assign or transfer the Sub-Lease or any interest herein or any right or privilege appurtenant hereto which the Sub-Lessee desires to assign or transfer to a Leasehold Mortgagee to the extent permitted in Section 25 hereof. The Master Lessee agrees to recognize any assignee or transferee of an assignment or transfer for which the Master Lessee's consent is not required as lessee for the performance of all duties and obligations arising by reason of the interest of this Ground Lease being so assigned or transferred; provided, however, it is hereby agreed and acknowledged by Master Lessee and the Sub-Lessee that the Sub-Lessee, its successors and assigns, shall not be relieved of its liability for the performance of such duties or obligations by any such assignment or transfer.

(c) **Sublease to Drew Elementary School Facility, LLC Approved.** Pursuant to the provisions of the Master Lease, Master Lessor and Master Lessee acknowledged and agreed that in order to facilitate the development and construction of the Drew School Facility, Master Lessee has been authorized and directed to enter into this Ground Lease to sub-lease the Drew Property for the Sub-Lease Term. Master Lessor has been provided a copy of this Ground Lease and has specifically approved its terms and has

acknowledged that the Ground Lease is an approved sublease. Pursuant to the terms of the Master Lease, Master Lessor and Master Lessee have consented to the Sub-Lease and have agreed to accept performance from the Sub-Lessee pursuant to this Ground Lease. However, nothing shall serve to eliminate or reduce Sub-Lessee's obligations to Master Lessor or Master Lessee hereunder. This Sub-Lease may not be altered or amended without the prior written consent of Master Lessor, Master Lessee and Lender.

Section 16. Capital Repairs and Replacements. The applicable Facilities Lease shall require the Drew School Facility Operator thereunder to make necessary capital repairs and replacements in connection with the Drew School Facility as is required and commercially reasonable. In the event that the Sub-Lessee is then operating the Drew School Facility directly, the Sub-Lessee shall comply with the requirements of this Section 16.

Section 17. Indemnification. The Sub-Lessee hereby agrees to indemnify and hold harmless the Master Lessor and Master Lessee and all of their trustees, officers, employees, directors, agents, and consultants (hereinafter collectively referred to as the "**Master Lessor/Master Lessee Indemnitees**") of and from any and all claims, demands, liabilities, losses, costs, or expenses for any loss including but not limited to bodily injury (including death), personal injury, property damage, expenses, and reasonable attorneys' fees, caused by, growing out of, or otherwise happening in connection with this Ground Lease, arising from any intentional misconduct or grossly negligent act or omission on the part of the Sub-Lessee, its agents, employees, or others working at the direction of the Sub-Lessee or on its behalf, or due to the application or violation of any pertinent federal, State, or local law, rule, or regulation during any period when a Facilities Lease is not in effect (and the Sub-Lessee shall cause each Facilities Lease to provide that the Drew School Facility Operator shall indemnify and hold harmless the Master Lessor/Master Lessee Indemnitees of and from any and all claims, demands, liabilities, losses, costs, or expenses for any loss including but not limited to bodily injury (including death), personal injury, property damage, expenses, and reasonable attorneys' fees, caused by, growing out of, or otherwise happening in connection with the application or violation of any pertinent federal, State or local law, rule or regulation that occurs during the term of such Drew School Facility Operator's Facilities Lease). This indemnification survives the expiration or termination of this Ground Lease. This indemnification does not extend beyond the scope of this Ground Lease and does not extend to claims exclusively between the Parties arising from the terms or regarding the interpretation of this Ground Lease, and shall not be applicable to the extent of any and all claims, demands, liabilities, losses, costs, or expenses for any loss including but not limited to bodily injury (including death), personal injury, property damage, expenses, and reasonable attorneys' fees, caused by, growing out of, or otherwise happening in connection with the gross negligence or intentional misconduct of any of the Master Lessor or Master Lessee Indemnitees.

Section 18. Insurance.

The Sub-Lessee shall provide, or shall include in each Facilities Lease a provision obligating the Drew School Facility Operator thereunder to provide the following insurance coverages:

(a) **General.** It is the intent of the parties that all risk of loss for the Drew School Facility be shifted to insurance to the maximum extent practicable. Accordingly, unless Master Lessor, Master Lessee and Lender otherwise agree in their sole discretion, Sub-Lessee shall maintain, or obligate the Drew School Facility Operator to maintain, insurance covering the risks enumerated below. Such insurance shall be written on an occurrence basis unless Master Lessor, Master Lessee and Lender otherwise consent in writing, which consent of Master Lessor and/or Master Lessee shall not be unreasonably withheld or delayed, but for errors and omissions insurance issued on a claims made basis, Master Lessor, Master Lessee and/or Lender may condition such consent on the purchase of a tail policy with such term and limits as Master Lessor and/or the Lender may reasonably determine appropriate. The

policy shall provide that such insurance shall be primary coverage without reduction or right of offset or contribution on account of any insurance provided by Master Lessor or Master Lessee to itself or its officers, officials, or employees, that such insurance shall not be altered or cancelled without thirty (30) days' written notice to Master Lessor or Master Lessee, and that such insurance shall name Master Lessor, Master Lessee and Lender as additional insureds (in reference to items b, d, e and g listed below). The insurance policies purchased by Sub-Lessee, or that the applicable Facilities Lease obligates the Drew School Facility Operator to provide, must be issued by a company authorized to conduct business in the State of Louisiana or by a company acceptable to Master Lessor and Master Lessee and Lender and which has a rating of A-VIII or better by the latest Best Insurance Report.

(b) Drew Property. Notwithstanding the foregoing, Master Lessee and Sub-Lessee agree that from and after the date the Drew School Facility is Complete, casualty insurance (including flood insurance) shall be maintained by Sub-Lessee under the casualty insurance policies provided and held by the RSD naming Sub-Lessee as named insured. The policy shall cover replacement cost with a reasonable deductible. RSD shall have any Leasehold Mortgagee and Master Lessee named as additional insureds and the Leasehold Mortgagee named as loss payee. RSD shall provide to Sub-Lessee and Sub-Lessee shall provide evidence of such insurance to Master Lessee and Leasehold Mortgagee upon request in form and substance acceptable to Master Lessee and Leasehold Mortgagee. Pursuant to Louisiana Revised Statute §1900.B(4)(b)(iii), the RSD has the exclusive authority to receive, manage, and expend any and all insurance proceeds attributable to damage done to any property under its authority (such as the Drew Property). Therefore, should any building or other structures or improvements constructed and located by or on behalf of Sub-Lessee on or within the Drew Property be damaged or destroyed by fire or any other casualty whatsoever during the term of this Ground Lease, Sub-Lessee, except as hereafter provided in this Section 18(b), shall, direct, within one hundred twenty (120) days from the date of such damage or destruction (or sooner if reasonably practicable), RSD (pursuant to the terms of the Administrative and Accounting Services Agreement between Sub-Lessee and RSD) to commence the work of repair, reconstruction, restoration, or replacement and shall prosecute the same with all reasonable dispatch until such buildings, other structures or improvements shall have been repaired, reconstructed, or restored as nearly as practicable to the same condition as prior to such damage or destruction. Anything in this Ground Lease to the contrary notwithstanding, the period of time within which RSD, on behalf of Sub-Lessee, is hereinabove obligated to complete the repair, reconstruction, restoration, or replacement of any buildings or other structures or improvements so damaged or destroyed shall be extended for the period of any delay in such completion not within the reasonable control of RSD. Master Lessee and Sublessee specifically agree that, except as otherwise provided in this Ground Lease, damage to or destruction of any building or other structures or improvements on or within the Drew Property at any time during the term of this Ground Lease, by fire or any other casualty whatsoever, shall not result in a termination of this Ground Lease or authorize Sub-Lessee or those claiming by, through or under Sub-Lessee to quit or surrender possession of the Drew Property or any part thereof so long as RSD is not in default of its obligations described in this Section 18, and shall not release Sub-Lessee in any way from any of the provisions of this Ground Lease. Notwithstanding the above, the parties recognize that the Financing Documents may contain provisions governing the actions of Sub-Lessee upon damage or destruction of all or part of the Drew Property and agree that so long as the Financing Documents are in effect, then:

- (i) the compliance by Sub-Lessee with the provisions of the Financing Documents regarding damage or destruction shall constitute compliance by Sub-Lessee hereunder; and
- (ii) this Ground Lease shall be interpreted in a manner consistent with the provisions of the Financing Documents, to the extent permitted by applicable law.

(c) Public Liability. At all times during the Sub-Lease Term, Sub-Lessee shall maintain, and shall include in each Facilities Lease a provision obligating the Drew School Facility Operator to maintain, a primary Commercial General Liability insurance policy, ISO Form 1992 or later, (“CGL”) covering all claims for bodily injury and property damage, including loss of use thereof, in an amount not less than One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) in the aggregate, with deductible provisions not to exceed Twenty-Five Thousand Dollars (\$25,000) per occurrence, to include personal and advertising injury, general aggregate, products and completed operations aggregate insurance beginning at the Completion of each Drew School Facility component, and contract liability to cover all insurable obligations in this Ground Lease. The policy or policies must be on an “occurrence” basis unless waived by Master Lessor or Master Lessee. The CGL policy shall include contractual liability coverage.

(d) Errors and Omissions. Sub-Lessee shall obtain and maintain or cause to be obtained and maintained Professional Errors and Omissions Insurance covering all architects, engineers, specialists, and consultants in an amount and with coverage subject to the reasonable approval of Master Lessor and Master Lessee.

Each of Sub-Lessee, Master Lessor and Master Lessee, on behalf of itself and its insurers, hereby waives all rights of subrogation and recovery against Master Lessor or Master Lessee for any loss insured by the insurance coverages required under this Section 18. Sub-Lessee shall obtain any special endorsements required by its insurers to evidence compliance with the aforementioned waiver, and further agrees to furnish complete copies of such policies and endorsements to Master Lessor and Master Lessee within ninety (90) days after Master Lessor’s or Master Lessee’s written request.

Section 19. Damage and Destruction.

(a) Repair of Damaged Improvements. Should any building or other structures or improvements constructed and located by the Sub-Lessee on or within the Drew Property be damaged or destroyed by fire or any other casualty whatsoever during the term of this Ground Lease, the Sub-Lessee, except as hereafter provided in this subsection (a), shall, within one hundred twenty (120) days from the date of such damage or destruction, commence the work of repair, reconstruction, restoration, or replacement and shall prosecute the same with all reasonable dispatch until such buildings, other structures or improvements shall have been repaired, reconstructed, or restored as nearly as practicable to the same condition as prior to such damage or destruction. Anything in this Ground Lease to the contrary notwithstanding, the period of time within which the Sub-Lessee is hereinabove obligated to complete the repair, reconstruction, restoration, or replacement of any buildings or other structures or improvements so damaged or destroyed shall be extended for the period of any delay in such completion not within the reasonable control of the Sub-Lessee. The Master Lessee and the Sub-Lessee specifically agree that, except as otherwise provided in this Ground Lease, damage to or destruction of any building or other structures or improvements on or within the Drew Property at any time during the term of this Ground Lease, by fire or any other casualty whatsoever, shall not result in a termination of this Ground Lease or authorize the Sub-Lessee or those claiming by, through or under the Sub-Lessee to quit or surrender possession of the Drew Property or any part thereof, and shall not release the Sub-Lessee in any way from any of the provisions of this Ground Lease. However, if any building or other structures or improvements constructed and located by the Sub-Lessee on or within the Drew Property shall be damaged or destroyed at any time after payment in full of any debt secured by the Master Lessee’s interest under this Ground Lease, the Sub-Lessee may determine in its sole discretion to be relieved of any obligation to repair, reconstruct, restore, or replace the said damaged or destroyed buildings, other structures or improvements upon payment by the Sub-Lessee to the Master Lessee, in a single total payment, of any net proceeds received by the Sub-Lessee from the insurance company or companies insuring the same. The Sub-Lessee may be relieved of any such obligation in the event the Sub-Lessee is obligated or requests in its

sole discretion and the Lender and Leasehold Mortgagee shall elect to apply insurance proceeds to the payment in full of the Sub-Lessee's outstanding indebtedness under the Financing Documents. The release of the Sub-Lessee from the Master Lessee's obligation to repair, reconstruct, restore, or replace the said damaged or destroyed building or other structures or improvements shall be conditioned, in addition to the payment by the Sub-Lessee of the sums herein enumerated, upon delivery by the Sub-Lessee to the Master Lessee of an instrument releasing, demising, conveying, and transferring to the Master Lessee all of the Sub-Lessee's rights, title, and interest in and to the Drew Property. Notwithstanding the above, the parties recognize that the Financing Documents may contain provisions governing the actions of the Master Lessee upon damage or destruction of all or part of the Drew Property and agree that so long as the Financing Documents are in effect, then:

(i) the compliance by the Sub-Lessee with the provisions of the Financing Documents regarding damage or destruction shall constitute compliance by the Sub-Lessee hereunder; and

(ii) this Ground Lease shall be interpreted in a manner consistent with the provisions of the Financing Documents.

To the extent that Sub-Lessee includes in any Facilities Lease a provision imposing upon the Drew School Facility Operator thereunder the same obligations as are imposed on the Sub-Lessee pursuant to this Section 19(a), the Sub-Lessee shall not be in default under this Section 19(a) if any such obligation is breached so long as the Sub-Lessee is diligently endeavoring to enforce such obligation

(b) Damages for Failure to Comply with Repair Obligation. If the repair, reconstruction, restoration, or replacement of damaged or destroyed buildings, other structures or improvements is not substantially completed in accordance with subsection (a) hereof within a reasonable time after the date of such damage or destruction (if such completion date is prior to the end of the term of this Ground Lease and if the Sub-Lessee is under the affirmative requirement of such subsection (a) to commence the repair, reconstruction, restoration, or replacement), the Master Lessee may terminate this Ground Lease immediately upon written notice thereof to the Sub-Lessee and, in such event, the Master Lessee shall receive the proceeds of all insurance obtained in accordance with Section 18 of this Ground Lease to the extent such proceeds have not been expended on or committed to such repairs. For purposes of this Section 19(b), a "reasonable time" shall if the last sentence of Section 19(a) is applicable include such time as is reasonably necessary for the Sub-Lessee to enforce the applicable obligations of the Drew School Facility Operator.

(c) Termination Prior to Completion of Repair. In the event of the termination of this Ground Lease before the expenditure of the full amount of such insurance proceeds in the repair, reconstruction, restoration, or replacement of such damaged or destroyed buildings, other structures or improvements, any unexpended balance thereof, including any interest previously earned by such balance, shall inure to and become the sole property of the Master Lessee.

(d) Subordination to Financing Documents. Notwithstanding anything else herein contained, subject to applicable State law, the provisions of the Financing Documents shall control in all respects the receipt, handling and application of any and all insurance proceeds, it being acknowledged and agreed that the Financing Documents and any other permitted Leasehold Mortgagee, as their respective interests may appear, shall have a first and prior security interest therein.

(e) Master Lessor's Obligation for Extensive Repairs. Notwithstanding anything in this Agreement to the contrary, pursuant to Louisiana Revised Statute 17:1900(B)(4)(a), the School Board shall provide for the type of extensive repair to buildings or facilities that would be considered to be a

capital expense. Therefore, Master Lessor, Master Lessee and Sub-Lessee agree, and the Sub-Lessee shall cause each Facilities Lease to provide, that upon damage or destruction to the School Facilities after Construction, repairs shall be made: first, from any available insurance proceeds obtained for such purpose; second, from any reserve funds held by Sub-Lessee or the applicable Drew School Facility Operator for capital expenditures; and third, from the School Board pursuant to applicable law.

Section 20. Condemnation.

(a) General. The term “condemnation” as used in this Ground Lease means the taking or appropriation of property, or any interest therein, in exercise of the power or right of eminent domain or such taking for public or quasi-public use or any state of facts relating to the taking or appropriation of property which, without an actual taking or appropriation, shall result in direct or consequential damages to the Drew Property or the leasehold interest herein. Such term shall also be deemed to include to the extent not otherwise defined in this paragraph, a temporary taking of the Drew Property or any part thereof or the improvements thereon for a period of one year or more, and the taking of the leasehold interest created herein.

(b) Total Condemnation. If all of the Drew Property (or such substantial portion thereof as shall, in the Sub-Lessee’s sole discretion, make it economically unfeasible to continue to operate the remaining portion for the purpose herein) is so condemned, this Ground Lease shall terminate on the date title to the Drew Property vests in the condemnor; provided, however, that such termination shall be without prejudice to the rights of the Sub-Lessee to recover just and adequate compensation from any such condemnor. If this Ground Lease is terminated as provided in this subsection, the Sub-Lessee shall pay the Rent for the year in which the Drew Property is taken, up to the date of such termination. The Rent shall be payable within sixty (60) days after the date the Ground Lease is terminated.

(c) Division of Award - Total Condemnation. Subject to the controlling provisions of the Financing Documents, if the Drew Property is totally condemned as provided in subsection (b) above, the condemnation proceeds shall be paid as follows:

(i) the Sub-Lessee first shall be entitled to receive such portion of the condemnation proceeds as shall equal the principal balance and accrued interest on and all other sums owing under or secured by the Leasehold Mortgage which shall be directly paid to such Leasehold Mortgagee, as applicable; and

(ii) any remaining and additional proceeds shall be apportioned between Master Lessee and Sub-Lessee pursuant to Louisiana law in accordance with the respective interests of Master Lessee and Sub-Lessee under this Ground Lease.

(d) Partial Condemnation. In the event of a taking of less than a total taking as provided in subsection (b) above, this Ground Lease shall terminate as to the condemned portion of the Drew Property on the date title to the condemned portion of the Drew Property vests in the condemnor; provided, however, that such termination shall be without prejudice to the rights of the Sub-Lessee to recover just and adequate compensation from any such condemnor. The provisions of this Ground Lease shall remain in full force and effect as to the portion of the Drew Property not condemned.

(e) Division of Award - Partial Condemnation. Subject to the controlling provisions of the Financing Documents, if the property is partially condemned as provided in subsection (d) above, the condemnation proceeds shall be paid as follows:

(i) the Sub-Lessee first shall be entitled to receive such portion of the condemnation proceeds as shall equal Leasehold Mortgagee's equitable portion of the principal balance and accrued interest on and all other sums owing under or secured by the Leasehold Mortgage. Such amount shall be directly paid to such Leasehold Mortgagee, as applicable; and

(ii) any remaining and additional proceeds shall be apportioned between Master Lessee and Sub-Lessee pursuant to Louisiana law, in accordance with the respective interests of Lessee and Sub-Lessee under this Agreement.

Section 21. Estoppel Certificates.

(a) The Master Lessee and the Sub-Lessee will execute, acknowledge and deliver to the other promptly upon request, a certificate certifying as to the following:

(i) Validity of Sub-Lease: that this Ground Lease is unmodified and in full force and effect (or, if there have been modifications, that this Ground Lease is in full force and effect, as modified, and stating the modifications);

(ii) Defaults by the Sub-Lessee: that no notice has been given by the Master Lessee to the Sub-Lessee of any failure to comply under this Ground Lease that has not been cured and to the best of its knowledge and belief no Event of Default exists (or, if there has been any notice given or an Event of Default exists, describing the same).

(b) Certificates from the Master Lessee and the Sub-Lessee pertaining to the same matters may be relied upon by any prospective Leasehold Mortgagee or by any prospective assignee of an interest under this Ground Lease or by any prospective sublessee as to all or any portion of the Drew Property.

Section 22. Access to Drew Property and Records. The Master Lessor and Master Lessee, their authorized representatives, agents, employees, and attorneys may, but shall be under no duty to, enter the Drew Property at reasonable times and hours, subject to the rights of tenants in possession, if any, to inspect the Drew Property in order to determine whether the Sub-Lessee is complying with its undertakings, duties, and obligations under this Ground Lease. The Sub-Lessee shall include in each Facilities Lease a provision obligating the Drew School Facility Operator to provide access to the Drew Property on the same terms as are included in this Section 22, and the Sub-Lessee shall not be deemed to be in breach or default under this Section 22 to the extent that the Drew School Facility Operator refuses or declines to comply with such obligation. Such entries and inspections as the Master Lessor or Master Lessee may make of the Drew Property shall not constitute an eviction of the Sub-Lessee in whole or in part, and the Rent shall in no way abate as a result thereof. The Master Lessor and/or Master Lessee agree to employ their reasonable efforts to minimize any interruption to the business operations of the Sub-Lessee or the applicable Drew School Facility Operator resulting from the Master Lessor's or Master Lessee's (or its designated representatives') entries onto the Drew Property. Annually, beginning with the first Annual Period occurring after Completion of the Drew School Facility, and within thirty (30) days of the receipt by Master Lessee of the certified annual financial statements for the Drew School Facility described in Section 3(c) hereof, Master Lessor, Master Lessee and Sub-Lessee shall schedule a meeting at a mutually convenient location and time to review and discuss such certified annual financial statements, and to otherwise discuss the status of the Drew School Facility. Sub-Lessee shall provide to Master Lessor and Master Lessee copies of all information presented during the course of such annual meetings. In addition, upon commercially reasonable request by Master Lessor or Master Lessee with reasonable advance notice, within forty-five (45) days after any such annual meeting and not to occur more than one time per Annual Period, Master Lessor and Master Lessee and their employees and

accountants, may inspect and copy the leasing, financing, property management and expense records for the Drew School Facility from time to time, and Sub-Lessee agrees to reasonably cooperate with Master Lessor and Master Lessee in furnishing such records electronically or otherwise making all such records available to Master Lessor and Master Lessee for review and copying at the Drew School Facility or other nearby location reasonably acceptable to Master Lessor or Master Lessee (provided, however, that in no event shall the Sub-Lessee be deemed to be in default under this sentence at any time during the term of the Administrative and Accounting Services Agreement so long as the Sub-Lessee is not in default thereunder).

Section 23. Events of Default and Remedies.

(a) Events of Default Defined. The following shall be “Events of Default” under this Ground Lease, and the terms “Event of Default” or “Default” shall mean, whenever they are used herein, any one or more of the following events:

(i) The Sub-Lessee shall default in the performance of any term, covenant, condition, or provision hereof, and Sub-Lessee shall fail to cure such default within thirty (30) days after written notice specifying such is given to the Sub-Lessee by the Master Lessee. In the case of any such default that cannot with due diligence be cured within such thirty (30) day period but can be wholly cured within a period of time not materially detrimental to the rights of the Master Lessee, it shall not constitute an Event of Default if corrective action is instituted by the Sub-Lessee within the applicable period and diligently pursued until the failure is corrected.

(ii) The Sub-Lessee shall be adjudicated a Bankrupt.

(iii) A permanent receiver shall be appointed for the Sub-Lessee’s interest in the Drew Property or Drew School Facility and such receiver shall not be removed within ninety (90) days after notice from the Master Lessee to the Sub-Lessee to obtain such removal.

(iv) The Sub-Lessee shall make a general assignment for benefit of creditors.

(v) The Drew Property or the Sub-Lessee’s effects or interests therein shall be levied upon or attached under process against the Sub-Lessee other than as a result of (A) an action by the Lender as a result of an event of default under the Leasehold Mortgage or (B) the breach or default by a Drew School Facility Operator under a Facilities Lease, and the same shall not be satisfied or dissolved within ninety (90) days after notice from the Master Lessee to the Sub-Lessee to obtain satisfaction or dissolution thereof.

(vi) The Drew School Facility shall cease to be operated for School Purposes.

(b) Remedies. Upon the occurrence of an Event of Default and expiration of all applicable cure periods, the Master Lessee may, subject to the rights of the Lender under the SNDA, pursue one of the following remedies:

(i) Reenter and repossess any or all of the Drew Property, subject to the operation, lien and effect of the Financing Documents;

(ii) Perform, on behalf and at the expense of the Sub-Lessee, any obligation of the Sub-Lessee under this Ground Lease in respect of which Sub-Lessee has defaulted, the cost of which performance by the Lessee shall be payable by the Sub-Lessee to the Master Lessee;

(iii) Enforce, in the name of and on behalf of the Sub-Lessee, any and all rights and remedies with respect to the Construction Documents and any security therefore;

(iv) Cure such Sub-Lessee Event of Default in any other manner; and

(v) Pursue any combination of such remedies at law or in equity, including if, but only if, either all obligations of the Sub-Lessee to the Lender have been irrevocably paid in full, or Lender shall not within six (6) months after the occurrence of such Event of Default commenced the exercise of its rights under Section 3 or Section 5 of the SNDA, termination of this Ground Lease.

(c) In addition to the rights and remedies set forth in (b) above, but subject to the limitations of the SNDA and the limitation of the right to exercise such remedy as set forth in (d) and (h) below, if an Event of Default occurs and is continuing after the expiration of applicable cure periods, then, the Master Lessee may terminate this Ground Lease by giving written Notice of Termination to the Sub-Lessee and to the Leasehold Mortgagee, which termination shall be effective as of the date given in that notice.

(d) The Master Lessee shall not be entitled to terminate this Ground Lease pursuant to subsection (c) above, or to give a Notice of Termination, or to exercise any other remedies of the Master Lessee in subsections (b) or (c) above if (i) the Sub-Lessee or any Leasehold Mortgagee is diligently pursuing the cure of such Event of Default, including (if applicable) diligently taking steps to remove the Drew School Facility Operator, as the Drew School Facility Operator of the Drew School Facility, and to either engage a replacement Drew School Facility Operator for the Drew School Facility or apply for a charter from either the RSD or the School Board to operate the Drew School Facility directly, all as the Sub-Lessee or such permitted Leasehold Mortgagee may determine, (ii) the Sub-Lessee or any permitted Leasehold Mortgagee is diligently taking steps to enforce the rights and remedies and/or pursue claims against the Developer, and/or any other Person under the Construction Documents or to remove the Developer, as the developer of the Drew School Facility, and to engage a replacement developer to complete Construction of the Drew School Facility, all as the Sub-Lessee or such permitted Leasehold Mortgagee may reasonably determine (it being understood and agreed by the Master Lessee that, notwithstanding the Sub-Lessee's or the permitted Leasehold Mortgagee's diligence, Completion of the Drew School Facility may not require that such replacement developer be a party to this Ground Lease, or that such replacement developer assume all obligations of the Developer under this Ground Lease, or that any immaterial or insubstantial Event of Default be cured), (iii) after Substantial Completion of the Drew School Facility, the Drew School Facility is being managed, operated and used solely in accordance with this Ground Lease, or (iv) Gross Revenues are used first to pay those Expenses as are reasonably appropriate or necessary to operate and maintain the Drew School Facility in such a manner as to prevent material impairment of the value or use of the Drew School Facility for its intended purposes (which expenses do not include reserves for replacement of capital items and similar items) and to pay Administrative Expenditures prior to application to any other purpose. The Sub-Lessee or any permitted Leasehold Mortgagee shall be deemed to be diligently pursuing the cure of any Event of Default if all necessary, reasonable and appropriate actions are being taken, or have been taken, to attempt to cure such Event of Default, notwithstanding the fact that such Event of Default may never be cured or be capable of being cured. In addition, if any Event of Default is curable only by the payment of money, then, neither the Sub-Lessee nor any permitted Leasehold Mortgagee shall have failed to have been diligently pursuing a

cure if monies available (subject to the limitation set forth in Section 25 hereof) to effect such cure are not sufficient to do so.

(e) Without limiting the generality of the foregoing provision of subsection (c) or (d) above, the Master Lessee shall not be deemed to have accepted any abandonment or surrender by the Sub-Lessee of any or all of the Drew Property or the Sub-Lessee's sub-leasehold estate under this Ground Lease unless Master Lessee has so advised the Sub-Lessee expressly and in writing, regardless of whether the Master Lessee has reentered or relet any or all of the Drew Property or exercised any or all of the Master Lessee's other rights under this Section 23 or applicable law. No such termination of this Ground Lease, or summary dispossession proceedings, abandonment, reletting, Bankruptcy, re-entry by the Master Lessee or vacancy, shall relieve the Sub-Lessee of any of its liabilities and obligations under this Ground Lease (whether or not any or all of the Drew Property is relet).

(f) If an Event of Default occurs, the Sub-Lessee, in connection with the failure to perform its respective obligations shall, immediately on its receipt of a written demand therefore from the Master Lessee, reimburse the Master Lessee for all reasonable expenses (including but not limited to any and all repossession costs, management expenses, operating expenses, legal expenses and attorneys' fees) incurred by the Master Lessee (i) in curing or seeking to cure any such Event of Default and/or (ii) in exercising or seeking to exercise any of the Master Lessee's rights and remedies under the provisions of this Ground Lease and/or at law or in equity on account of any such Event of Default, and/or (iii) otherwise arising out of any such Event of Default, all of which expenses and interest shall be payable by the Sub-Lessee as an expense of the Drew School Facility, immediately on demand therefore by the Master Lessee.

(g) If any permitted Leasehold Mortgagee is diligently attempting or has diligently attempted to cure an Event of Default, and such Event of Default cannot be cured, then the Master Lessee shall not exercise its rights or remedies under this Ground Lease as to such Event of Default in a manner which directly conflicts with the cure attempted or being attempted by the permitted Leasehold Mortgagee.

(h) Notwithstanding anything to the contrary in this Agreement, Master Lessee agrees that until the Recapture Period has ended, Master Lessee shall not terminate this Ground Lease.

Section 24. Expiration or Termination.

(a) Extinguishment of the Sub-Lessee's Rights. Upon the termination or expiration of this Ground Lease from any cause other than as contemplated in Section 2(b) hereof, all rights and interests of the Sub-Lessee, and all persons whomsoever claiming by, through or under the Sub-Lessee (with the exception of the rights of a Leasehold Mortgagee arising under Section 25 hereof), shall immediately cease and terminate, and all of the Drew School Facility and Drew Property, including all buildings, improvements, engines, machinery, dynamos, generators, boilers, furnaces, elevators, fire escapes, and all lifting, lighting, heating, cooling, refrigerating, air conditioning, ventilating, gas, electric and plumbing apparatus, appliances and fixtures, as well as other fixtures attached to or within the Drew Property, and all personal property located thereon, shall thence forward constitute and belong to and be the absolute property of the Master Lessee or the Master Lessee's successors and assigns, without further act or conveyance, and without liability to make such compensation to the Sub-Lessee or to anyone whomsoever, and free and discharged from all and every lien, encumbrance, claim and charge of any character created or attempted to be created by the Sub-Lessee at any time. The Sub-Lessee agrees, at the termination of this Ground Lease, to surrender unto the Master Lessee, all and singular the Drew Property with then existing buildings, other structures and improvements Constructed and located on and in the Drew Property, in the same condition as when the Construction of such buildings, other structures, and improvements was completed, only natural and normal wear and tear excepted, unless the Sub-Lessee

shall be relieved of the Sub-Lessee 's obligation to repair, reconstruct, restore or replace damaged or destroyed buildings, other structures or improvements pursuant to Section 19 hereof. Sub-Lessee will reasonably cooperate with Master Lessee, in good faith, to transition operation of the Drew School Facility to Master Lessee.

(b) Prepaid Items Assigned. Upon the expiration of the Term of this Ground Lease, or upon the prior termination of this Ground Lease from any cause other than as contemplated in Section 2(b) hereof, all expense items prepaid by the Sub-Lessee with respect to Constructing, operating, maintaining, and protecting the Drew Property, including, but not limited to, prepaid insurance premiums, any tax and utility deposits, shall inure to the benefit of and become the property of the Sub-Lessee.

Section 25. Leasehold Mortgages. The Sub-Lessee, and every successor and assign of the Sub-Lessee, shall have the right in addition to any other rights granted in this Ground Lease, to encumber its interest in this Ground Lease under any one or more Leasehold Mortgages. If, from time to time, the Sub-Lessee shall encumber this Ground Lease with a Leasehold Mortgage, and if the holder thereof delivers to the Master Lessee an executed counterpart of such Leasehold Mortgage, together with each assignment thereof certified by such holder to be true together with written notice specifying the name and address of such holder and the pertinent recording data with respect to such Leasehold Mortgage, the Master Lessee agrees that, anything in this Ground Lease to the contrary notwithstanding, from and after the date of receipt by the Master Lessee of such notice and for the term (duration) of such Leasehold Mortgage, Master Lessee shall recognize the identified Leasehold Mortgagee as the holder of the Leasehold Mortgage. The Master Lessee acknowledges receipt of written notice from and a copy of the executed Leasehold Mortgage in favor of Lender as required pursuant to the foregoing sentence. Notwithstanding the foregoing, Sub-Lessee agrees that under no circumstances shall the Leasehold Mortgage or any Financing Documents secure, or result in payment of, any debts or obligations that are not directly related to the Drew School Facility.

(a) Consent to Amendment. There shall be no cancellation, surrender or modification of this Ground Lease by the Master Lessee or the Sub-Lessee without the prior written consent of any Leasehold Mortgagee.

(b) Notices. The Master Lessee, upon serving the Sub-Lessee with any notice of an Event of Default, failure to comply, or termination, shall simultaneously serve a copy of such notice on any Leasehold Mortgagee. If the Master Lessee shall serve the Sub-Lessee with a notice of a failure to comply with any term, covenant, condition, or provision hereof, without limiting any provision of the SNDA (which shall in all events govern any inconsistent provision of this Section 25) the Leasehold Mortgagee shall then have the same period after service of the notice on it as is given to the Sub-Lessee hereunder to remedy or cause to be remedied such failure, and the Master Lessee shall accept performances by or at the instigation of any Leasehold Mortgagee as if it had been done by the Sub-Lessee. Any notice required to be given to any Leasehold Mortgagee shall be posted in the United States mail, postage prepaid, certified, return receipt requested (and wired by telegraphic means or transmitted by facsimile transmission) and addressed to the Leasehold Mortgagee at the address and to the attention of the person designated to the Master Lessee by such Leasehold Mortgagee to receive copies of such notices and shall be deemed to have been served as of the date the said notice is received or refused by such Leasehold Mortgagee.

(c) Curative Rights of Leasehold Mortgagees. In addition to the rights granted to any Leasehold Mortgagee under subsection (b) of this Section 25, and without limiting any provision of the SNDA, a Leasehold Mortgagee shall have an additional period of sixty (60) days to remedy or cause to be remedied any Event of Default of which it shall receive notice.

(d) Limitation Upon Termination Rights of the Master Lessee. If the Master Lessee shall elect to terminate this Ground Lease upon the occurrence of an Event of Default, and without limiting any provision of the SNDA, the Leasehold Mortgagee shall also have the right to postpone and extend the date of termination as fixed by the provisions of this Ground Lease for a period of not more than three (3) months from the expiration of the sixty (60) day period specified in subsection (c) hereof, provided that the Leasehold Mortgagee of this Ground Lease shall with reasonable promptness take steps necessary to acquire the Sub-Lessee's interest and estate in this Ground Lease by foreclosure of its Leasehold Mortgage, or otherwise, and shall prosecute such action to completion with reasonable diligence. If at the end of the three (3) month period, the Leasehold Mortgagee of this Ground Lease shall be actively engaged in diligent steps to foreclose upon the Sub-Lessee's interest in the Ground Lease in accordance with the terms of the Financing Documents and applicable law, the time for Leasehold Mortgagee to comply with the provisions of this subsection (d) shall be extended for such period as shall be reasonably necessary to complete these steps with reasonable diligence and continuity.

(e) Assignment. The Master Lessee agrees that in the event of any foreclosure under any Leasehold Mortgage, either by judicial proceedings or under power of sale contained therein, or in the event of any conveyance by deed in lieu of foreclosure, all right, title and interest encumbered by such Leasehold Mortgage may, without the consent of the Master Lessee, be assigned to and vested in the purchaser at such foreclosure sale or transferee under such deed in lieu of foreclosure, and may without the consent of the Master Lessee, subsequently be assigned in a bona fide sale by any such purchaser at such foreclosure sale or such transferee of such deed in lieu of foreclosure to any other Person, and, notwithstanding that the Master Lessee's consent to said assignment shall not have been obtained, any such assignee shall be vested by virtue of such assignment with any and all rights of the party whose estate was encumbered by such Leasehold Mortgage as though the Master Lessee had consented thereto.

(f) Limitation on Liability of Leasehold Mortgagee. Notwithstanding any other provision of this Ground Lease, and without limiting any provision of the SNDA, the Master Lessee agree that any Leasehold Mortgagee permitted under this Ground Lease shall in no manner or respect whatsoever be (i) liable or responsible for any of the Sub-Lessee's prior obligations or covenants under this Ground Lease (nor shall any rights of such Leasehold Mortgagee be contingent on the satisfaction of such prior obligations or covenants), or (ii) required to cure any prior Event of Default, provided; however, that if such Leasehold Mortgagee becomes the owner of the leasehold estate created hereunder, then such Leasehold Mortgagee, shall be responsible and liable for all obligations and covenants accruing from and after the date on which the Leasehold Mortgagee obtains actual physical possession of the Drew School Facility. Notwithstanding the foregoing, and without limiting any provision of the SNDA, the liability of a Leasehold Mortgagee with respect to its obligations under this Ground Lease shall be "non-recourse" and, accordingly, the Master Lessee's source of satisfaction of such obligations shall be limited to the Net Available Cash Flow and Master Lessee shall not seek to obtain payment through any judicial process or otherwise from any person or entity comprising such Leasehold Mortgagee, or from any assets of such Leasehold Mortgagee, other than the Net Available Cash Flow.

(g) Rights of the Lender. So long as a Debt Financing remains outstanding in accordance with the terms and conditions of the Financing Documents, and without limiting any provision of the SNDA, then:

(i) any provision of this Ground Lease expressly recognizing or granting rights in or to a Leasehold Mortgagee may not be amended in any manner which affects the rights of the Leasehold Mortgagee without the prior written consent of the Leasehold Mortgagee, as applicable;

(ii) the Lender's consent shall be required in addition to the consent of the Leasehold Mortgagee, when required, for the execution and delivery of any amendment, supplement or change to or modification of this Ground Lease or for any other action under this Ground Lease requiring the consent of any Leasehold Mortgagee, and no such amendment, supplement, change to or modification of this Ground Lease, and no action hereunder requiring the consent of any Leasehold Mortgagee shall be valid without the consent of the Lender;

(iii) anything in this Ground Lease to the contrary notwithstanding, it is understood that the Leasehold Mortgage shall provide that upon the occurrence and continuance of an Event of Default, as defined therein, the Lender shall be entitled to control and direct the enforcement of all rights and remedies granted thereunder, and the Master Lessee does hereby agree to and shall recognize the Lender in such capacity;

(iv) to the extent that this Ground Lease confers upon or gives or grants to the Lender any right, remedy or claim under, or by reason of, this Ground Lease, the Lender is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder;

(v) nothing in this Ground Lease expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any Person, other than the Master Lessor, the Master Lessee, the Sub-Lessee, the Leasehold Mortgagee and the Lender, any right, remedy or claim under or by reason of this Ground Lease or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises, and agreements contained in this Ground Lease by and on behalf of the Master Lessor, Master Lessee and the Sub-Lessee shall be for the sole and exclusive benefit of the Master Lessee, the Sub-Lessee, the Leasehold Mortgagee, and the Lender;

(vi) any provision herein granting the Leasehold Mortgagee any right, including, without limitation, the (A) right to receive or give any notice, (B) the right to receive any financial statements, reports, certifications or other information required to be delivered or disseminated hereunder, (C) the right to give any indemnification, insurance coverage or reimbursement, (D) the right to cure any Event of Default or other failure in performance, or (E) the right to receive any other benefit afforded to a permitted Leasehold Mortgagee under this Ground Lease, shall also hereby grant to the Lender the same such rights;

(vii) whenever the Lender seeks to enforce any right or remedy of the Sub-Lessee under this Ground Lease, whether as a third party beneficiary or in any other capacity under this Ground Lease the Lender shall be subrogated to the Sub-Lessee and shall have the rights and be subject to all the limitations accruing to the Sub-Lessee hereunder;

(viii) whenever the Lender seeks to enforce any rights or remedy of any Leasehold Mortgagee under this Ground Lease, whether as a third party beneficiary or in any other capacity under this Ground Lease, the Lender shall be subrogated to such Leasehold Mortgagee and shall have all the right and be subject to all the limitation accruing to such Leasehold Mortgagee hereunder;

(ix) any consent or approval by the Lender shall be effective only if in writing; and

Section 26. Environmental Condition of the Drew Property.

(a) The Master Lessee represents to the Sub-Lessee that, to the best of Master Lessee's actual current knowledge without investigation except as set forth in the Phase I Environmental Site Assessment of McDonogh 42 School Site performed by [_____] and dated [_____]:

(i) as of the date hereof (1) there are no Hazardous Materials, as defined in subsection (d) of this Section 26, that have been spilled, disposed of, or otherwise released at, on, under, or in the Drew Property, that are or have been migrating onto or from the Drew Property, or otherwise are located at the Drew Property, regardless of source, and (2) there are no Hazardous Materials, that have caused or reasonably threatened to cause any environmental contamination of the Drew Property or otherwise have caused or reasonably threatened to cause any liability under any Environmental Law as to the Drew Property, and

(ii) there are no activities or conditions that exist, and to Master Lessee's current knowledge without investigation, have ever existed and remain unresolved at the Drew Property that violate any Environmental Law or are reasonably expected by Master Lessee to result in any claim or liability under any Environmental Law as to the Drew Property.

(b) Sub-Lessee shall satisfy itself concerning the environmental condition of the Drew Property. Sub-Lessee has been provided the opportunity to perform any tests and investigations to determine if any environmental concerns are identifiable through such testing. Master Lessee will provide reasonable information, cooperation, and assistance to Sub-Lessee in connection with Sub-Lessee's environmental evaluation of the Drew Property. Master Lessee and Sub-Lessee each acknowledge and agree that each of them, solidarily, is a "Beneficiary" (as that term is defined in the Master Lease) under Section 6 of the Master Lease, wherein the OPSB assumes liability for any Hazardous Materials existing on the Drew Property, or any violation of any Environmental Law, as further described therein. Sub-Lessee shall be responsible for any Hazardous Materials that are introduced on the Drew Property during the Sub-Lease Term that are the result of the actions of Sub-Lessee, its agents, employees, contractors or invitees. Sub-Lessee will indemnify, defend and hold Master Lessor, Master Lessee and any Leasehold Mortgagee harmless from and against any claims, damages and causes of action resulting from (a) introduction of Hazardous Materials to the Drew Property by Sub-Lessee, or its agents, employees, contractors or invitees, or (b) any failure of Sub-Lessee, during the Term, to comply with all Environmental Laws applicable to the Drew Property; provided, however, that the Sub-Lessee shall have no obligation pursuant to this sentence with respect to any such claims, damages or causes of action arising or accruing during the term of any Facilities Lease if the Sub-Lessee has included therein a provision obligating the Drew School Facility Operator thereunder to provide indemnification to the same extent as is contemplated by this sentence. This indemnification survives the expiration or termination of this Ground Lease. As of the Effective Date, Master Lessee is not aware of any contamination of the Drew Property by Hazardous Materials.

Section 27. Notices. (a) All notices, certificates, demands, requests, or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by certified mail, postage prepaid, return receipt requested, or given when dispatched by facsimile transmission, or by personal delivery addressed as follows:

If to the Master Lessee: Orleans Schools Facilities Foundation, Inc.

c/o Orleans Parish School Board
3520 General DeGaulle Drive, Suite 5088
New Orleans, LA 70114
Attention: Nolan Marshall, Jr., President
Facsimile: (504) 379-4185

With a copy to: Orleans Parish School Board
3520 General DeGaulle Drive, Suite 5088
New Orleans, LA 70114
Attention: Ed Morris, Esq.
Facsimile: (504) 366-0142

And a copy to: Foley & Judell, L.L.P.
One Canal Place, Suite 2600
365 Canal Street
New Orleans, LA 70130
Attention: Wayne J. Neveu
Facsimile: (504) 565-3900

If to the Master Lessor: Orleans Parish School Board
3520 General De Gaulle Drive, Suite 5088
New Orleans, LA 70114
Attention: Nolan Marshall, Jr., President
Facsimile: (504) 379-4185

Recovery School District
1615 Poydras Street, Suite 1400
New Orleans, LA 70112
Attention: Annie Cambria
Facsimile: (504) 308-3612

With a copy to: Foley & Judell, L.L.P.
One Canal Place, Suite 2600
365 Canal Street
New Orleans, LA 70130
Attention: Wayne Neveu
Facsimile: (504) 565-3900

And a copy to: Jones Walker L.L.P.
8555 United Plaza Blvd., 5th Floor
Baton Rouge, LA 70809
Attention: Amanda S. Wells
Facsimile: (225) 248-3118

If to the Sub-Lessee: Drew Elementary School Facility, LLC,
909 Poydras Street, Suite 1200
New Orleans, LA 70112
Attention: Ramsey Green
Facsimile: (504) 324-0740

With a copy to: Jones Walker L.L.P.

8555 United Plaza Blvd., 5th Floor
Baton Rouge, LA 70809
Attention: Amanda S. Wells
Facsimile: (225) 248-3118

And a copy to: Recovery School District
as administrative agent
1615 Poydras Street, Suite 1400
New Orleans, LA 70112
Attention: Annie Cambria
Facsimile: (504) 308-3612

If to Lender:

With a copy to: U.S. Bancorp Community Development Corporation
1307 Washington Avenue, Suite 300
St. Louis, MO 63103
Attention: Director of Asset Management – NMTC/HTC/ITC
Reference # 23318
Facsimile: (314) 335-2602

(b) Either party hereto may, by notice given to each of the other, designate any additional or different addresses to which subsequent notices, certificates, demands, requests, or other communications shall be sent.

(c) Notwithstanding anything contained herein to the contrary, any notice required to be given by the Master Lessee or the Sub-Lessee hereunder shall be deemed to have been given and shall be effective as of the date such notice is received or refused reflected on said notice. All notices, certificates, demands, requests, or other communications made by either party to the other which are required or permitted by the provisions of this Ground Lease shall be in writing.

Section 28. Submission of Matters to the Master Lessee for Approval. Any matter which must be submitted to and consented to or approved in writing by the Master Lessee or any matter which must be submitted to the Master Lessee which may become effective if not denied by the Master Lessee, as required under this Ground Lease, shall be submitted to the Master Lessee by hand or mailed by United States certified or registered mail return receipt requested, to the address of the Master Lessee designated for the giving of notice to the Master Lessee under Section 27 hereof and shall either be approved or rejected by the Master Lessee within fifteen (15) days after receipt unless a shorter period of time is expressly stated elsewhere herein. If the Master Lessee should fail so to approve or reject within such fifteen (15) day period as provided for herein, the Master Lessee's approval shall be assumed to have been unconditionally granted and the Sub-Lessee shall have the right to proceed on such matter so submitted. The Master Lessee shall inform the Sub-Lessee in writing of a rejection or approval of such submitted matter by United States certified or registered mail, return receipt requested, to the address of the Sub-Lessee designated for the giving of notice to the Master Lessee in Section 27 hereof.

Section 29. Holding Over by the Sub-Lessee. The Sub-Lessee shall not use or remain in possession of the Drew Property after the termination of this Sub-Lease pursuant to this Ground Lease except as contemplated in Section 2(b) hereof. Any holding over, or continued use or occupancy by the

Sub-Lessee after the termination of the Sub-Lease pursuant to this Ground Lease, without the written consent of the Master Lessee, shall not constitute a tenant-at-will interest in behalf of the Sub-Lessee, but the Sub-Lessee shall become a tenant-at-sufferance and liable for Rent and all other expenses, obligations and payments in effect for the immediately preceding year of the Term of this Ground Lease. There shall be no renewal whatsoever of this Ground Lease by operation of law.

Section 30. Sale and Conveyance of Drew School Facility. Master Lessor and Sub-Lessee hereby acknowledge and agree that, in consideration of the Purchase Price paid by the Sub-Lessee on the Sale Date to the Master Lessee in accordance with the provisions of Section 3(a) hereof, notwithstanding the form of the transaction contemplated by this Ground Lease, the Master Lessee hereby sells, conveys and assigns to Sub-Lessee the Drew School Facility. Sub-Lessee is and shall be treated as the owner of the Drew School Facility for state law and federal income tax purposes. For Federal income tax and accounting purposes, Master Lessor recognizes and shall continue to recognize Sub-Lessee as the owner of the Drew School Facility pursuant to this Ground Lease as a sale, and Sub-Lessee and Master Lessee shall not take any tax reporting position to the contrary. In furtherance and not in limitation of the foregoing, Master Lessee and Sub-Lessee agree that, as between each of them (i) to the greatest extent possible, the risk of loss and the benefits of profit and appreciation with respect to the Drew School Facility shall reside with Sub-Lessee, (ii) it is not Master Lessee's intent to realize any meaningful residual value from the Drew School Facility on or after the date hereof, and it is Sub-Lessee's intent to bear any residual value risk associated with the Drew School Facility, and (iii) Sub-Lessee alone shall be entitled to all of the tax attributes of ownership of the Drew School Facility, including, without limitation, the right to claim depreciation or cost recovery deductions.

Section 31. Representations and Warranties.

(a) The Sub-Lessee makes the following representations and warranties as the basis for the undertakings on its part herein contained:

(i) **Organization/Power/SPE.** The Sub-Lessee is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of Louisiana, is authorized to do business in the State, and has all requisite power and authority and all necessary licenses and permits to own and operate its properties and to carry on its business as it is now being conducted and as it is currently proposed to be conducted.

(ii) **Pending Litigation and Taxes.** There are no actions, suits, proceedings, inquiries, or investigations pending or, to the knowledge of the Sub-Lessee, threatened against or affecting the Sub-Lessee in any court or by or before any governmental authority or arbitration board or tribunal that involve the likelihood of materially and adversely affecting the properties, business, prospects, profits, operations, or condition (financial or otherwise) of the Sub-Lessee, or the ability of the Sub-Lessee to perform its obligations under this Ground Lease, or the transactions contemplated by this Ground Lease or that, in any way, would adversely affect the validity or enforceability of this Ground Lease or any agreement or instrument to which the Sub-Lessee is a party and that is used or contemplated for use in the consummation of the transactions contemplated hereby or thereby, nor is the Sub-Lessee aware of any facts or circumstances currently existing that would form the basis for any such action, suit, or proceeding. The Sub-Lessee is not in default with respect to any judgment, order, writ, injunction, decree, demand, rule, or regulation of any court, governmental authority, or arbitration board or tribunal. All tax returns (federal, state, and local) required to be filed by or on behalf of

the Sub-Lessee have been duly filed, and all taxes, assessments, and other governmental charges shown thereon to be due, including interest and penalties, except such, if any, as are being actively contested by the Sub-Lessee in good faith, have been paid or adequate reserves have been made for the payment thereof.

(iii) Agreements Are Legal and Authorized. The execution and delivery by the Sub-Lessee of this Ground Lease, the consummation of the transactions herein contemplated, and the fulfillment of or the compliance with all of the provisions hereof (1) are within the power, legal right, and authority of the Sub-Lessee, (2) are legal and will not conflict with or constitute on the part of the Sub-Lessee a violation of or a breach of or a default under, or result in the creation or imposition of any lien, charge, restriction, or encumbrance (other than Permitted Encumbrances) upon any property of the Sub-Lessee under the provisions of, any charter instrument, bylaw, indenture, mortgage, deed of trust, pledge, note, lease, or loan, or installment sale agreement, contract, or other agreement or instrument to which the Sub-Lessee is a party or by which the Sub-Lessee or its properties are otherwise subject or bound, or, to its knowledge, any license, law, statute, rule, regulation, judgment, order, writ, injunction, decree, or demand of any court or governmental agency or body having jurisdiction over the Lessee or any of its activities or properties, and (3) have been duly authorized by all necessary and appropriate corporate action on the part of the Sub-Lessee. This Ground Lease is the valid, legal, binding, obligation of the Sub-Lessee, enforceable against the Sub-Lessee in accordance with its terms. The officer or officers of the Sub-Lessee executing this Ground Lease are duly and properly in office and are fully authorized and empowered to execute the same for and on behalf of the Sub-Lessee.

(iv) Governmental Consents. Neither the Sub-Lessee nor any of its business or properties, nor any relationship between the Sub-Lessee and any other person or entity, nor any circumstance in connection with the execution, delivery, and performance by the Sub-Lessee of its obligations under this Ground Lease, is such as to require the consent, approval, permission, order, license, or authorization of, or the filing, registration, or qualification with, any governmental authority on the part of the Sub-Lessee in connection with the execution, delivery, and performance of this Ground Lease or the consummation of any transaction herein contemplated, except as shall have been obtained or made and as are in full force and effect.

(v) Compliance with Law. To the knowledge of the Sub-Lessee, the Sub-Lessee is not in violation of any laws, ordinances, or governmental rules or regulations to which it is subject and has not failed to obtain any licenses, permits, franchises, or other governmental authorizations (that are currently obtainable) necessary to the ownership of its or their properties or to the conduct of its business, which violation or failure to obtain might materially and adversely affect the properties, business, prospects, profits, or condition (financial or otherwise) of the Sub-Lessee.

(b) The Master Lessee makes the following representations as the basis for the undertakings on its part herein contained:

(i) Organization/Power. The Master Lessee is a nonprofit public benefit corporation of the School Board duly organized, validly existing, and in good standing under the laws of the State of Louisiana, is authorized to do business in the State, and has all requisite power and authority and all necessary licenses and permits to own and

operate its properties and to carry on its business as it is now being conducted and as it is currently proposed to be conducted.

(ii) Pending Litigation and Taxes. There are no actions, suits, proceedings, inquiries, or investigations pending or, to the knowledge of the Master Lessee, threatened against or affecting the Lessee in any court or by or before any governmental authority or arbitration board or tribunal that involve the likelihood of materially and adversely affecting the properties, business, prospects, profits, operations, or condition (financial or otherwise) of the Master Lessee, or the ability of the Master Lessee to perform its obligations under this Ground Lease, or the transactions contemplated by this Ground Lease or that, in any way, would adversely affect the validity or enforceability of this Ground Lease or any agreement or instrument to which the Master Lessee is a party and that is used or contemplated for use in the consummation of the transactions contemplated hereby or thereby, nor is the Master Lessee aware of any facts or circumstances currently existing that would form the basis for any such action, suit, or proceeding. The Master Lessee is not in default with respect to any judgment, order, writ, injunction, decree, demand, rule, or regulation of any court, governmental authority, or arbitration board or tribunal. All tax returns (federal, state, and local) required to be filed by or on behalf of the Master Lessee have been duly filed, and all taxes, assessments, and other governmental charges shown thereon to be due, including interest and penalties, except such, if any, as are being actively contested by the Lessee in good faith, have been paid or adequate reserves have been made for the payment thereof.

(iii) Agreements Are Legal and Authorized. The execution and delivery by the Master Lessee of this Ground Lease, the consummation of the transactions herein contemplated, and the fulfillment of or the compliance with all of the provisions hereof (1) are within the power, legal right, and authority of the Master Lessee, (2) are legal and will not conflict with or constitute on the part of the Master Lessee a violation of or a breach of or a default under, or result in the creation or imposition of any lien, charge, restriction, or encumbrance (other than Permitted Encumbrances) upon any property of the Master Lessee under the provisions of, any charter instrument, bylaw, indenture, mortgage, deed of trust, pledge, note, lease, or loan, or installment sale agreement, contract, or other agreement or instrument to which the Master Lessee is a party or by which the Master Lessee or its properties are otherwise subject or bound, or, to its knowledge, any license, law, statute, rule, regulation, judgment, order, writ, injunction, decree, or demand of any court or governmental agency or body having jurisdiction over the Master Lessee or any of its activities or properties, and (3) have been duly authorized by all necessary and appropriate corporate action on the part of the Master Lessee. This Ground Lease is the valid, legal, binding, obligation of the Master Lessee, enforceable against the Master Lessee in accordance with its terms. The officer or officers of the Lessee executing this Ground Lease are duly and properly in office and are fully authorized and empowered to execute the same for and on behalf of the Master Lessee.

(iv) Governmental Consents. Neither the Master Lessee nor any of its business or properties, nor any relationship between the Master Lessee and any other person or entity, nor any circumstance in connection with the execution, delivery, and performance by the Master Lessee of its obligations under this Ground Lease, is such as to require the consent, approval, permission, order, license, or authorization of, or the filing, registration, or qualification with, any governmental authority on the part of the Lessee in connection with the execution, delivery, and performance of this Ground Lease

or the consummation of any transaction herein contemplated, except as shall have been obtained or made and as are in full force and effect.

(v) Compliance with Law. To the knowledge of the Master Lessee, the Master Lessee is not in violation of any laws, ordinances, or governmental rules or regulations to which it is subject and has not failed to obtain any licenses, permits, franchises, or other governmental authorizations (that are currently obtainable) necessary to the ownership of its or their properties or to the conduct of its business, which violation or failure to obtain might materially and adversely affect the properties, business, prospects, profits, or condition (financial or otherwise) of the Lessee.

(vi) Master Lease. The Master Lessee has delivered to the Sub-Lessee a true, correct and complete copy of the Master Lease.

Section 32. Miscellaneous.

(a) Rights are Cumulative. All rights, powers, and privileges conferred herein upon both parties hereto shall be cumulative.

(b) Provisions are Binding Upon Assigns and are Real Covenants. It is mutually covenanted, understood and agreed by and between the Parties hereto, that each of the provisions of this Ground Lease shall apply to, extend to, be binding upon and inure to the benefit or detriment of not only the parties hereto, but also the legal representatives, successors and assigns of the Master Lessee and the Sub-Lessee hereto, and shall be deemed and treated as real covenants running with the Drew Property during the Term of this Ground Lease. The parties further acknowledge and agree that the Lender and any other Leasehold Mortgagees and their respective successors and assigns shall be deemed third party beneficiaries hereunder. Whenever a reference to the parties hereto is made, such reference shall be deemed to include the legal representatives, successors and assigns of said party, the same as if in each case expressed.

(c) Applicable Law. This Ground Lease shall be governed, construed, performed and enforced in accordance with the laws of the State without regard to conflicts of law principles.

(d) All Genders and Numbers Included. Whenever the singular or plural number, or masculine, feminine, or neuter gender is used in this Ground Lease, it shall equally apply to, extend to, and include the other.

(e) Invalidity of Provision or Part Thereof. In the event any provision, or any portion of any provision of this Ground Lease is held invalid, the other provisions of this Ground Lease and the remaining portion of said provision, shall not be affected thereby and shall continue in full force and effect.

(f) Time is of the Essence. All time limits stated in this Ground Lease are of the essence of this Ground Lease.

(g) Section Captions are to be Disregarded. The captions of the numbered sections of this Ground Lease are for purposes of identification and convenience only and are to be completely disregarded in construing this Ground Lease.

(h) Subordination. Notwithstanding anything else contained herein, the Master Lessee agrees that the financing of the Construction, and furnishing of the Drew School Facility will directly benefit the

Master Lessee's operations and the Master Lessee agrees that its interests in and to the Drew Property and the Drew School Facility, including all improvements and all rents, revenues, issues and profits relating to the operation of the Drew School Facility, including, without limitation, Net Available Cash Flow shall be junior and subordinate to the interest of the Lender and/or any other Leasehold Mortgagee as granted or provided in any of the Financing Documents (collectively, the "**Financing Collateral**"). So long as any of the indebtedness created, evidenced, or secured by any of the Financing Documents remains outstanding and unpaid, the Master Lessee shall not exercise any rights or remedies with respect to the Financing Collateral without obtaining in each instance the prior written consent of the Lender and any other Leasehold Mortgagee.

(i) Entire Agreement Contained Herein. This Ground Lease constitutes the full, complete and entire agreement between and among the Parties with respect to the subject matter hereof; no agent, employee, officer, representative or attorney of the Parties has authority to make, or has made, any statement, agreement, representation or contemporaneous agreement, oral or written, in connection herewith modifying, adding to or changing the provisions of this Ground Lease. No amendment of this Ground Lease shall be binding unless such amendment shall be in writing, signed by both parties hereto and approved by the Lender, if any, and attached to, incorporated in and by reference made a part of this Ground Lease.

(j) No Partnership or Agency. Except between the School Board and the Master Lessee, nothing in this Ground Lease is intended, or shall in any way be construed, so as to create any form of partnership or agency relationship between the Parties. Except between the School Board and the Master Lessee, the parties hereby expressly disclaim any intention of any kind to create any partnership or agency relationship between themselves. Nothing in this Ground Lease shall be construed to make either Party liable for any of the indebtedness of the other, except as specifically provided herein.

(k) Limitation of Liability. Notwithstanding anything herein to the contrary, the liability of the Sub-Lessee hereunder (including, but not limited to its indemnity obligations) under this Ground Lease shall be "non-recourse" and, accordingly, the Master Lessee's sole source of satisfaction of such obligations shall be limited to the Sub-Lessee's interest in the Property and the Drew School Facility and the rents, issues and surplus related thereto, and the Master Lessee shall not seek to obtain payment from any person or entity comprising the Sub-Lessee or from any assets of the Sub-Lessee other than those described herein, notwithstanding the survival of any obligation of the Sub-Lessee beyond the Sub-Lease Term hereof.

(l) Recordation of Memorandum of Lease. The Master Lessee and the Sub-Lessee agree that the parties shall execute, seal, acknowledge and deliver simultaneously with the execution of this Ground Lease, the Memorandum of Ground Lease.

(m) Counterparts. This Ground Lease may be executed simultaneously in two or more counterparts, each of which shall be deemed original and all of which, when taken together, shall constitute one in the same document. The signature of any party to any counterpart shall be deemed a signature too, and may be appended to, any other counterpart.

(n) No Merger. So long as any Leasehold Mortgage is in existence, the fee title to the Drew Property and the leasehold in the Drew Property shall not merge but shall remain separate and distinct, notwithstanding the acquisition of said fee title and said leasehold by the Master Lessee or the Sub-Lessee or by a third party, by purchase or otherwise.

(o) Non-Waiver. No waiver by either party of any violation or breach of any of the terms, provisions and covenants contained in this Ground Lease shall be deemed or construed to constitute a

waiver of any other violation or breach of any of the terms, provisions and covenants contained in this Ground Lease. Forbearance by either party in enforcing one or more of the remedies provided in this Ground Lease upon an Event of Default shall not be deemed or construed to constitute a waiver of such Event of Default or of such party's right to enforce any such remedies with respect to such Event of Default or any subsequent Event of Default.

(p) Waiver of Right to Trial by Jury. Each party hereby irrevocably waives the right to trial by jury in any proceeding arising under this Ground Lease.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the Master Lessee and Sub-Lessee have caused this Ground Lease to be duly executed in duplicate counterparts each of which shall be deemed to be an original, the day and year first above written.

Master Lessee:

TWO WITNESSES:

**ORLEANS SCHOOLS FACILITIES
FOUNDATION, INC.**, a Louisiana nonprofit public
benefit corporation

Print Name: _____

By: _____
Name: Ira H. Thomas, Sr.
Title: Chairman

Print Name: _____

Notary Public
My commission expires: _____

Sub-Lessee:

**DREW ELEMENTARY SCHOOL FACILITY,
LLC, a Louisiana limited liability company**

**By: NEW ORLEANS SCHOOL FACILITY
FINANCE FOUNDATION**, a Louisiana
nonprofit corporation, its sole member

TWO WITNESSES:

By: _____
Name: Wil Jacobs
Its: Secretary

Print Name: _____

Print Name: _____

Notary Public
My commission expires: _____

[SIGNATURE PAGE TO GROUND LEASE]

CONSENTED TO AND CONFIRMED:

ORLEANS PARISH SCHOOL BOARD

By: _____
Name: Nolan Marshall, Jr.
Title: President

Notary Public
My commission expires: _____

STATE OF LOUISIANA, RECOVERY SCHOOL DISTRICT

By: _____
Name: Patrick Dobbard
Title: Superintendent

Notary Public
My commission expires: _____

[SIGNATURE PAGE TO GROUND LEASE]

EXHIBIT "A"

DESCRIPTION OF DREW PROPERTY

EXHIBIT "F"

LOAN DOCUMENTS

Exhibit "F-1" Loan Agreement

Exhibit "F-2" Promissory Note

Exhibit "F-3" Leasehold Mortgage, Security and Pledge Agreement

EXHIBIT "G"

UNCONDITIONAL GUARANTY AND ENVIRONMENTAL INDEMNIFICATION

EXHIBIT “H”

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

EXHIBIT "I"

CLOSING TRANSFERS AND AUTHORIZATIONS AGREEMENT