

TEACH Las Vegas Factoring Term Sheet



Our Mission:
To help charter schools reach their full potential via sound lending and investing practices.

CAM

CHARTER
ASSET
MANAGEMENT

About CAM

Since 2012, Charter Asset Management (CAM) has funded over \$1 billion to charter schools nationwide. CAM offers term loans, revolving lines of credit, bridge loans for real estate acquisitions and improvements, and working capital via receivables factoring.

National Leader in Charter School Financing



Highlights & Strengths

CAM funded Harbor Springs Charter School \$12.5 million for the acquisition of their new campus in Chula Vista, California, and \$2M for improvements to help create their ideal learning environment.

CAM provides ongoing working capital for five Nevada charter schools based in greater Las Vegas.

CAM opened a \$10 million revolving line of credit with Rocketship Education in California.

CAM Strengths:

Expertise:

CAM knows charter schools. Our team has extensive experience working with charter school networks, understands their many unique challenges, and is dedicated to finding meaningful solutions.

Collaboration:

CAM collaborates with charter schools to provide bespoke funding solutions and works proficiently around existing bonds or planned long-term financings.

Flexibility:

CAM provides charter schools with flexible capital. We are not a bank and will not require depository business as a part of our relationship with clients.

Speed:

Our agility as an organization allows us to issue a proposal, conduct due diligence, and fund in an expedited manner.

CAM Factoring Term Sheet

October 24, 2022

Mr. Matt Brown
Chief Financial & Operating Officer
TEACH Las Vegas
4660 N. Rancho Drive, Las Vegas, NV 89130

Dear Mr. Matt Brown,

Charter Asset Management Fund, L.P. (“Purchaser”) appreciates this opportunity to continue our relationship with TEACH Las Vegas (“Seller”). We would like to propose the following terms and conditions for the factoring transaction under discussion. Please note that this letter is not intended to constitute a commitment to factor on the part of the Purchaser, but to summarize for discussion purposes the working capital accommodation that we are interested in considering. Notwithstanding the foregoing, the terms under the heading “Confidentiality” as set forth below in this letter shall constitute a binding and legally enforceable agreement between the parties.

Factoring is a common financing transaction used in many industries where future revenues, in this case, state-aid receivables, are purchased at a discount to advance capital for use in the present. In other words, CAM will provide capital to your charter school now by purchasing a portion of the state-aid due to your school in the future.

Purchaser	Charter Asset Management Fund, L.P.
Seller	TEACH Las Vegas
Net Amount Funded	\$500,000.00
Factored Amount	\$535,264.41
Cost of Capital	\$35,264.41
Legal & Admin Fee	N/A
Closing Date	October 28, 2022

Collateral

Purchaser will be provided a perfected first position security interest in all of the Seller’s present and future assets, including intellectual property and general intangible assets including but not limited to first and exclusive position of all future state revenue. Seller authorizes Purchaser to file UCC-1 financing statements and other necessary documents with UCC filing offices showing Purchaser as secured party and Seller as debtor and covering all of the above-described collateral.

Dominion

All state and other payments to be intercepted and distributed by a designated trustee, control account or cash collateral account pursuant to a deposit account control agreement.

Repayment Schedule

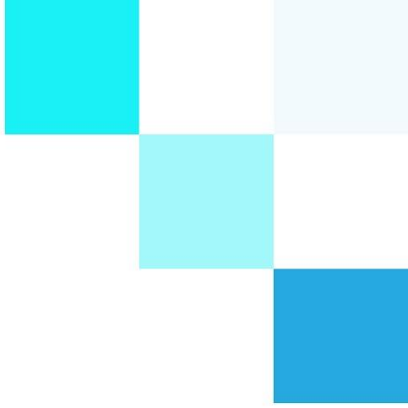
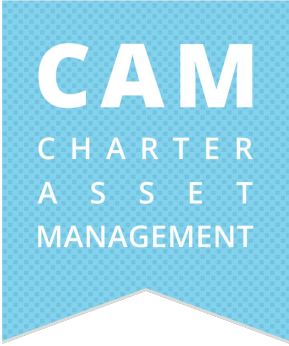
Pursuant to Repayment Schedule Below

Offer Expiration

October 26, 2022

Receivable Schedule

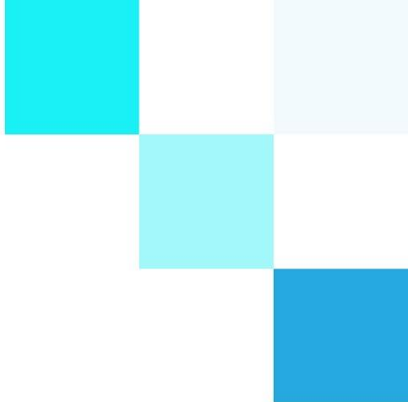
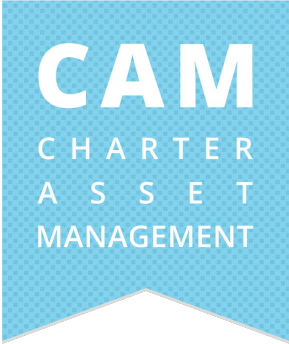
Account Authority / Payor	Account Receivable	Amount Purchased	Admin Fee	Discount %	Discount	Amount Funded
Nevada Department of Education	FY 22-23 State Aid Distributive School Account (DSA) Dec PMT. District Code# 2. School Code# 112100	\$107,264.41	\$ -	2.99%	\$3,207.21	-\$104,057.20
Nevada Department of Education	FY 22-23 State Aid Distributive School Account (DSA) Feb PMT. District Code# 2. School Code# 112100	\$107,000.00	\$ -	5.99%	\$6,409.30	-\$100,590.70
Nevada Department of Education	FY 22-23 State Aid Distributive School Account (DSA) Mar PMT. District Code# 2. School Code# 112100	\$107,000.00	\$ -	6.99%	\$7,479.30	-\$99,520.70
Nevada Department of Education	FY 22-23 State Aid Distributive School Account (DSA) Apr PMT. District Code# 2. School Code# 112100	\$107,000.00	\$ -	7.99%	\$8,549.30	-\$98,450.70
Nevada Department of Education	FY 22-23 State Aid Distributive School Account (DSA) May PMT. District Code# 2. School Code# 112100	\$107,000.00	\$ -	8.99%	\$9,619.30	-\$97,380.70
Total		\$535,264.41	\$ -		\$35,264.41	-\$500,000.00



Repayment Schedule

Account Receivable	Repayment Date
FY 22-23 State Aid Distributive School Account (DSA) Dec PMT. District Code# 2. School Code# 112100	January 1, 2023
FY 22-23 State Aid Distributive School Account (DSA) Feb PMT. District Code# 2. School Code# 112100	March 1, 2023
FY 22-23 State Aid Distributive School Account (DSA) Mar PMT. District Code# 2. School Code# 112100	April 1, 2023
FY 22-23 State Aid Distributive School Account (DSA) Apr PMT. District Code# 2. School Code# 112100	May 1, 2023
FY 22-23 State Aid Distributive School Account (DSA) May PMT. District Code# 2. School Code# 112100	June 1, 2023

*Disbursement timing for federal, state, county, and local state aid can vary. Account receivables sold to CAM are due when disbursed.



Seller

TEACH Las Vegas

By: _____

Name: Mr. Matt Brown

Title: Chief Financial & Operating Officer

Dated: _____

Purchaser

Charter Asset Management Fund, L.P.

By: Charter Asset Management GP, LLC.

Its: General Partner

By: _____

Name: Paul Im

Title: Managing Partner

By: _____

Name: David Park

Title: Managing Partner

Thank you for choosing to fund with Charter Asset Management.

This proposal letter is provided solely for the purpose described herein and may not be disclosed to or relied upon by any other party without the Purchaser's prior written consent. This proposal is intended to form the basis for a discussion of a working capital accommodation, and further negotiations adding to or modifying the general scope of the major terms shall not be precluded by the issuance of this Proposal Letter. This proposal is confidential and proprietary for the sole purpose of discussions between the parties hereunder.

Purchaser reserves the right to issue press releases, advertisements, and other promotional materials describing any successful outcome of services provided on your behalf. The Seller agrees that Purchaser shall have the right to identify the Seller by name in those materials.

Whether or not the transaction contemplated herein is consummated, by your acceptance hereof: (a) you agree to bear all reasonable out-of-pocket expenses of Purchaser and all fees and disbursements of Purchaser's counsel (including the allocated costs of inside counsel) relating to the preparation of this letter and of the proposed financing documentation and to the transaction contemplated hereby and thereby, if applicable, and (b) you agree to indemnify Purchaser, its affiliates, and their respective directors, officers and employees and to defend and hold Purchaser, its affiliates and such other persons harmless from and against all losses, claims, damages, liabilities and expenses (including expenses of litigation or preparation thereof) which Purchaser or any such affiliates or such other persons in connection with or arising out of the matters referred to herein, except for damages resulting from the gross negligence or willful misconduct of the Purchaser.

Proposed Timeline



01

Term Sheet
-
Today

02

Proposal & Agreements Review
-
1 month

03

Agreements Finalized & Executed
-
2 weeks

04

Due Diligence & Underwriting
-
1 - 2 weeks

05

Financial Close
-
Negotiable



CAM

CHARTER
ASSET
MANAGEMENT

Thank You!

Your CAM Support Team

Paul Im - Managing Partner

Jonathan Yeh - Finance Department

General Inquiries:
(213) 335-6275

Email:

client.services@charterassetmanagement.com