



July 1, 2013

Preston Smith, CEO
Andrew Stern, CBO
Laura Kozel, VP of Facilities
Rocketship Education

Re: Rocketship Brilliant Minds Phase I Financing

Dear Mr. Smith, Mr. Stern and Ms. Kozel,

The Charter School Growth Fund (“CSGF”) is pleased to present for your consideration a draft outline of terms and conditions (the “Term Sheet”) for financing the first phase of the Rocketship Brilliant Minds (“RBM”) project located at 2962 Story Rd, San Jose, CA (the “Project”).

This Term Sheet has been developed prior to full underwriting, and the terms outlined below are non-binding and subject to final approval under CSGF’s internal approval process. Additional terms and conditions may apply to any loan commitment, and any commitment would only be considered if CSGF determines that it has adequate funds available to make a loan such as that set forth below.

The terms and conditions of the Loan would be as follows:

Lender	CSGF REVOLVING FACILITIES LOAN FUND LLC, a Delaware limited liability company, doing business as Charter School Growth Fund, with offices at 350 Interlocken Boulevard, Suite 390, Broomfield, Colorado 80021 (“CSGF”).
Borrower	Rocketship Education (“Rocketship” or “RSED”), a California Non-Profit Corporation, with offices at 350 Twin Dolphin Drive, Suite 109, Redwood City, CA 94065
Use of Proceeds	RSED shall use the proceeds of the financing (the “Loan”) exclusively for the Phase I development of the RBM project and shall immediately repay any portion of the Loan not used for such purposes.
Loan Closing	Closing on the Loan will not occur until the following have been submitted to CSGF for review <ul style="list-style-type: none">• Executed land lease between Alum Rock Christian Church and Launchpad Development Company Eleven LLC (“LP11”) of which Launchpad Development Company (“Launchpad” or “LP”) is the sole member• Loan documents between RSED and Launchpad• RSED and LP board materials and minutes for 2012-13
Loan Amount	The loan amount in this transaction would be the lesser of: a) \$1,320,000 or



b) 75% of the final Phase I project budget

Term	18 months from the date of closing
Interest Rate	The Loan would bear interest on the outstanding principal at a fixed rate of 3.75% per annum (based on a 360-day year). Such interest shall accrue and be due and payable at the end of the term of the loan.
Loan Repayment	The entire unpaid principal amount of the Loan, together with all accrued unpaid interest shall be due and payable at the end of the term of the loan.
Security	CSGF is taking a subordinated, unsecured position with respect to all of the RSED's deposit accounts, senior debt obligations, amounts owed to general trade creditors and all other unconditional, unsecured, senior and subordinated debt obligations of RSED. CSGF is requiring to be repaid upon repayment of the loan between RSED and LP for the Project.
Prepayments	Borrower may make voluntary prepayments of principal hereunder from time to time without penalty or premium.
Fees and Expenses	All costs associated with closing are to be paid by the Borrower, including but not limited to attorney's fees.
Default	In case an Event of Default shall occur and be continuing, the unpaid balance of the Loan may be declared and become due and payable.
Other Loan Terms	Acceptable appraisal, environmental study, survey, title insurance, and hazard insurance with respect to the Property will be required. CSGF will require appropriate evidence that the proposed development of the Property has received all necessary legal and governmental approvals.

Please review the above terms and conditions and feel free to call me with any questions or comments you may have. This Term Sheet is not a commitment letter, and the above terms and conditions are not binding on CSGF. Additional terms and conditions may apply to any loan commitment. Approval of and commitment for any loan by CSGF is evidenced only by a firm commitment letter.

We are looking forward to working with you.

Sincerely,

Richard Billings

Richard Billings
CFO, Charter School Growth Fund