[Draft – 08-06-2024]

**GUARANTY AGREEMENT**

 This **GUARANTY AGREEMENT** (the “Guaranty”), made as of August 1, 2024, by and between **CHARTHOUSE PUBLIC SCHOOLS**, a California nonprofit public benefit corporation (the “Guarantor”), and **[\_\_\_\_\_\_\_\_\_\_]**, a [\_\_\_\_\_\_\_\_\_], (the “Lender”):

Recitals

 WHEREAS, California School Finance Authority (the “Authority”) has heretofore issued its Charter School Revenue Bonds (Contra Costa School of Performing Arts Project) Series 2020, in two series in the aggregate principal amount of $16,350,000 (the “Series 2020 Bonds”), under and pursuant to an Indenture of Trust dated as of September 1, 2020 (the “Indenture”), between the Authority and UMB Bank, N.A., as trustee (the “Trustee”), and loaned the proceeds thereof to Guarantor to finance certain charter school facilities in the State of California (the “Series 2020 Facilities”). The Guarantor then leased the Series 2020 Facilities from 2730 Mitchell Drive, LLC, a California limited liability company (the “Borrower”), pursuant to that certain Lease Agreement dated as of September 1, 2020 between the Guarantor and the Borrower. Capitalized terms used without definition herein shall have the meaning ascribed in the Indenture. The Guarantor is referred to as the “Company” in the Indenture and related documents.

 WHEREAS, the Borrower has requested that [\_\_\_\_\_\_\_\_\_\_\_\_] (the “Lender”) loan it [$\_\_\_\_\_\_\_\_] pursuant to a Taxable Revenue Note, Series 2024-A (School Working Capital) dated June [\_\_\_\_], 2024 (the “Note”) form the Borrower to the Lender. The Borrower will make available a portion of the proceeds of the Note to the Guarantor, and in consideration therefor, the Borrower’s obligations under the Note are secured by this Guaranty. To govern the relative priorities of payments under the Lease and this Guaranty with respect to the Series 2020 Bonds and the Note, the Trustee, the Lender, the Guarantor and the Borrower have entered into that certain Intercreditor Agreement dated as of August 1, 2024 (the “Intercreditor Agreement”).

 NOW, THEREFORE, in consideration of (i) the foregoing, (ii) as an inducement to the Lender to make the loan evidenced by the Note, (iii) the provision of a portion of the proceeds of the Note to the Guarantor and (iv) as an inducement to the Trustee to enter into the Intercreditor Agreement, the Guarantor agrees as follows:

 **Section 1. Guaranteed Obligations.** The Guarantor hereby irrevocably, absolutely and unconditionally guarantees to the Lender, or any subsequent holder of the Note, the full and prompt payment and performance of (a) the principal of and redemption premium, if any, on the Note when and as the same shall become due (whether at maturity, by acceleration, call for redemption or otherwise); (b) the interest on the Note when and as the same shall become due; (c) all other amounts due or to become due from the Guarantor under the Intercreditor Agreement. The guaranteed obligations described in this ***Section 1*** are hereinafter collectively referred to as the “Guaranteed Obligations”.

 **Section 2. Continuing Obligations.** This Guaranty shall be a continuing, absolute and unconditional guaranty and shall remain in full force and effect until the Guaranteed Obligations have been satisfied in full and the entire principal of, redemption premium, if any, and interest on the Note shall have been paid or provided for according to the terms of the Note and all amounts due and owing the Lender shall be fully paid, at which time this Guaranty shall automatically terminate and be of no further force and effect. The Guarantor acknowledges and agrees, however, that its obligations hereunder shall apply to and continue with respect to any amount paid to the Lender with respect to the Guaranteed Obligations which is subsequently recovered from the Lender or the owners or beneficial owners of the Note for any reason whatsoever (including, without limitation, as a result of a bankruptcy, insolvency or fraudulent conveyance proceeding but excluding any amounts so recovered due to any willful misconduct, bad faith or gross negligence on the part of the Lender) notwithstanding the fact that the Note may have been previously paid or performed in full or this Guaranty returned, or both.

 **Section 3. Guaranty of Payment and Performance.** This is a guaranty of payment and performance and not of collection, and the Guarantor expressly waives any right to require that any action be brought against the Guarantor or any other person or to require that resort be had to any security. If there shall occur an Event of Default (as defined in the Note) by the Guarantor under the Note with respect to the payment of the Guaranteed Obligations when and as the same become due, and such Event of Default (as defined in the Note) shall be continuing, the Guarantor, upon written demand by the Lender as provided herein, without notice other than such demand and without the necessity of further action by the Lender, its successors or assigns, shall promptly and fully pay such defaulted payment. In case of any Event of Default hereunder, the Guarantor shall pay all costs and expenses, including attorneys’ fees and expenses, paid or incurred by the Lender in connection with the enforcement of the Guaranteed Obligations or the obligations of the Guarantor under this Guaranty. All payments by the Guarantor shall be paid in lawful money of the United States of America in immediately available funds. Each default in payment of the principal of or interest on the Note shall give rise to a separate cause of action hereunder and separate suits may be brought hereunder as each cause of action arises.

 **Section 4. Obligations Unconditional.** The obligations of the Guarantor hereunder shall be absolute and unconditional and shall not be impaired, modified, released or limited by any occurrence or condition whatsoever (other than upon the payment in full of the Note), including without limitation (i) any compromise, settlement, release, waiver, renewal, extension, indulgence, change in, amendment to or modification of any of the obligations and liabilities contained in the Note except that Guarantor’s guarantee shall thereafter be consistent with the terms of any compromise, settlement, release, waiver, renewal, extension, indulgence, change in, amendment to or modification of any of the obligations and liabilities to the Guaranteed Obligations, (ii) any impairment, modification, release or limitation of the liability of the Borrower, or any other security for or guaranty of the Note, or any remedy for the enforcement thereof, resulting from the operation of any present or future provision of the federal bankruptcy laws or other statutes or from the decision of any court relating thereto, (iii) the assertion or exercise by the Lender, its successors or assigns, or the Trustee of any rights or remedies under the Note or any of their delay in asserting or exercising, or failure to assert or exercise, any such rights or remedies, (iv) the assignment or mortgaging or the purported assignment or mortgaging of all or any part of the interest of the Guarantor in the Project, and (v) the purchase or sale of any membership interests in the Guarantor.

 **Section 5. Waivers.**

 (a) The Guarantor shall receive notice of any of the matters referred to in ***Section 4*** and, prior to making payment to the Lender hereunder, shall receive notice of any proof of nonpayment by the Guarantor under the Note with respect to any Guaranteed Obligation, as well as a certificate of the Lender stating such nonpayment and setting forth the amount immediately due and payable.

 (b) The Guarantor consents and agrees that the Lender may, from time to time, upon default by Guarantor or Borrower, exercise any right or remedy it may have with respect to any or all of the or any property securing any or all of the Guaranteed Obligations or any guaranty thereof, including without limitation judicial foreclosure, nonjudicial foreclosure, exercise of a power of sale and taking a deed, assignment or transfer in lieu of foreclosure as to any such property, and the Guarantor expressly and unconditionally waives any defense based upon the exercise of any such right or remedy, whether or not such election is commercially reasonable, notwithstanding the effect thereof upon any of the Guarantor’s rights, including without limitation any destruction of Guarantor’s right of subrogation against the Guarantor and any destruction of the Guarantor’s right of contribution or other right against any other Guarantor of any or all of the Guaranteed Obligations or against any other person, whether by operation of Sections 580a, 580d or 726 of the California Code of Civil Procedure, or any comparable provisions of the laws of any other jurisdiction, or any other statutes or rules of law now or hereafter in effect or otherwise.

 (c) Pursuant to Section 2856 of the California Civil Code, the Guarantor waives all rights and defenses that the Guarantor may have because the Guaranteed Obligations are secured by real property. This means, among other things: (i) the Lender may collect from the Guarantor without first foreclosing on any real or personal property collateral pledged by the Guarantor or any other Guarantor; and (ii) if the Lender forecloses on any real property collateral pledged by the Guarantor or any other Guarantor: (A) the amount of the Guaranteed Obligations may be reduced only by the price for which that collateral is sold at the foreclosure sale, even if the collateral is worth more than the sale price. This is an unconditional and irrevocable waiver of any rights and defenses the Guarantor may have because the Guaranteed Obligations are secured by real property. These rights and defenses include, but are not limited to, any rights or defenses based upon Sections 580a, 580b, 580d or 726 of the California Code of Civil Procedure.

 (d) The Guarantor also hereby irrevocably waives any defenses to enforcement it may have (now or in the future) by reason of:

 (i) any rights, defenses and other benefits that may be available by reason of any exercise of remedies with respect to any security for the Guaranteed Obligations (including, without limitation, any collateral securing or purporting to secure any of the Guaranteed Obligations) at such time and in such order and in such manner as the Lender may decide and whether or not every aspect thereof is commercially reasonable and whether or not such action constitutes an election of remedies and even if such action operates to impair or extinguish any right of reimbursement or subrogation or other right or remedy that the Guarantor would otherwise have and without limiting the generality of the foregoing or any other provisions hereof, the Guarantor hereby expressly waives any and all benefits which might otherwise be available to the Guarantor under applicable law, including, without limitation, California Civil Code Sections 2809, 2810, 2819, 2939, 2845, 2848, 2849, 2850, 2855, 2899 and 3433 and Section 580(d) of the California Code of Civil Procedure;

 (ii) any rights of the Guarantor of subrogation, reimbursement, indemnification, and/or contribution against the Lender or any other person or entity, and any other rights or defenses that are or may become available to the Guarantor or any other person or entity by reason of Sections 2787-2855, inclusive, of the California Civil Code;

 (iii) any right it may have to require Lender or any other person or entity to proceed against the Guarantor, proceed against or exhaust any security held from the Guarantor, or pursue any other remedy in Lender’s power to pursue, including any such right or any other right set forth in California Civil Code Sections 2845 or 2850;

 (iv) all rights to participate in any security now or later held by the Lender under the Indenture, the Loan Agreement, the Lease, the Deed of Trust, the Note or this Guaranty, including any right set forth in California Civil Code Sections 2845, 2848, or 2849;

 (v) all rights and benefits under California Civil Code Section 2809 purporting to reduce a Guarantor’s obligations in proportion to the principal obligation;

 (vi) any rights, defenses, and other benefits available to the Guarantor under California Civil Code Section 2822;

 (vii) any defense based upon the Lender’s election to waive its lien as to all or any security for the Note pursuant to California Code of Civil Procedure Section 726.5 or otherwise;

 (viii) any defense based on the unavailability to recover a deficiency judgment after a nonjudicial sale of real or personal property, and any rights or defenses based on or arising from California Code of Civil Procedure Sections 580a, 580b, 580d, or 726 (including any fair value limitations under Section 726 of that Code) or based on or arising from Division 9 or any other applicable division of the California Commercial Code (including any defense arising as a result of any election made by Lender under Section 9604(a) of the California Uniform Commercial Code);

 (ix) any illegality or lack of validity or enforceability of any Guaranteed Obligation; or

 (x) any manner of sale, disposition or application of proceeds of any collateral or other assets to all or part of the Guaranteed Obligations and/or any failure of the Lender to marshal assets of the Guarantor.

 (e) The Guarantor acknowledges that the Lender may foreclose on any collateral (including any real property) or other collateral held by it by one or more judicial or nonjudicial sales, accept an assignment of any such collateral in lieu of foreclosure, compromise or adjust any part of the Guaranteed Obligations, make any other accommodation with the Guarantor or exercise any other right or remedy available to it against the Guarantor, without affecting or impairing in any way the liability of the Guarantor hereunder except to the extent the Guaranteed Obligations (other than contingent or unliquidated obligations or liabilities) have been indefeasibly paid in full. The Guarantor hereby waives any and all rights and defenses arising out of an election of remedies by the Lender, even though that election of remedies, such as a nonjudicial foreclosure with respect to security for a guaranteed obligation or the acceptance by the Lender or an affiliate of the Lender of a deed in lieu of foreclosure, has destroyed the Guarantor’s rights of subrogation and reimbursement against the obligors under the Note by operation of California Code of Civil Procedure Section 580d or otherwise.

 **Section 6. No Set-Off.** No act of commission or omission of any kind or at any time upon the part of the Lender, with respect to any matter whatsoever shall in any way affect or impair the rights of the Lender to enforce any right, power or benefit of the Lender under this Guaranty, and no set-off, claim, reduction or diminution of any obligation or any defense of any kind or nature which the Guarantor has or may have against the Lender, the Trustee or their successors or assigns shall be available to the Guarantor or against any such assignee or successor in any suit or action brought by the Lender or its successors or assigns to enforce any right, power or benefit under this Guaranty, it being the intent of this Guaranty that the Guarantor shall be unconditionally and absolutely obligated to perform fully all of its obligations, agreements and covenants hereunder for the benefit of the Lender and the holder from time to time of the Note.

 **Section 7. Venue.** The Guarantor agrees that any suit, action or proceeding arising out of or relating to this Guaranty shall be instituted in the state or federal courts in California; and the Guarantor hereby waives any objection to the venue of any such suit, action or proceeding, and irrevocably submits to the jurisdiction of any such court in any such suit, action or proceeding. Nothing herein shall affect the right of the Lender to serve process in any other manner permitted by law or to commence legal proceedings or otherwise proceed against the Guarantor in any other jurisdiction.

 **Section 8. Representations and Warranties.** The Guarantor makes the following representations and warranties as the basis for its undertakings hereunder:

 (a) It is a limited liability company duly organized, and validly existing in good standing under the laws of the State of California, has the limited liability company power to enter into this Guaranty and to perform its obligations hereunder, and by proper organizational action has duly authorized the execution and delivery of this Guaranty and performance of its obligations hereunder.

 (b) This Guaranty is the legal, valid and binding obligation of the Guarantor, enforceable against the Guarantor in accordance with its terms, except as enforceability may be limited by laws relating to bankruptcy, insolvency or similar laws affecting creditors’ rights generally and by the availability of equitable remedies (whether considered in an action at law or in equity).

 (c) The execution and delivery of this Guaranty and all documents, instruments and certificates relating thereto and the performance of its obligations hereunder do not and will not conflict with, or constitute a breach or result in a violation of, its articles of organization or limited liability company operating agreement, or any material agreement or other material instrument to which it is a party or by which it is bound or any constitutional or statutory provision or order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over it or its property, the violation of any of which would have a material adverse effect upon the Guarantor’s ability to perform its obligations hereunder.

 (d) There are no pending or, to the best of its knowledge, threatened actions, suits, proceedings or investigations of a legal, equitable, regulatory, administrative or legislative nature, which could reasonably be expected to adversely affect in a material way its business or financial condition or its ability to perform its obligations under this Guaranty.

 (e) The Guarantor hereby adopts by reference all representations and warranties contained in Sections 2.02(a)-(d), 2.02(k)-(m), 2.02(o), 2.02(s)-(u), 2.02(z)-(bb) of the Loan Agreement as representations and warranties of the Guarantor, as if set forth in full herein.

 (f) The Guarantor represents, warrants and agrees that the Trustee has made no representation, warranty or statement to the Guarantor to induce the Guarantor to execute this Guaranty.

 **Section 9. Covenants of the Guarantor.**

 (a) Limited Liability Company Existence. The Guarantor agrees that during the term of this Guaranty, it will maintain its limited liability company existence, will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another entity unless the acquirer of its assets or the entity with which it shall consolidate or into which it shall merge shall assume in writing all of the obligations of the Guarantor under this Guaranty.

 (b) Notice of Event of Default. The Guarantor hereby covenants to notify the Lender and the Trustee immediately of the occurrence of any Event of Default hereunder or upon becoming aware (i) that any representation made in this Guaranty was false, misleading or materially incorrect when made or (ii) of a breach or violation of any material agreement or other material instrument to which it is a party or by which it is bound or any constitutional or statutory provision or order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over it or its property, in any such case to the extent such breach or violation would, in the Guarantor’s judgment, materially adversely affect the Guarantor’s ability to perform its obligations under this Guaranty.

 (c) Consultant Call-in. The Guarantor agrees to engage Mariposa Consulting Group (the “Consultant”) to provide it with marketing and recruitment services and advice, along with other services described more fully in the Consultant’s June 4, 2024 proposal to the Guarantor. The Guarantor agrees to follow the recommendations of the Consultant and to adopt and carry out the Consultant’s recommendations unless inconsistent with its charter petition, MOU, written direction from its authorizer, or applicable law. The Trustee has no duty or obligation to monitor the Guarantor’s compliance with any recommendations of the Consultant. If requested, the Guarantor shall provide the Lender, with a copy to the Trustee, if so requested, with a written certification that the Guarantor is in compliance with the recommendations of the Consultant.

 The Guarantor agrees to provide a copy of any reports and other written materials (which may be by email) from the Consultant with the Noteholder Representative (as such term is defined in the Note), within three Business Days of receipt.

 (d) Budgeting. The Guarantor represents and warrants that it has provided a true and correct copy of its 2024-25 budget (the “24/25 Budget”) to the Noteholder Representative. The Guarantor agrees that it will not amend the 24/25 Budget, without the prior written approval of the Noteholder Representative. The Guarantor agrees that it will, on or before July 1, 2025, provide a proposed 2025-26 budget (the “25/26 Budget”) to the Noteholder Representative for approval or rejection. Upon approval by the Noteholder Representative of its 25/26 Budget, the Guarantor shall adopt the 25/26 Budget; as Guarantor is required by statute and its charter petition to pass adopted budget for the year and for the first and second interim period, Noteholder Representative and Guarantor will work in good faith to prepare the 25/26 Budget and Noteholder Representative will timely approve it. Noteholder Representative agrees to cooperate with Guarantor to ensure Guarantor timely passes all statutorily- and authorizer-required budgets. The Guarantor agrees that it will not amend the 25/26 Budget, without the prior written approval of the Noteholder Representative unless Guarantor receives specific direction from its charter authorizer.

 (e) Contracts. The Guarantor agrees that it will not enter into any new contracts with an aggregate cost of more than $50,000.00 without the prior written approval of the Noteholder Representative, which shall not be unreasonably conditioned, delayed or withheld, other than renewals of existing contracts or contracts necessary for Guarantor’s operation of a school not exceeding $150,000. The Guarantor agrees that it will not amend any collective bargaining contracts for employment of any persons without the prior written approval of the Noteholder Representative.

 (f) Zoning Amendment. The Guarantor authorizes the Noteholder Representative to apply for an amendment to the current zoning for the facilities leased by the Guarantor at its or the Lender’s sole cost and expense to [ADD DESCRIPTION OF INTENDED AMENDMENT]. The Guarantor agrees to cooperate with any reasonable requests for cooperation, such as execution of amendment requests and related documents to the relevant zoning authorities. The Lender shall reimburse the Guarantor for reasonable out of pocket expenses associated with its actual, reasonable, documented out-of-pocket costs and expenses associated with the requirements of this paragraph.

 (g) Reporting. The Guarantor 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 Guarantor shall also schedule monthly calls with the Noteholder Representative within ﬁve Business Days of providing its monthly ﬁnancials. The Guarantor shall also provide the Noteholder Representative with a conference link (i.e. Zoom, Teams, etc.) to each meeting of its board of directors. 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.

 (h) Noteholder Representative. Notwithstanding any provision hereof to the contrary, the Borrower agrees that the Noteholder Representative shall for all purposes herein be authorized to act on behalf of the Lender in the administration of this Guaranty and all of the terms, requirements and covenants herein contained. In the case of any provision of this Guaranty providing for the consent or approval of the Lender, the Guarantor hereby acknowledges and agrees that the granting, approval, rejection or withholding of any requested consent, waiver or authorization to take or refrain from taking any action contemplated or required hereunder may be withheld or granted in the Noteholder Representative’s sole and absolute discretion on behalf of the Lender.

 **Section 10. Events of Default.** Each of the following events shall be an Event of Default hereunder:

 (a) Failure of the Guarantor to pay any Guaranteed Obligations upon receipt of demand from the Lender to the Guarantor given in accordance with ***Section 16***; or

 (b) Failure of the Guarantor to observe or perform any of the other covenants, conditions or agreements hereunder for a period of fifteen (15) days after notice, specifying such failure and requesting that it be remedied, given by the Lender to the Guarantor; provided, that if said default is such that it can be corrected but cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted by the Guarantor within the applicable period and is corrected within forty-five (45) days; or

 (c) The dissolution or liquidation of the Guarantor or the filing by the Guarantor of a voluntary petition in bankruptcy, or failure by the Guarantor promptly to cause to be lifted any execution, garnishment or attachment of such consequence as will impair the Guarantor’s ability to carry on its obligations hereunder, or the entry of any order or decree granting relief in any involuntary case commenced against the Guarantor under any present or future federal bankruptcy act or any similar federal or state law, or a petition for such an order or decree shall be filed in any court and such petition shall not be discharged or denied within ninety days after the filing thereof, or if the Guarantor shall admit in writing its inability to pay its debts generally as they become due, or a receiver, trustee or liquidator of the Guarantor shall be appointed in any proceeding brought against the Guarantor and shall not be discharged within ninety days after such appointment or if the Guarantor shall consent to or acquiesce in such appointment, or assignment by the Guarantor for the benefit of its creditors, or the entry by the Guarantor into an agreement of composition with its creditors, or a bankruptcy, insolvency or similar proceeding shall be otherwise initiated by or against the Guarantor under any applicable bankruptcy, reorganization or analogous law as now or hereafter in effect and if initiated against the Guarantor shall remain undismissed (subject to no further appeal) for a period of ninety days;; or

 (d) any representation or warranty of the Guarantor set forth in ***Section 8*** of this Guaranty at the time made or deemed made is false in any material respect; or

 (e) any judgment, writ or warrant of attachment or of any similar process shall be entered or filed against the Guarantor or against any property of the Guarantor and remains unvacated, unpaid, unbonded, unstayed or uncontested in good faith for a period of thirty (30) days; provided, however, that none of the foregoing shall constitute an Event of Default unless the amount of such judgment, writ, warrant of attachment or similar process, together with the amount of all other such judgments, writs, warrants or similar processes so unvacated, unpaid, unbonded, unstayed or uncontested, exceeds $100,000.00; or

 (h) the existence of any event of default in connection with any other Indebtedness of the Guarantor; or

 (i) the occurrence of an Event of Default under the Indenture, the Loan Agreement, the Lease or the Deed of Trust.

 **Section 11. Remedies.**

 (a) Whenever an Event of Default hereunder shall have happened and be continuing, the Lender may take whatever action at law or in equity as may appear necessary or desirable to collect payments then due or thereafter to become due hereunder or to enforce observance or performance of any covenant, condition or agreement of the Guarantor under this Guaranty.

 (b) Upon the occurrence of an Event of Default hereunder, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Lender under this Guaranty, the Lender shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the rights and properties pledged hereunder and of the revenues, issues, payments and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer. The Guarantor agrees not to contest such proceedings.

 (c) The Lender shall be entitled to bring any suit, action or proceeding against the Guarantor for the enforcement of any provision of this Guaranty without exhausting any other remedies which it may have against the Guarantor.

 (d) The Guarantor shall pay on demand all costs, expenses and fees, including, but not limited to, court costs and attorneys’ fees, incurred by Lender or Noteholder Representative in connection with the collection or enforcement of any or all amounts and indebtedness described in this Guaranty.

 **Section 12. Delay No Waiver.** In case the Lender shall have proceeded to enforce this Guaranty and such proceedings shall have been discontinued or abandoned for any reason, then and in every such case the Guarantor and the Lender shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the Guarantor and the Lender shall continue as though no such proceeding had been taken.

 **Section 13. Successors and Assigns.** This Guaranty shall be binding upon the Guarantor, its successors and assigns, and all rights against the Guarantor arising under this Guaranty shall be for the sole benefit of the Lender and the Bondholders and their successors and assigns.

 **Section 14. Subordination of Guarantor Claims.** The Guarantor agrees that all rights and claims of the Guarantor against the Borrower as a result of the Guarantor’s payment of all or a portion of the Guaranteed Obligations shall at all times be fully subject to and subordinate to the lien in favor of the Lender securing the Note and lien in favor of the Trustee securing the Series 2020 Bonds, and that the Guarantor shall not be entitled to enforce or receive payment from the Borrower for any debt, liability or other obligation of the Borrower to the Guarantor until the entire Guaranteed Obligations shall be indefeasibly paid in full.

 **Section 15. Amendment of Guaranty.** This Guaranty may only be amended in writing signed by the Lender and the Guarantor.

 **Section 16. Notices.**

 (a) All demands, notices, approvals, consents, requests and other communication hereunder shall be in writing addressed to the addresses as set forth below and shall be deemed to have been given on the next Business Day when the same are sent by nationally recognized, overnight delivery service (with delivery confirmed). Refusal of delivery shall constitute receipt.

If to the Guarantor:

Charthouse Public Schools

2730 Mitchell Drive

Walnut Creek, California 94598

Attn: Executive Director

If to the Lender:

[\_\_\_\_\_\_\_\_\_\_]

c/o Rosemawr Management, LLC

1674 Meridian Avenue

Suite 420

Miami Beach, FL 33139

Attn: Seth Klempner

If to the Noteholder Representative:

Rosemawr Management

1674 Meridian Avenue

Suite 420

Miami Beach, FL 33139

Attn: Seth Klempner

If to the Trustee:

UMB Bank, N.A.

120 South Sixth Street

Suite 1400

Minneapolis, Minnesota 55402

Attn: Claire Alber

 Assistant Vice President

 (b) The Guarantor, Lender, the Noteholder Representative and the Trustee may, by notice given hereunder, designate any further or different addresses or means of communication to which subsequent demands, notices, approvals, consents, requests or other communications shall be sent or persons to whose attention the same shall be directed.

**Section 17. Miscellaneous.**

 (a) If any provision of this Guaranty shall be held invalid, illegal or unenforceable by any court of competent jurisdiction, such holding shall not affect any other term or provision of this Guaranty or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Guaranty so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

 (b) This Guaranty shall be governed by and construed in accordance with the laws of the State of California, without regard to the conflict of laws provisions thereof to the extent such principles or rules would require or permit the application of the laws of any other jurisdiction other than those of the State of California.

 (c) This Guaranty express the entire understanding and all agreements between the parties and this Guaranty may not be modified or amended except in writing signed by the parties as described in ***Section 15*** hereof.

 (d) The Guarantor has reviewed and hereby consents to all the terms, covenants and conditions of the Note and the Intercreditor Agreement.

 (e) THE GUARANTOR HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE OF THE LENDER, NOTEHOLDER REPRESENTATIVE OR TRUSTEE HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (B) IT HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, AND (C) IT MAKES THIS WAIVER KNOWINGLY AND VOLUNTARILY.

 (e) This Guaranty may be executed in one or more counterparts, each of which shall constitute an original and all of which together shall constitute but one and the same instrument.

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 IN WITNESS WHEREOF, the parties have caused this Guaranty to be executed by their duly authorized representatives as of the date first above written.

**2730 MITCHELL DRIVE, LLC**, a California limited liability company

By:

 Authorized Signatory

[S E A L]

Attest:

 Secretary

4854-4092-1816, v. 1