

Promissory Note
EBIA/Lender #3]
[November, 2014]

Not to Exceed
[\$100,000]

November 19, 2014
Oakland, California

PROMISSORY NOTE

FOR VALUE RECEIVED, East Bay Innovation Academy (EBIA), a California nonprofit public benefit corporation (“Maker”), whose principal address is 3400 Malcolm Ave, Oakland, CA 94605, promises to pay to Lender #1 (“Payee”), the principal sum not to exceed ONE HUNDRED THOUSAND AND NO/100 DOLLARS (\$100,000) (the “Loan”), or so much thereof which has been advanced by Payee to Maker, and to pay interest, if any, on each such advance at the rate and on the terms set forth below, until paid in full. The date and amount of each advance of principal shall be noted and initialed by Maker and Payee on Attachment No. 1 attached hereto.

The proceeds of any Loan advanced by Payee to Maker shall be exclusively for purposes of meeting Maker’s short-term cash flow needs and for no other purpose. Maker may request Payee to advance the Loan proceeds in one or more disbursements, and Maker acknowledges and agrees that Payee may decline any or all of such requests in Payee’s sole and absolute discretion. In addition, except as otherwise agreed by Payee in writing, Payee shall have no obligation to honor any disbursement request made by Maker after [December 31, 2014].

Payment of this Note is secured by all of Maker’s present and future rights to any and all monies payable to or for the benefit of Maker (a) from fundraising activities, and (b) from federal, state and local funding sources, whether payable by or through the State of California Department of Education, the Oakland Unified School District or the Alameda County Office of Education and whether or not evidenced by an instrument or chattel paper, including without limitation the following: (i) State of California General Charter School Block Grant; (ii) State of California Categorical Block Grant monies; (iii) Title I federal grant funds; (iv) Public Charter School Grant Program monies; and (v) all proceeds of, additions and accretions to, substitutions and replacements for and changes in any of the funding sources specified in this paragraph (collectively, “the Collateral”), as more fully described on the UCC-1 Financing Statement filed to perfect Payee’s security interest in such Collateral.

This Note shall bear interest based on 15% APR. If Maker is in default hereunder by reason on Maker’s failure to pay amounts due under the Note when due, the interest rate on the sums as to which Maker is in default shall bear interest at the Interest Rate plus fifteen percent (15%) per annum.

Each disbursement of principal made under the Note shall be due and payable in full no later than forty five (45) days after the date of disbursement. Payment shall be made in lawful money of the United States to Payee at address , Oakland, California,

94610, or at such other place as Payee may designate in writing. All or part of the principal may be prepaid at any time without penalty.

Should default be made in the payment of any installment of principal when due, then, or at any time during such default, the entire amount of unpaid principal shall, at the election of Payee, become immediately due and payable without notice.

The undersigned Maker promises to pay the following costs, expenses and attorneys' fees incurred by the Payee or adjudged by a court: attorneys' fees and costs incurred in connection with the making of the Loan, and reasonable costs of collection, costs and expenses and attorneys' fees paid or incurred in connection with the collection or enforcement of this Note, whether or not suit is filed.

Diligence, demand, presentment, notice of dishonor and protest are waived by all makers, sureties, guarantors and endorsers of this Note (specifically including, without limitation, the undersigned).

East Bay Innovation Academy, a California
nonprofit public benefit corporation ("MAKER")

By: _____

Title: Tali Levy, Board Secretary

Lender #1 ("PAYEE")

By: _____

Title: Laurie Jacobson Jones

ATTACHMENT NO. 1

DISBURSEMENT SCHEDULE

<u>Date</u>	<u>Amount</u>	<u>Initials</u>
12/10/14	\$50,000	LJJ
12/24/14	\$50,000	LJJ