

CHARTER LEASE SUBSIDY AGREEMENT

This Charter Lease Subsidy Agreement (the “**Subsidy Agreement**”), made and entered into as of the 1st day of _____, 2018 (the “**Effective Date**”), is by and between the **ORLEANS SCHOOLS FACILITIES FOUNDATION, INC.** (referred to hereinafter as the “**Facilities Foundation**”), a nonprofit public benefit corporation of the **ORLEANS PARISH SCHOOL BOARD** (the “**School Board**”) and **CRESCENT CITY SCHOOLS**, a Louisiana nonprofit corporation (referred to hereinafter as “**Charter School Operator**”).

Recitals:

WHEREAS, in accordance with Article VII, Section 14(c) of the Constitution of the State of Louisiana of 1974 (“**Constitution**”), the School Board and the Recovery School District (“**RSD**”), a public body and instrumentality of the State of Louisiana administered by the Louisiana State Department of Education 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, 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 School Board has previously authorized and organized the Facilities Foundation as a PBC under the PSFFA to implement Leveraged Financings in accordance with the School Facilities Master Plan (the “**Master Plan**”); and

WHEREAS, the School Board, RSD and the Facilities Foundation have entered into a Cooperative Endeavor Agreement (the “**HT Leveraged Financing CEA**”) to complete the renovation of the Harriet Tubman Elementary School (the “**Harriet Tubman School**”);

WHEREAS, the HT Leveraged Financing CEA directs the Facilities Foundation to transfer the Harriet Tubman School to Tubman School Facility, L.L.C. (the “**Leverage Financing Facilitator**”); and

WHEREAS, pursuant to the Leveraged Financing CEA, the School Board and the RSD agreed that (i) the operation of the Harriet Tubman School following its transfer to and renovation by the Leverage Financing Facilitator will be through the Charter School Operator, pursuant to a Charter School Facilities Sublease effective May 3, 2018 (the “**Charter Lease**”) by

and between the Leverage Financing Facilitator, as landlord, and the Charter School Operator, as tenant and (ii) the initial amount of the per pupil debt service offset (the “**Debt Service Offset**”) to be made available to the initial Charter School Operator to make payments under the Charter Lease shall be an amount not less than \$834 multiplied by the number of students enrolled in the Harriet Tubman School; and

WHEREAS, pursuant to the HT Leveraged Financing CEA, the School Board and the RSD each agreed to invest monies as needed into the Facilities and to enter into such additional agreements as may be necessary to facilitate the Leveraged Financing for the development and renovation of the Harriet Tubman School;

WHEREAS, it has been determined that the Debt Service Offset is not sufficient to permit the Charter School Operator to satisfy its financial obligations under the Charter Lease and that additional funds (the “**Charter Lease Subsidy**”) in the not-to-exceed amounts specified in **Exhibit “A”** hereto are to be provided by the Facilities Foundation to the Charter School Operator in each of the years specified in said exhibit to enable the Charter School Operator to fulfill all of its obligations under the Charter Lease, all as required to facilitate the Leveraged Financing for the development and renovation of the Harriet Tubman School;

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

SECTION 1. Purpose of Subsidy Agreement. The recitals cited above are hereby incorporated into this Subsidy Agreement which is being entered into between the Facilities Foundation and the Charter School Operator in order provide the Charter School Operator the not-to-exceed funds (the “**Subsidy**”) on the dates (the “**Subsidy Payment Dates**”) specified in **Exhibit “A”** in order to permit the Charter School Operator to fulfill all its lease payment obligations (the “**Charter Lease Payment**”) to the Leverage Financing Facilitator under the Charter Lease on the first day of each month (the “**Charter Lease Payment Dates**”) specified in **Exhibit “A”** to the extent that the Debt Service Offset is not sufficient to make a Charter Lease Payment, all in accordance with the Leverage Financing of the Harriet Tubman School pursuant to the HT Leveraged Financing CEA.

SECTION 2. Subsidy Commitment by Facilities Foundation. The Facilities Foundation hereby agrees to provide the Subsidy to the Charter School Operator on the Subsidy

Payment Dates to the extent that the Debt Service Offset received by the Charter School Operator as of any Charter Lease Payment Date is not sufficient to permit the Charter School Operator to make a Charter Lease Payment. The exact amount of the monthly subsidy will be determined annually after the Minimum Foundation Formula (the “MFP”) has been adopted by the Louisiana Legislature. The Charter School Operator will provide the number of students enrolled at the Harriet Tubman School to the Facilities Foundation no later than July 31st and immediately update the Facilities Foundation as to any adjustments or revisions to student enrollment through the Louisiana Department of Education (the “LDOE”). If a student adjustment is not made and more students are enrolled at the Harriet Tubman School than reported to the Facilities Foundation, the Charter School Operator must retain the additional debt service offset applicable to the additional students and apply such additional debt service offset toward future rent payments, The Subsidy specified in Exhibit “A” may be revised every July and March in response to any adjustments in the enrollment count.

SECTION 3. Advance of funds by School Board to Facilities Foundation. The School Board acknowledges and authorizes Facilities Foundation to enter into this Subsidy Agreement. The School Board hereby irrevocably commits and agrees to advance funds to the Facilities Foundation in such amounts, when and as required under the Subsidy Agreement, to enable Facilities Foundation to fulfill its obligations under the Subsidy Agreement. The School Board acknowledges and agrees that the Subsidy Agreement shall be for the benefit of and enforceable by the Leverage Financing Facilitator and that the Leverage Financing Facilitator shall have the right to require that any amount required to be advanced by the School Board under the Subsidy Agreement to the Facilities Foundation be funded directly to the Leverage Financing Facilitator.

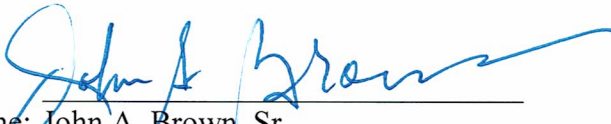
SECTION 4. Book keeping by Charter School Operator. The Charter School Operator agrees to record all advances from the Facilities Foundation to the Leverage Financing Facilitator on behalf of the Charter School Operator in its quarterly, annual and audited financial statements. The Charter School Operator agrees to provide copies of any financial statements to the Facilities Foundation or the Leverage Financing Facilitator upon request.

(Signatures follow on next page)

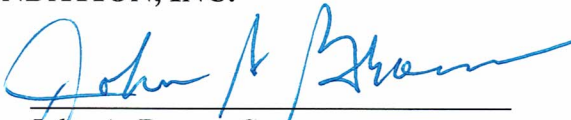
[SIGNATURE PAGE SUBSIDY AGREEMENT]

THUS DONE AND SIGNED, this 1st day, of _____, 2018.

ORLEANS PARISH SCHOOL BOARD

By: 
Name: John A. Brown, Sr.
Title: President

**ORLEANS SCHOOLS FACILITIES
FOUNDATION, INC.**

By: 
Name: John A. Brown, Sr.
Title: Chairman

CRESCENT CITY SCHOOLS, a Louisiana nonprofit
corporation

By: _____
Name: _____
Title: _____

Crescent City Schools - Harriet Tubman Charter School (Exhibit A)

Year		January	February	March	April	May	June	July	August	September	October	November	December
2018	Charter Lease Payment								\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72
	Estimated Debt Service Offset								\$ 40,833.68	\$ 40,833.68	\$ 40,833.68	\$ 40,833.68	\$ 40,833.68
	Subsidy												
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,274.04	\$ 32,274.04	\$ 32,274.04	\$ 32,274.04	\$ 32,274.04
2019	Charter Lease Payment	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72
	Estimated Debt Service Offset	\$ 40,833.68	\$ 40,833.68	\$ 40,833.68	\$ 40,833.68	\$ 40,833.68	\$ 40,833.68						
	Subsidy	\$ 32,274.04	\$ 32,274.04	\$ 32,274.04	\$ 32,274.04	\$ 32,274.04	\$ 32,274.04	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72
2020	Charter Lease Payment	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72
	Estimated Debt Service Offset												
	Subsidy	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72
2021	Charter Lease Payment	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72
	Estimated Debt Service Offset		\$ 23,320.00	\$ 23,320.00	\$ 23,320.00	\$ 23,320.00	\$ 23,320.00	\$ 23,320.00	\$ 23,320.00	\$ 23,320.00	\$ 23,320.00	\$ 23,320.00	\$ 23,320.00
	Subsidy	\$ 73,107.72	\$ 49,787.72	\$ 49,787.72	\$ 49,787.72	\$ 49,787.72	\$ 49,787.72	\$ 49,787.72	\$ 49,787.72	\$ 49,787.72	\$ 49,787.72	\$ 49,787.72	\$ 49,787.72
2022	Charter Lease Payment	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72
	Estimated Debt Service Offset												
	Subsidy	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72
2023	Charter Lease Payment	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72
	Estimated Debt Service Offset												
	Subsidy	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72	\$ 73,107.72