

## CAM FACTORING PROPOSAL

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February 18, 2020

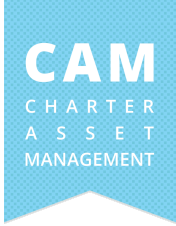
Ms. Michelle Cho  
Executive Director  
East Bay Innovation Academy  
3400 Malcolm Avenue, Oakland, CA 94605

Dear Ms. Michelle Cho,

**Charter Asset Management Fund, L.P.** (“Purchaser”) appreciates this opportunity to expand our relationship with East Bay Innovation Academy (“Seller”). We would like to propose the following terms and conditions for the factoring transaction under discussion. Please note that this letter is not intended to constitute a commitment to factor on the part of the Purchaser, but to summarize for discussion purposes the working capital accommodation that we are interested in considering. Notwithstanding the foregoing, the terms under the heading “Confidentiality” as set forth below in this letter shall constitute a binding and legally enforceable agreement between the parties.

**Factoring** is a common financing transaction used in many industries where future revenues, in this case, state-aid receivables, are purchased at a discount to advance capital for use in the present. In other words, CAM will provide capital to your charter school now by purchasing a portion of the state-aid due to your school in the future.

|                           |                                      |
|---------------------------|--------------------------------------|
| <b>Purchaser</b>          | Charter Asset Management Fund, L.P.  |
| <b>Seller</b>             | East Bay Innovation Academy          |
| <b>Purchase Amount</b>    | \$205,107.17                         |
| <b>Cost of Capital</b>    | \$5,107.17                           |
| <b>Net Amount Funded</b>  | \$200,000.00                         |
| <b>Funding Date</b>       | February 21, 2020                    |
| <b>Repayment Schedule</b> | Pursuant to Repayment Schedule Below |
| <b>Offer Expiration</b>   | N/A                                  |



Los Angeles | Palo Alto  
 (A) 633 W. 5th Street, 26th Floor,  
 Los Angeles, CA 90071  
 530 Lytton Avenue, 2nd Floor,  
 Palo Alto, CA 94301  
 (P) 213.335.6275  
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Receivables Schedule

| Account Authority / Payor          | Account Receivable   | Amount Purchased | Admin Fee | Discount % | Discount   | Amount Funded |
|------------------------------------|--|------------------|-----------|------------|------------|---------------|
| Alameda County Office of Education | FY 19-20 Advance Apportionment Apr PMT - LCFF State Aid. CDS# 01-61259-0129932 | \$205,107.17     | -         | 2.49%      | \$5,107.17 | -\$200,000.00 |

Repayment Schedule

| Account Receivable   | Repayment Date      |
|--|---------------------|
| FY 19-20 Advance Apportionment Apr PMT - LCFF State Aid. CDS# 01-61259-0129932 | *Circa mid-May 2020 |

\*Disbursement timing for federal, state, county, and local state aid can vary. Account receivables sold to CAM are due when disbursed.

Thank you for choosing to fund with Charter Asset Management.

This proposal letter is provided solely for the purpose described herein and may not be disclosed to or relied upon by any other party without the Purchaser's prior written consent. This proposal is intended to form the basis for a discussion of a working capital accommodation, and further negotiations adding to or modifying the general scope of the major terms shall not be precluded by the issuance of this Proposal Letter. This proposal is confidential and proprietary for the sole purpose of discussions between the parties hereunder.

Purchaser reserves the right to issue press releases, advertisements, and other promotional materials describing any successful outcome of services provided on your behalf. The Seller agrees that Purchaser shall have the right to identify the Borrower by name in those materials.

Whether or not the transaction contemplated herein is consummated, by your acceptance hereof: (a) you agree to bear all reasonable out-of-pocket expenses of Purchaser and all fees and disbursements of Purchaser's counsel (including the allocated costs of inside counsel) relating to the preparation of this letter and of the proposed financing documentation and to the transaction contemplated hereby and thereby, if applicable, and (b) you agree to indemnify Purchaser, its affiliates, and their respective directors, officers and employees and to defend and hold Purchaser, its affiliates and such other persons harmless from and against all losses, claims, damages, liabilities and expenses (including expenses of litigation or preparation thereof) which Purchaser or any such affiliates or such other persons in connection with or arising out of the matters referred to herein, except for damages resulting from the gross negligence or willful misconduct of the Lender.