July 11, 2024

Community Regional Charter School
Attn. Travis Works
48 South Factory Street
Skowhegan, ME 04976

Delivery via email to: tworks@crcsme.org; blund@brannlaw.com

Letter of Understanding

Ladies and Gentlemen:

This letter confirms our understanding of the mutual present intentions of Community Regional Charter School, a Maine public charter academy ("***School***"), and Highmark School Development, LLC, a Utah limited liability company ("***Developer***"), in initiating discussions concerning entering into a transaction to locate a real property ("***Property***") suitable for the development of a public charter school facility designed for the School's needs ("***Facility***") and to develop and construct or renovate the Facility (collectively, "***Transaction***").

1. Negotiation of Business Terms. The Developer and the School hereby agree to use reasonable diligence to commence good faith negotiations regarding business terms of the Transaction and enter into a Project Development and Reimbursement Agreement ("***PD&R***") and execute a Term Sheet **("Term Sheet")** memorializing such terms within sixty (60) days from the date of this letter of understanding.

2. School Creditworthiness. The School hereby authorizes Developer to investigate and conduct due diligence of the School's condition and creditworthiness, financial or otherwise in such manner as Developer sees fit in anticipation of proceeding with the Transaction. The School agrees to cooperate in good faith by promptly providing any needed information to assist Developer in completing such investigation. The School will give Developer and its representatives access to any personnel and all charter documents, contracts, books, records and operations of the School.

3. Conditions to Consummation of Transaction. The parties hereto acknowledge and agree that this letter does not contain all matters upon which an agreement must be reached in order for the Transaction to be consummated and unless and until a definitive agreement regarding the Transaction has been executed and delivered, neither party to this letter will be under a legal obligation of any kind whatsoever with respect to the Transaction or other business relationship by virtue of this letter, except for the matters specifically agreed to herein. Accordingly, this letter is intended solely as a basis for further discussion; ***provided, however,*** that the provisions set forth in this letter shall be binding upon the parties hereto. The respective obligations of the parties with respect to the Transaction shall be subject to satisfaction of conditions customary to transactions of this type, including without limitation, (a) receipt and approval by Developer of the information required under ***Section 2***, (b) satisfactory completion by Developer of a due diligence investigation of the Property and the Facility; (c) execution of the definitive agreements by all appropriate parties; (d) obtaining all requisite regulatory, administrative, or governmental authorizations and consents; (e) approval of the Transaction by the Developer's credit committee and the Board of Directors of the School; (f) absence of a material adverse change in the condition (financial or otherwise) of the School and Developer; and (g) School obtaining appropriate financing reasonably satisfactory to the Developer for the acquisition and development of the Facility.

4. Exclusivity. The School agrees that for a period of sixty (60) days from the date of this letter ("Exclusivity Period") it shall deal exclusively with Developer and its designees in connection with the location, construction, development, and/or purchase of any real property or any school facility for the School. During the Exclusivity Period, neither the School nor any of its directors, officers, employees, consultants, brokers, agents, representatives, affiliates, and related parties (collectively, "Related Parties") will engage in any discussions or negotiations with any party (other than Developer) regarding any proposal for developing, constructing, purchasing, leasing, designing, or otherwise providing the School with a charter school facility ("Alternative Transaction") or will solicit, encourage or entertain proposals from any party (other than Developer) in connection with an Alternative Transaction. During the Exclusivity Period, the School shall notify Developer promptly of any proposals by third parties with respect to an Alternative Transaction and furnish Developer with the material terms thereof. The School acknowledges that Developer will be incurring significant expenses and effort in connection with locating the Property, conducting due diligence investigation to ensure that the Property is appropriate for the development of the Facility and School's needs, and designing the Facility, and that the exclusivity restrictions contained in this Section 4 are reasonable and necessary to protect the legitimate interests of Developer and constitute a material inducement to Developer to enter into this letter.

5. Non-Disclosure. In connection with its obligations under this letter, Developer has disclosed or may furnish the School information relating to the Transaction or Developer's business whether written, oral or electronic in form including, but not limited to, leases, plans (including any drawings and architectural plans developed by Developer and its consultants for the Transaction), reports, documents, form documents agreements (including any lease forms), records and other information in connection with the Transaction or regarding the business, ideas, business strategies, operations, prospects of Developer or information otherwise reflecting Developer's business, and which may be contained or reflected in analysis, projections, compilations, forecasts, plans, studies or other documents, whether prepared by Developer or others, which, to the extent previously, presently, or subsequently disclosed to the School, is hereinafter referred to as "***Proprietary Information***." In consideration of any disclosure and any negotiations concerning the Transaction and in performing its obligations under this letter, the School agrees that it will not use, or permit the use of, the Proprietary Information in a manner or for a purpose other than in connection with this letter and the Transaction. The School will cause its Related Parties not to disclose, divulge, provide or make accessible any of the Proprietary Information to any person or entity, other than the School's responsible officers, employees, accountants or attorneys or otherwise as required by law or regulation. The School agrees not to disclose any Proprietary Information to anyone other than its responsible officers, employees, accountants or attorneys without first obtaining Developer's prior written consent. If the School decides not to proceed with the Transaction or if asked by Developer, the School will promptly return or destroy all Proprietary Information and all copies, extracts and other objects or items in which it may be contained or embodied. The School acknowledges that Developer and its consultants shall be deemed the authors and owners of any architectural plans developed by Developer in connection with the Transaction and that the School has no right to use such plans without Developer's prior written consent. Likewise, to the extent applicable by law relative to a public charter school entity, Developer agrees not to disclose any proprietary information provided by the school or its Related Parties except as required to execute activities outlined in this Letter of Understanding. The provisions of this Section will survive any termination of this letter and will expire on the third anniversary of the date hereof.

6. Termination. Upon the earlier of (a) the mutual written agreement of the parties hereto or (b) the failure by the parties hereto to execute and deliver the Project Development and Reimbursement Agreement within sixty (60) days of this letter, this letter shall terminate and the parties shall be released from all liabilities and obligations with respect to the subject matter hereof, except that ***Sections 4, 5*** and *7* of this letter shall survive any such termination, and Developer will be entitled to any form of relief whatsoever for any violation of the School's obligations contained in ***Sections 4*** and ***5,*** including, without limitation, injunctive relief or damages.

7. Miscellaneous. This letter is governed by the internal laws of the State of Utah and may be modified or waived only in writing by both parties. If any provision is found to be unenforceable, such provision will be limited or deleted to the minimum extent necessary so that the remaining terms remain in full force and effect. The prevailing party in any dispute or legal action regarding the subject matter of this letter shall be entitled to recover attorneys' fees and costs.

8. Counterparts. This letter may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

9. Capacity of Developer. Developer is acting under this letter solely in its capacity as a real estate developer and not as an investment adviser or fiduciary for the School or any other third party. Developer is not making any recommendation or providing any legal, tax or investment advice. The School agrees that Developer's actions under this letter and the provision of any services by Developer will not be taken in any way to constitute advice from Developer as to any matter, including the development of a financing plan, the issuance of securities and the terms thereof, and the selection and retention of service providers engaged in such financing. The School acknowledges and agrees that it is responsible for obtaining financial or investment advice from a suitably qualified third party adviser.

If the foregoing correctly sets forth our mutual understanding, please so indicate by signing of this letter in the space provided below and returning to Ms. Jennifer Barbeau no later than 5:00 p.m. Mountain Daylight Time on Friday, July 19, 24. Unless received by Ms. Barbeau via email at jennifer@highmarkschools.com prior to that day and time, the undertaking of Developer set forth above will immediately expire.

Very truly yours,

Highmark School Development, LLC,
a Utah limited liability company

By: Jennifer Barbeau

Its: VP, Project Development

Accepted and agreed as of the date first written above.

Community Regional Charter School
a Maine public charter academy

By: ______________________________

Its: ______________________________

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