

New Dawn Charter High School Board of Trustees Meeting

Place: New Dawn Charter High School
242 Hoyt Street
Brooklyn, NY 11217

Date: April 24, 2018

Time: 2:30 p.m.

AGENDA

- | | | |
|-------|--|------------|
| I. | Resolution: Minutes from March meeting | 1 minute |
| II. | Board Bylaws—Jose Obregon & Donna Lobato | 15 minutes |
| III. | New School Expansion—Ronald Tabano | 30 minutes |
| IV. | School Updates | 20 minutes |
| | a. Attendance—Sara Asmussen | |
| | b. Student Recruitment—Lisa DiGaudio | |
| | c. Personnel Policies—Sara Asmussen | |
| V. | June Graduation—Lisa DiGaudio | 5 minutes |
| VI. | Financial Report | 5 minutes |
| VII. | Resolution: S&P Engagement Letter | 1 minute |
| VIII. | New Business | |
| IX. | Adjournment | |

New Dawn Charter High School Board of Trustees Meeting

Place: New Dawn Charter High School
242 Hoyt Street
Brooklyn, NY 11217
Date: March 27, 2018
Time: 2:30 p.m.

Board Present: Darlene Anderson, George Crowley, Jane Sun, Ron Tabano, Phil Weitzman, Les Winter
Staff Present: Sara Asmussen, Fara Badrieva, Lisa DiGaudio, Jessica Morales, Eleni Salony
Visitors: Will Fossel, Tiny McLaughlin

I. Call to Order

Mr. Tabano called the meeting to order at 2:38 p.m. He immediately adjourned the meeting to go into Executive Session.

II. Executive Session

Staffing changes were discussed during the Session. The regular meeting was called to order again at 2:45 p.m.

III. Resolution: Minutes from February meeting

Motion: Mr. Tabano asked for a motion to approve the minutes from February.
Moved: George Crowley
Second: Les Winter
Vote: Unanimous

IV. Resolution: Pitney Bowes

A discussion was held about which service to choose, the suggestion was to go with the cheaper plan of the two.

Motion: Mr. Tabano asked for a motion to lease the Pitney Bowes postage meter.
Moved: George Crowley
Second: Phil Weitzman
Vote: Unanimous

V. Financials

Mr. Crowley pointed out an issue with the year to year comparison. Dr. Asmussen will meet with the accountants to correct.

VI. Charter School Expansion

The discussion raised at the February meeting about expanding New Dawn to Jamaica was continued. At issue was the level of work involved with purchasing the building, renovating the building, and opening a new school.

forward with identifying companies who could do this. There is currently one bridge loan before the Board but we need to have at least three offers before making a decision.

VIII. Executive Session

Mr. Tabano thanked everyone for attending and requested that the Board return to Executive Sessions. During this session building options were discussed.

The regular Board meeting was reconvened. After months of negotiations, talking with auditors and attorneys, it was decided to pay the full amount of tax arrears to the Lubins in anticipation of purchasing the building.

Motion: Mr. Tabano asked for a motion to move forward with Ziegler underwriting bonds for the \$17-\$18M loan.
Moved: Les Winter
Second: George Crowley
Vote: Unanimous

XI. Items for April Meeting

Mr. Tabano requested that anyone with any item for the April meeting please submit information to Dr. Asmussen prior to the meeting.

XII. New Business

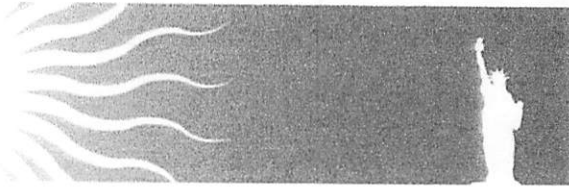
Mr. Tabano asked if there was any new business. Being none, he asked for adjournment.

XIII. Adjournment

Motion: Mr. Tabano asked for a motion for adjournment.
Moved: George Crowley
Second: Jane Sun
Vote: Unanimous

Meeting was adjourned at 4:38 p.m.

The next meeting will be held on Tuesday, April 24 at 2:30 p.m. at New Dawn Charter High School located at 242 Hoyt Street, Brooklyn, NY 11217.



Board of Trustees Board Meeting April 24, 2018 Finance Report

Agenda

Agenda Item Description

	Current financial reports for the school year July 1, 2017 - March 31, 2018
a.	Statement of financial position as of February 28, 2018 & March 31, 2018.
b.	Budget v/s Actual for the period March 31, 2018
c.	Statement of cash flows for the period April 1, 2018 - June 30, 2018
d.	Graph for income and expenses

**NEW DAWN CHARTER HIGH SCHOOL
UNAUDITED BALANCE SHEET**

ASSETS	Amount As of February 28, 2018	Amount As of March 31, 2018
Current Assets		
Cash and cash equivalents- Unrestricted	\$ 9,893,661	9,589,336
Client escrow and cash equivalents - Restricted	75,000	75,000
Prepaid Expenses and Other Receivables ¹	58,179	115,453
Total current assets	<u>10,026,840</u>	<u>9,779,789</u>
 Fixed assets, Net	 108,094	 105,891
Security Deposit ²	<u>238,360</u>	<u>238,360</u>
 Total assets	 <u><u>\$ 10,373,294</u></u>	 <u><u>10,124,041</u></u>
 LIABILITIES AND NET ASSETS		
Current liabilities		
Accrued Expenses and Other Accounts Payable ³	\$ 134,679	204,311
Deferred Revenue ⁴	<u>747,875</u>	<u>373,938</u>
Total current liabilities	<u>882,554</u>	<u>578,248</u>
 Total liabilities	 <u><u>\$ 882,554</u></u>	 <u><u>578,248</u></u>
 Net assets		
Beginning of the year ; Inception - June 30, 2017	\$ 8,868,268	8,868,268
Change in net assets during current fiscal year 2017-2018	622,471	677,524
 Total net assets	 <u><u>\$ 9,490,740</u></u>	 <u><u>9,545,792</u></u>
 Total liabilities and net assets	 <u><u>\$ 10,373,294</u></u>	 <u><u>10,124,041</u></u>

Footnotes :

Note 1: This amount represent the unarmortized portion of various payments made by the school for the insurance coverage for the period July 1, 2017 - June 30, 2018. This also represents the money receivable by the school from JV Wildcat for Therapist/Counselor grant.

Note 2: Security Deposit for the building paid in accordance with the lease.

Note 3: This amount represents the liabilities for expenses that were incurred during the month of March 2018 and were paid in April 2018.

Note 4: School received \$747,875 from Department of Education (Per Pupil Revenue) on February 16, 2018 for the services to be provided during the months of March & April 2018. The School recognized revenue for 50% of this receipt on March 1, 2018 and recognized the remaining 50% on April 1, 2018.

**NEW DAWN CHARTER HIGH SCHOOL
BUDGET vs ACTUAL FISCAL YEAR 17-18**

	Annual Budget 2017-18	YTD Budget July 1, 2017 - March 31, 2018 2017-18	YTD Actual July 1, 2017 - March 31, 2018 2017-18	YTD Actual VS. YTD Budget 2017-18
Total Revenue	6,395,970	4,796,978	3,734,298	(1,062,679)
Total Expenses	5,690,914	3,737,382	3,056,774	(680,608)
Change in Net Assets (Before Cash Flow Adjustments)	705,056	1,059,596	677,524	(382,072)
Actual Student Enrollment	385	385	249	(136)
Total Paid Student Enrollment	385	385	249	(136)

REVENUE

REVENUES FROM STATE SOURCES

Per Pupil Revenue				
NYC	5,592,895	4,194,671	2,809,209	(1,385,462)
TOTAL Per Pupil Revenue (Average Districts Per Pupil Funding)	5,592,895	4,194,671	2,809,209	(1,385,462)
Special Education Revenue	544,500	408,375	649,605	241,230
Stimulus Grant			-	-
TOTAL REVENUE FROM STATE SOURCES	6,137,395	4,603,046	3,458,814	(1,144,232)

REVENUE FROM FEDERAL FUNDING

IDEA Special Needs	76,800	57,600	114,870	57,270
Title I	159,775	119,831	29,541	(90,290)
Title Funding - Other	8,000	6,000	11,056	5,056
TOTAL REVENUE FROM FEDERAL SOURCES	244,575	183,431	155,467	(27,964)

LOCAL and OTHER REVENUE

Contributions and Donations	14,000	10,500	425	(10,075)
Interest Income	-	-	23,373	23,373
Food Service (Income from meals)	-	-	881	881
Contributions-Restricted	-	-	77,216	77,216
OTHER	-	-	-	-
TOTAL REVENUE FROM LOCAL and OTHER SOURCES	14,000	10,500	120,017	109,517

TOTAL REVENUE

6,395,970	4,796,978	3,734,298	(1,062,679)
------------------	------------------	------------------	--------------------

EXPENSES

ADMINISTRATIVE STAFF PERSONNEL COSTS

Executive Management	163,200	122,400	117,746	(4,654)
Instructional Management	122,636	91,977	90,890	(1,087)
Deans, Directors & Coordinators	360,141	270,106	251,750	(18,356)
CFO / Director of Finance	-	-	-	-
Operation / Business Manager/ Administrative Staff	185,340	139,005	106,195	(32,810)
Administrative Staff	26,780	20,085	19,560	(525)
TOTAL ADMINISTRATIVE STAFF	858,097	643,573	586,142	(57,431)

INSTRUCTIONAL PERSONNEL COSTS

Teachers - Regular	658,716	494,037	459,466	(34,571)
Teachers - SPED	260,000	195,000	111,386	(83,614)
Aspiring Teachers	100,000	75,000	52,695	(22,305)
Substitute Teachers	-	-	-	-
Specialty Teachers	112,180	84,135	81,936	(2,199)
Parent Coordinator	32,409	24,307	27,710	3,404
Aides	-	-	-	-
Therapists & Counselors	299,875	224,906	172,832	(52,074)
Other	100,446	75,335	73,435	(1,899)

**NEW DAWN CHARTER HIGH SCHOOL
BUDGET vs ACTUAL FISCAL YEAR 17-18**

	Annual Budget 2017-18	YTD Budget July 1, 2017 - March 31, 2018 2017-18	YTD Actual July 1, 2017 - March 31, 2018 2017-18	YTD Actual VS. YTD Budget 2017-18
TOTAL INSTRUCTIONAL	1,563,626	1,172,720	979,461	(193,258)
NON-INSTRUCTIONAL PERSONNEL COSTS				
IT Staff	30,000	22,500	-	(22,500)
Other	50,000	37,500	-	(37,500)
TOTAL NON-INSTRUCTIONAL	80,000	60,000	-	(60,000)
SUBTOTAL PERSONNEL SERVICE COSTS	2,501,723	1,876,292	1,565,603	(310,689)
PAYROLL TAXES AND BENEFITS				
Payroll Taxes	250,172	187,629	114,082	(73,547)
Unemplment & Workers Comp	-	-	25,883	25,883
Fringe / Employee Benefits	545,345	409,009	259,997	(149,012)
Retirement / Pension	125,086	93,815	29,039	(64,776)
TOTAL PAYROLL TAXES AND BENEFITS	920,603	690,452	429,001	(261,451)
TOTAL PERSONNEL SERVICE COSTS	3,422,326	2,566,745	1,994,604	(572,141)
CONTRACTED SERVICES				
Accounting / Audit	85,000	63,750	50,625	(13,125)
Events	-	-	-	-
Legal	25,000	18,750	8,045	(10,705)
Support Organization Fees	-	-	7,500	7,500
Marketing Materials	-	-	-	-
Nurse Services	-	-	-	-
Food Service / School Lunch	1,000	750	-	(750)
Payroll Services	10,000	7,500	10,781	3,281
Special Ed Services	-	-	-	-
Technology Services	-	-	-	-
Custodian	48,000	36,000	36,728	728
Security	56,000	42,000	43,065	1,065
Consultant-General	-	-	4,002	4,002
Other Purchased / Professional / Consulting	60,000	45,000	1,259	(43,742)
TOTAL CONTRACTED SERVICES	285,000	213,750	162,005	(51,745)
SCHOOL OPERATIONS				
Board Expenses	600	450	7	(443)
Classroom / Teaching Supplies & Materials	22,000	16,500	20,268	3,768
Educational Software	29,000	21,750	6,046	(15,704)
Special Ed Supplies & Materials	-	-	4,850	4,850
Textbooks / Workbooks	15,000	11,250	1,665	(9,585)
Supplies & Materials other	20,000	15,000	3,361	(11,639)
Office Software	10,000	7,500	5,065	(2,435)
Equipment / Furniture	90,000	67,500	1,477	(66,023)
Equipment Purchased	85,000	63,750	9,035	(54,715)
Equipment Leased	16,000	12,000	7,319	(4,681)
Telephone	35,000	26,250	22,145	(4,105)
Technology	30,000	22,500	74,478	51,978
Student Testing & Assessment	10,000	7,500	5,028	(2,472)
Field Trips	15,000	11,250	175	(11,075)
Recreation	20,000	15,000	4,073	(10,927)
Senior Dues	10,000	7,500	(615)	(8,115)
Student Purchased Lunches	4,000	3,000	4,431	1,431
Special Events Staff	5,000	3,750	1,932	(1,818)
Medical Supplies	-	-	-	-
Office Supplies	10,000	7,500	3,614	(3,886)
Staff Development	7,500	5,625	3,240	(2,385)
Staff Recruitment	5,000	3,750	3,119	(631)
Student Recruitment / Marketing	2,000	1,500	1,493	(7)
Postage & Delivery	-	-	1,021	1,021
School Meals / Lunch	-	-	336	336
Travel (Staff)	5,000	3,750	3,773	23
Lodging (Staff)	4,000	3,000	1,086	(1,914)

**NEW DAWN CHARTER HIGH SCHOOL
BUDGET vs ACTUAL FISCAL YEAR 17-18**

	Annual Budget 2017-18	YTD Budget July 1, 2017 - March 31, 2018 2017-18	YTD Actual July 1, 2017 - March 31, 2018 2017-18	YTD Actual VS. YTD Budget 2017-18
Fundraising	10,000	7,500	-	(7,500)
Conference Fee	3,000	2,250	1,430	(820)
Other School Operations	94,000	70,500	10,434	(60,066)
TOTAL SCHOOL OPERATIONS	557,100	417,825	200,286	(217,539)
FACILITY OPERATION & MAINTENANCE				
Insurance	42,000	31,500	28,499	(3,001)
Janitorial	1,000	750	3,431	2,681
Building and Land Rent / Lease	372,000	279,000	549,718	270,718
Real Estate Taxes	-	-	20,517	20,517
Repairs & Maintenance	-	-	17,232	17,232
Equipment / Furniture	-	-	1,624	1,624
Security	-	-	3,258	3,258
Utilities	72,000	54,000	53,248	(752)
Moving & Storage	-	-	-	-
Depreciation Expense	231,750	173,813	-	(173,813)
Payment for debt service reserve fund	-	-	-	-
Payment for interest on bond	707,738	-	-	-
Building Purchase Related Items: Attorney Fees	-	-	165	165
TOTAL FACILITY OPERATION & MAINTENANCE	1,426,488	539,063	677,693	138,630
DEPRECIATION & AMORTIZATION				
	-	-	22,187	22,187
BUILDING RELATED ACTIVITIES RECEIPTS				
Bond Financing	-	-	-	-
Down Payment from reserves of NDCHS	-	-	-	-
TOTAL BUILDING RELATED RECEIPTS	-	-	-	-
DISBURSEMENTS				
Purchase price of building	-	-	-	-
Cost related to bond issuance	-	-	-	-
Renovations & Repairs	-	-	-	-
TOTAL BUILDING RELATED DISBURSEMENTS	-	-	-	-
TOTAL EXPENSES	5,690,914	3,737,382	3,056,774	(680,608)
CHANGE IN NET ASSETS	705,056	1,059,596	677,524	(382,072)

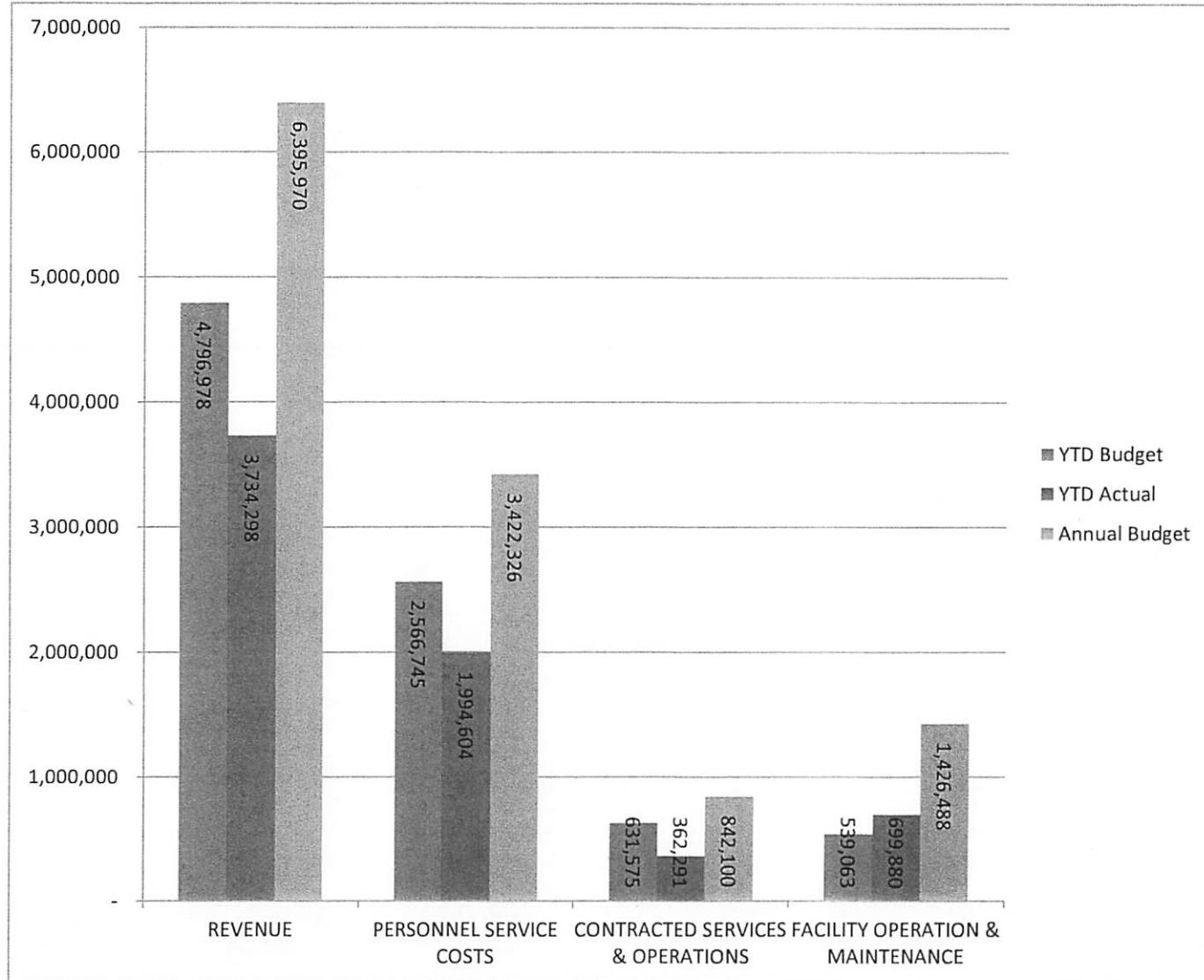
New Dawn Charter High School

Statement of cash flows for the period April 1, 2018 - June 30, 2018

	Apr-18	May-18	Jun-18	Total
Cash Balance (Unrestricted) @ 3/31/18	9,589,336	9,147,252	9,582,127	9,589,336
NYC public school district	-	747,875	-	747,875
Title Grants	-	-	-	-
TOTAL CASH AVAILABLE	-	747,875	-	747,875
COMPENSATION EXPENSE				
Payroll Related	172,589	174,000	174,000	520,589
Health care and other benefits	29,000	29,000	29,000	87,000
TOTAL COMPENSATION EXPENSE	201,589	203,000	203,000	607,589
Other Than Personnel Costs - Ongoing				
Supplies and other materials	14,879	17,000	17,000	48,879
Consultants and other Operations	11,284	14,000	14,000	39,284
Facility	79,653	79,000	79,000	237,653
Pmt on existing Accounts Payable & Accrued @ 2/28/18	134,679	-	-	134,679
Total Other Than Personnel Costs - Ongoing	240,495	110,000	110,000	460,495
TOTAL CASH OUTFLOWS	442,084	313,000	313,000	1,068,084
TOTAL CASH BALANCE - PROJECTED	9,147,252	9,582,127	9,269,127	9,269,127

New Dawn Charter High School Budget vs Actual for FY17-18

Summary Budget v/s Actual for the period March 31, 2018





AMERICAN CHARTER
DEVELOPMENT
& FINANCE

Date: 3/3/18

To: Sara M. Asmussem, Ph.D, Executive Director, New Dawn Charter High School

From: Robert Giordano, SVP Development, ACD

Re: ESTIMATE of transaction closing costs for purchase of current school site

Dear Sara:

The following is the general estimated details for the bridge loan. This estimate is per your Board's request from this past Tuesday's Board meeting.

- Bank Loan fee of 1.00% based on loan amount
- ACD Bridge Loan Fee or Guarantee Fee of 1.5% on loan amount
- Lender Attorney fee of \$20,000

o NY barred attorney bills at a higher rate, while he won't do everything, he will have to be involved. We can certainly shop this, but with a short time frame we went with what we know for now. Because there are no construction aspects to this loan, so this could/should be significantly cheaper providing the schools guarantee.

- ACD Attorney fee of \$15,000
- Appraisal - \$4,000
- Flood and other Misc. fees \$250
- Title insurance of \$60,000 (based on \$14MM purchase price)

New York Specific Costs include (these are based on a \$14MM purchase price)

- Mortgage Tax of \$224,000
- Transfer taxes, these are negotiable on who pays, so see if the school can get the seller to pay them.
- o Taxes for Real Property transfer Tax in Brooklyn are \$367,750
- o Taxes for Real Estate transfer Tax in Brooklyn are \$56,000

This should cover the vast majority of fees for ACD and or real estate closings in NY.

ACD References

High Point Academy

Fort Worth, TX

Katie Stellar 817.456.7261

katie.stellar@hpafortworth.com

Champion Schools

Chandler, AZ

Carolyn Sawyer 602.341.6527

csawyer@championschools.org

Du Bois Integrity Academy

Atlanta, GA

Craig Cason

404.552.8799

Craigcason@aol.com

Gray Collegiate

Columbia, SC

239.745.7635 Mike

D'Angelo

mdangelo@grayca.com

Civic Fund Manager, LLC
304 Hudson Street, Suite 301
New York, NY 10013

April 19, 2018

Sara M. Asmussen, CRC, Ph.D.
Executive Director
New Dawn Charter High School

Dear Dr. Asmussen:

Civic Fund Manager, LLC is pleased to submit this Preliminary Term Sheet ("Preliminary Term Sheet") on behalf of the Unitranche Capital Fund LLC and its affiliates (collectively, the "Facilities Investment Fund" or "FIF"). The Preliminary Term Sheet sets forth certain terms and conditions upon which FIF would consider providing a loan of up to \$8,000,000 (the "Loan") to New Dawn Charter High School (the "Borrower") for the acquisition of that certain real property located at 242 Hoyt St. Brooklyn, NY 11217 and commonly known as New Dawn Charter High School (the "Property").

This Preliminary Term Sheet constitutes neither an offer nor a commitment by FIF to make the Loan, but rather summarizes the general terms under which FIF would consider providing the Loan. The terms outlined below will be subject to satisfactory completion of due diligence items customary for such a transaction, including appraisal, title, survey, loan documentation, insurance coverage, etc. Satisfactory completion will be confirmed via a formal and binding commitment letter from FIF following thorough review and vetting. No agreement (oral or otherwise) that may be reached during negotiations shall be binding upon the parties unless final loan documents have been executed by all parties.

SUMMARY OF PRELIMINARY TERMS

1. Lender	Unitranche Capital Fund LLC, as managed by Civic Fund Manager, LLC.
2. Purpose	The financing of the acquisition of the building(s) (the " <u>Building</u> ") located at 242 Hoyt St. Brooklyn, NY 11217 (the " <u>Property</u> ").
3. Loan Type	Non-recourse (other than customary non-recourse carve-outs) acquisition loan (the " <u>Loan</u> ") secured by, among other things, a first priority mortgage on the Property.
4. Borrower	New Dawn Charter High School
5. Other Obligor(s)	TBD – Pending further diligence
6. Borrower's Required Equity	Borrower shall contribute \$6,000,000 in the form of cash for the acquisition of the Building.
7. Loan Amount	\$8,000,000
8. Primary Collateral	First lien mortgage on the Property, together with an assignment of leases and rents, all per pupil funding, all personal property (inclusive of any FF&E), plus all design, development, management and construction contracts associated with the Property. The Loan Allocations and the Reserves shall also serve as additional collateral for the Loan.

9. Maturity Date	Five (5) years from the closing date.
10. Extension Options	None.
11. Repayment Schedule	Borrower shall make monthly payments to Lender on the first Business Day of each month (the " <u>Payment Date</u> ") until the Maturity Date, Borrower shall make payments equal to the principal and interest payments due based on the then outstanding principal balance of the Loan, the Interest Rate, and a twenty-five (25) year amortization period.
12. Interest Rate	5.1% subject to change based on actual market interest rates; to be locked in at the completion of underwriting and formally commemorated in a term sheet to be provided at that time.
13. Prepayment Fee	None.
14. Loan Origination Fee	\$80,000, which represents 1% of the Loan Amount, payable at closing.
15. Loan Expenses and Good Faith Deposit	<p>Notwithstanding anything to the contrary contained herein, Borrower shall pay all reasonable out-of-pocket costs and expenses of processing, underwriting, servicing and closing the Loan (including reasonable costs and expenses of third party reports, underwriting and insurance review and reasonable legal fees and expenses of outside counsel), irrespective of whether the Loan closes.</p> <p>Upon acceptance of this Term Sheet, Borrower shall made a deposit with Lender in the amount of \$25,000 (the "<u>Good Faith Deposit</u>"). Notwithstanding the foregoing, Borrower shall be required to deposit with Lender any additional amounts estimated to be incurred by Lender in the event Lender estimates in good faith it will incur expenses greater than \$25,000, which amount will be applied towards expenses but may not constitute the entirety of the expenses. If the Loan fails to close, the Good Faith Deposit, less reasonable out-of-pocket costs and expenses incurred by Lender, shall be returned to Borrower.</p> <p>The acceptance of the Good Faith Deposit by Lender shall not constitute a commitment or an undertaking by Lender to make the Loan, and shall be held by Lender and applied against Lender's costs of closing.</p> <p>The terms and provisions set forth in this "Loan Expenses and Good Faith Deposit" section are intended to and do create binding and enforceable obligations in accordance with such terms and provisions that will survive any termination of this Term Sheet.</p> <p>Lender's wire instructions are:</p> <p>ABA Routing Number: 021000322 Beneficiary Bank: Bank of America</p>

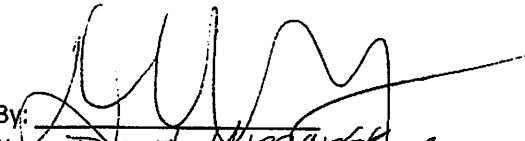
	<p>Beneficiary Name: Civic Fund Manager, LLC</p> <p>Account Number: 483043691297</p> <p>Reference: New Dawn Charter High School</p>
16. Reserves	At closing Borrower will be required to create and fund three (3) months of debt service expenses (including interest and principal, as applicable) into a reserve fund controlled by Lender (the " <u>Debt Service Reserve Fund</u> ").
17. Financial Covenants	<p>I. "<u>Borrower Financial Covenants</u>":</p> <ol style="list-style-type: none"> Debt Service Coverage of not less than 1.1x DSCR (calculated using the actual interest rate of the loan finalized at closing) by the date the Borrower takes occupancy of the Property, and 1.2x DSCR (calculated using an interest rate of 6.5%) by the earlier of year 4 of the Loan term or the year that the school is projected to reach stabilized enrollment. Borrower Liquid Assets equal to at least thirty (30) days' operating expenses as evidenced by audited financial statements of New Dawn Charter High School.
18. Financial Reporting	<p>Borrower, and/or School, as applicable, will provide periodic reporting of the following information:</p> <ol style="list-style-type: none"> Annual audited financial statements and enrollment statistics, if applicable; Annual operating budget and enrollment projections, if applicable; A compliance certificate confirming satisfaction of the Financial Covenants in form acceptable to Lender; and Quarterly management-prepared financial statements; All reports given to and received from the NYC Department of Education (including but not limited to annual reports and site visit reports); and Such other financial information Lender may request.
19. Appraisal	Civic Fund Manager shall obtain a summary appraisal report of the Project acceptable to Lender, the cost of which will be borne by the Borrower.
20. Environmental Considerations; Environmental Indemnity	<p>Civic Fund Manager will be provided with all documentation related to environmental assessments and remediation. Civic Fund Manager will undertake a third party review of these documents, the cost of which will be borne by the Borrower. Borrower and Guarantor shall provide a customary environmental indemnity acceptable to Lender.</p>
21. Third Party Costs	Borrower agrees to reimburse FIF and Civic Fund Manager for all third-party expenses incurred in this matter whether or not the loan closes, including but not limited to Lender's costs and expenses for legal fees.
22. Insurance	Closing of the Loan is contingent on FIF's and Civic Fund Manager's satisfactory review of insurance obtained for the Project, and FIF

	and any other parties required by FIF being named as an additional insured party.
23. Confidentiality	<p>This Term Sheet is being furnished to Borrower, Guarantor, Sponsor and Sponsor's managers, officers and directors on a confidential basis and may not be disclosed to third parties other than Borrower's, Guarantor's or Sponsor's attorneys and accountants without Lender's prior written consent and may not be relied upon by any third parties, or as required by applicable law or requirements of a securities exchange. This provision shall survive the termination, expiration or withdrawal of this Term Sheet.</p> <p>The terms and provisions set forth in this "Confidentiality" section are intended to and do create binding and enforceable obligations in accordance with such terms and provisions that will survive any termination of this Term Sheet.</p>

I look forward to working with you to move this project forward. If you have any questions, please do not hesitate to call Tim Lee at 212-659-1059.

Very truly yours,

Unitranche Capital Fund LLC

By: 
Name: David Demantsev
Title: CEO, Civic Builders

ACCEPTANCE

This Term Sheet will not be effective or bind FIF unless it has been accepted by the Borrower and returned to FIF, prior to the close of business on April 27, 2018. The Borrower will indicate its acceptance of all terms and provisions herein contained by signing this letter in the space provided below.

The undersigned accepts and agrees to the terms and conditions of this Term Sheet:

New Dawn Charter High School

By: _____

Its: _____

Date: _____