

SUMMARY OF MATERIAL LEASE TERMS - BRILLIANT MINDS

**LAUNCHPAD DEVELOPMENT ELEVEN, LLC (AS LANDLORD)
AND
ROCKETSHIP EDUCATION (AS TENANT)**

Introduction:

In connection with: (1) the Business Committee of Rocketship Education's decision whether or not to approve Rocketship Education entering into that certain Lease Agreement - Brilliant Mind (the "Lease") to be entered into by and between Launchpad Development Eleven, LLC, as landlord ("Launchpad") and Rocketship Education, as tenant ("Rocketship") with regard to the premises located at 2962 Story Road, San Jose, California (the "Premises"), and (2) Launchpad Development Company's decision whether or not to approve Launchpad entering into the Lease, set forth below is a summary of the material terms of the Lease. The Lease has been drafted with several objectives -- to provide consistency with other Launchpad and Rocketship lease agreements, to facilitate Launchpad's ability to obtain bond financing by providing customary lease finance provisions and lender protections, and to help promote the achievement of Rocketship's core objectives by maximizing revenue available to the school. A copy of the form of Lease Agreement is attached as **Exhibit A**. Launchpad leases the Premises pursuant to the terms of a ground lease agreement.

| <u>Material Lease Terms:</u> | |
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| Term: | Approximately 30 years. Lease effective date is July 31, 2013. Expiration date is June 30, 2043. |
| Rent: | Tenant is require to pay rent equal to the annual school revenue of the school (which is all federal, state and city funds paid to the school in a year less certain revenues - state lunch reimbursements, after school education and safety program, Title V startup funds, private startup grants and the like), subject to adjustment, all as provided in the Lease. The final rent amount will be included as a lease exhibit once the amount of rent required to make bond payments is determined. |
| Operating Expenses: | Tenant is responsible for paying all operating expenses paid or incurred by Landlord in connection with Landlord's operation of the Premises, except for certain capital expenses, all as provided in the Lease. |
| Tenant's Use: | Tenant is able to use the Premises for the purpose of operating an elementary charter school in accordance with the school's charter, serving students in transitional kindergarten through sixth grade, that is exempt from federal income taxation and for any other lawful related or incidental educational purposes. |
| Security Deposit: | None. |
| Sublet/Assignment: | The Lease prohibits Tenant from transferring, assigning or subletting its interest in the Lease without the |

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| | consent of Landlord, except with respect to affiliate transfers, in connection with a merger or consolidation or with regard to transfer to any lender or its designee. |
| Defaults: | The Lease contains customary default provisions for payment failure, with a 5 day cure period after written notice by landlord; bankruptcy; failure by Tenant to perform any other agreements, terms, covenants, or conditions in the Lease and failure to cure within 30 days after written notice by Landlord. |
| Insurance: | Tenant is required to keep comprehensive general liability insurance with a combined single limit not less than \$1,000,000 and Landlord is required to keep comprehensive general liability insurance and "all risk" insurance. |
| Casualty/Condemnation: | The Lease contains casualty and condemnation provisions that allow both Landlord and Tenant to terminate the Lease upon the occurrence of certain casualty and condemnation events. |
| Lender Financing Provisions: | The Lease contains certain covenants with respect to the tenant in connection with the bond financing (e.g. Tenant to continue to operate a charter school and to maintain its charter). |

Recommendation:

It is recommended that the form of lease attached to this lease summary be approved and that any designated officer be provided the authority to approve the final form of the lease provided that such lease is substantially in the form that is attached hereto.

EXHIBIT A
FORM OF LEASE