

Vanessa Ryan

SVP/ Corporate Relationship Manager

Tel: 916.724-1214

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Navigator Schools – ‘draft’

Umpqua Bank (“Umpqua”) would like to express its interest in underwriting and obtaining credit approval for the following loan (the “Credit Facility”) for the Navigator Schools (the “Navigator”) on the terms and conditions outlined below.

Preface: Umpqua’s expression of interest in underwriting and obtaining credit approval for the Credit Facility is for discussion purposes only and does not constitute a commitment from Umpqua. Any commitment to lend that we might make is subject to the fulfillment of a number of conditions that include, but are not limited to, our normal credit approval process, an in-depth investigation of the purpose of the purpose of the loan, the Agency, and collateral the results of which are deemed satisfactory to Umpqua in our sole discretion.

Confidentiality: Except as required by law, neither this expression of interest nor its contents will be disclosed publicly or privately except to those individuals who are your officers, employees or advisors who have a need to know as a result of being involved in the proposed financing. The foregoing confidentiality provisions shall not apply to the disclosure of the federal income tax structure or treatment of the proposed financing.

Loan Amount:	\$4,000,000 <i>(as requested)</i>
Loan Purpose:	Cash flow for operations
Structure/Security:	Intercept of LCFF funds
Term:	1-yr term, maturity estimated October 2021, with the ability to extend to another year term
Maximum Advance:	Not to exceed 50% of LCFF funds, as verified by the CDE website
Interest Rate:	Indicative taxable rate, Prime + 1.00% - 4.250%, as of 8/4/2020 Floor 4.00%
Loan Fee:	\$0.00 – waived, due to the current banking relationship with Umpqua Bank <i>(typical loan fee is 0.25% of total loan amount)</i>
Financial Covenants:	30 – consecutive days out of
Repayment Terms:	Interest only, Principle and Interest due at maturity
Relationship Discount:	The above rates include a relationship discount that assumes the ‘Navigator Schools’ will maintain its current deposit relationship with Umpqua Bank. <i>(utilizing the ICS product to insure the deposit balances)</i>
COI Fees:	Documents to be prepared/reviewed by bank counsel – Rudy Salo, Nixon Peabody LLP. Legal fees and expenses of Nixon Peabody, LLP shall not exceed \$10,000.
Reporting:	Annual Audited Financials Annual Approved Budget P1 & P2 verification of LCFF

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Additional Conditions

Periodic financial and collateral reporting by the Agency, as well as representations and warranties of the Agency regarding its status and ability to repay and related matters and covenants and conditions that are appropriate for a Credit Facility of the scope and nature proposed herein will be determined as part of Umpqua Bank's normal underwriting and approval process. The proposed facility will be subject to a default rate equal to the proposed interest rate + 3.0%.

PDFs of all executed and other documents listed on the Closing Index shall be provided to the Bank no later than 24 hours before the time of the requested wire; provided, that if any documents can only be signed after receipt of the wire those documents shall be provided immediately after receipt of the wire.

Sincerely,

Vanessa Ryan
SVP, Sr. Corporate Relationship Manager
Charter School Specialist

Please pursue underwriting and approval of a commitment for the described Credit Facility.

Borrower

By: _____

Printed Name: _____

Title: _____