

**Rosemawr**  
**Management**

June 17, 2024

**TERM SHEET**

2730 Mitchell Drive LLC  
Taxable Lease Revenue Notes, Series 2024-A

This summary of basic terms between Charthouse Public Schools which operates Contra Costa School of Performing Arts (the “School”), 2730 Mitchell Drive LLC (the “Borrower”, together “Borrower/School”) and Rosemawr Management LLC, on behalf of a fund managed by it (“Purchaser” and together with the School, the “Parties”), memorializes the Parties’ understanding of the material terms relating to the proposed purchase of the above-captioned Taxable Revenue Notes, Series 2024-A (the “Notes”) by Purchaser to be issued by the Borrower in order to fund interest expenses, a payment to the School for the purposes listed below.

Purpose and Summary	The Borrower will use the proceeds from the financing to fund interest expenses on the Series 2020A and Series 2020B Bonds and fund certain marketing and recruitment expenses outlined by the Mariposa Consulting Group.
Borrower/School	2730 Mitchell Drive LLC, a California non-profit corporation whose sole member is 2730 Mitchell Drive LLC. The Borrower leases its facility to Charthouse Public Schools, a CA non-profit corporation who operates Contra Costa School of Performing Arts.
Note Purchaser	A fund or account managed by Rosemawr Management, LLC
Guarantor	Charthouse Public Schools
Noteholder Representative	Rosemawr Management, LLC
Par Amount	Approximately [\$350,000]

*This summary of terms is not a commitment to lend or an offer to purchase the Note. The terms and conditions set forth herein are subject to modification or restructuring based upon Noteholder Representative’s (as hereinafter defined) due diligence, legal review and disclosure or discovery of additional or changed information. These are basic terms for discussion of the business deal – there will be other terms, covenants, etc. This term sheet shall be superseded by the definitive agreements described herein, if any are entered into.*

Purchase Price	The Note will be purchased at a price of 100.00% (par).
Interest Rate	The Note shall bear an interest rate of 5%. Interest will be paid at maturity or upon earlier prepayment in whole or in part. Interest shall accrue on a 30/360 basis.
Date of Issuance	Purchaser, Borrower and all involved parties will conduct their best efforts to close the transaction on or before [July 15, 2024] (“Desired Closing Date”) subject to conditions outlined in this Term Sheet and other customary due diligence and required transaction documents.
Use of Proceeds	Note proceeds shall be used to: <ol style="list-style-type: none"> <li>1. Fund interest expenses of the Borrower equal to \$300,000; and</li> <li>2. Fund up to \$50,000 of the Mariposa Consulting Group (“MCG”) contract; and</li> <li>3. Fund costs of issuance.</li> </ol>
Maturity	December 15, 2025
Amortization	None. The Note will be due at Maturity.
Interest and Principal Payments	Interest on the Notes shall be payable on the Maturity Date.
Optional Redemption	The Note will be eligible for optional redemption at anytime, at par plus accrued interest to the redemption date on fourteen calendar days’ notice.
Security/Intercreditor Agreement	The School/Borrower, Trustee for the Borrower/School’s existing bonds and Purchaser shall enter into an Intercreditor Agreement whereby the parties agree that the Note is secured on a parity of lien with respect the Borrower/School’s obligations under the Lease and Loan Agreement related to the existing bonds.
Guarantor	Charthouse Public Schools

Guaranty Agreement	The School shall enter into a Guaranty Agreement obligating it to repay the Note in full, in exchange for the Borrower’s agreement to provide it with \$50,000 in note proceeds from the issuance of the Note to fund the cost of the MCG consulting work.
Mariposa Consulting Group	<p>The School shall engage MCG to provide marketing and recruitment services, along with other services described more fully in MCG’s June 4, 2024 proposal.</p> <p>Any Reports or other materials from MCG shall be shared with Noteholder Representative. The School shall authorize MCG to communicate with Noteholder Representative outside the presence of the school at any time.</p>
Budgeting	As a condition to purchase of the Note, the School and the Borrower shall each provide Noteholder Representative with a balanced budget for the FY2025 school year which provides for payment of lease expenses net of the \$300,000 Note proceeds provided to the Borrower for interest expenses. Noteholder Representative shall provide feedback on said balanced budget within five Business Days of receiving it.
Budget Amendments & Major Contracts	<p>The School shall not pass any amendments to its then effective budget (including the budget described in the prior paragraph) without approval of Noteholder Representative while the Notes are outstanding.</p> <p>The School shall not enter into any new contracts in excess of \$50,000, without the prior written approval of the Noteholder Representative, nor amend collective bargaining contracts for employment of teachers without approval of the Noteholder Representative, so long as the Note is outstanding.</p>

Zoning Amendment	The Borrower authorizes the Noteholder Representative to apply for an amendment to the current zoning for the Facilities leased by the School at its sole cost and expense. The School/Borrower shall cooperate with any reasonable requests for cooperation, such as execution of amendment requests and related application to the relevant zoning authorities. The Purchaser shall reimburse the School/Borrower for reasonable out of pocket expenses associated with the amendment/modification.
Continuing Disclosure	So long as the Notes are outstanding, the School/Borrower shall provide the Noteholder Representative with monthly enrollment reports, broken down by grade, and financials, including balance sheet, income statement and comparative statements of actual to budgeted revenues and expenses, both on a monthly and fiscal year to date basis, no later than the fifteenth day of the following month, commencing August 15, 2024. The School shall also schedule monthly calls with the Noteholder Representative within five Business Days of providing its monthly financials. The School shall also provide the Noteholder Representative with a conference link (ie Zoom, Teams, etc.) to its Board Meetings. For the avoidance of doubt, the Noteholder Representative may only participate in the portion of the meeting open to the public and may not attend any Executive Sessions.
Conditions Precedent	<p>Prior to or simultaneously with the issuance of the Notes, the Borrower shall obtain or provide to the Purchaser's satisfaction the following: acceptance of documentation including the following (the "Financing Documents"):</p> <ol style="list-style-type: none"> <li>1. Note;</li> <li>2. Intercreditor Agreement;</li> <li>3. Guaranty Agreement;</li> <li>4. First Amendment Lease Amendment; and</li> <li>5. Such other documents and opinions as may be requested by Purchaser and its counsel.</li> </ol>
Due Diligence	The Borrower will cooperate with the Noteholder Representative in its due diligence review and shall provide all the necessary documents required by the Noteholder Representative in conjunction with said review.

Events of Default	Generally, Events of Default shall include, but not be limited to: (i) any default of the Borrowers under the Financing Documents; (ii) the failure to make any required debt payment; (iii) failure to follow the recommendations of MCG, and (iv) an event of default under any of the Bond Documents.
Expenses	Noteholder Representative will be reimbursed by the Borrower for all reasonable legal and consulting fees and other diligence expenses incurred in connection with the transaction whether or not the transaction is consummated, except as specifically set forth herein under "Zoning".
Confidentiality	The provisions of this Term Sheet shall be kept confidential and shall not, without Noteholder Representative's prior consent, be disclosed by the Borrower to any person or entity other than: the Borrower's directors, senior administrators, and professional advisors who have a need to know. All such persons or entities provided this Term Sheet shall be informed of this confidentiality requirement. Notwithstanding the foregoing, the terms of this paragraph shall be not prevent the Borrower from complying with its obligations under State Law.
Exclusivity	Upon execution of this Term Sheet, the Borrower and Noteholder Representative shall negotiate and work in good faith with one another to consummate the transaction described herein, based on documents provided by Noteholder Representative. The Borrower shall cease discussions with any other potential lenders, or parties not identified herein, regarding the transaction contemplated by this Term Sheet until 90 day date from execution, unless and until Noteholder Representative notifies the Borrower in writing that is determined not to pursue the transaction.

This summary of terms is not a commitment to lend or an offer to purchase the Note. The terms and conditions set forth herein are subject to modification or restructuring based upon Bondholder's due diligence, legal review and disclosure or discovery of additional or changed information. These are basic terms for discussion of the business deal – there will be other terms, covenants, etc. This term sheet shall be superseded by the definitive agreements described herein, if any are entered into. This summary of terms is not a commitment to lend or an offer to purchase the Bonds. The terms and conditions set forth herein are subject to

modification or restructuring based upon Noteholder Representative’s due diligence and legal reviews. These are basic terms for discussion of the business deal – there will be other terms, covenants, etc.

IN WITNESS WHEREOF, and acknowledging acceptance and agreement of the foregoing, the Parties affix their signatures hereto on this \_\_\_\_\_ day of June, 2024.

*[Balance of page intentionally left blank.]*

**ROSEMAWR MANAGEMENT LLC**, on behalf of  
certain funds and/or accounts managed by it

By: \_\_\_\_\_

Title: \_\_\_\_\_

**CHARTHOUSE PUBLIC SCHOOLS**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**2730 MITCHELL DRIVE LLC**

By: \_\_\_\_\_

Title: \_\_\_\_\_