



Xavier Reyes, CEO
Alta Public Schools
2410 Broadway
Huntington Park, CA 90255

November 4, 2022

Dear Mr. Reyes

Hanmi Bank (“**Bank**”) is pleased to provide this Conditional Letter of Interest which sets forth the terms by which the Bank proposes to provide a real estate loan facility for the purchase of a building to support business needs for you **which supersedes all previous correspondence**. This letter outlines, in summary format, some general terms and conditions pursuant to which Bank proposes to establish a credit facility. **This is not a commitment to extend credit in any form and remains subject to further due diligence, Bank credit committee approval and execution of formal loan documentation all in a form satisfactory to Bank and its counsel in its sole discretion.**

The basic points, terms and conditions for the proposed credit facility include, but are not limited to the following:

<i>Borrower(s)</i>	Alta Public Schools (APS)
<i>Type of Facility</i>	Revolving Line of Credit
<i>Loan Amount</i>	Up to \$2,000,000.00 Master Revolving Line of Credit
<i>Sub-Notes</i>	This loan will have up to three sub-notes, one for each school under APS, AM and PTLAM and one for the meal program. Each is for the full amount of the commitment, with the constraint that the amount outstanding on the three sub-notes cannot exceed the total commitment. Advances for each sub-note go into the respective DDA account for that school or program. Each sub-note is paid from the respective DDA account for that school or program. Each school or program has its own respective restricted account for receipt of ADA based funding (State, Local and Federal) and other revenues.
<i>Purpose</i>	The RLOC provides working capital financing for APS to facilitate its operations and to allow it to provide support as needed to the APS

	Schools and the APS Meal Program for growth, seasonal needs and working capital.
<i>Rate</i>	The rate will be Wall Street Journal Prime plus 0.50%; floating. The indicative rate as of the date of this letter would be 7.50% (7.00%+0.50%)
<i>Repayment</i>	Interest only payable monthly. Principal due at maturity. ADA based funding (State, Local and Federal) is deposited to each school's respective restricted DDA account at HB. Funds are first applied as a principal reduction in the respective RLOC balance for each school, with any remaining funds transferred to the respective school's main DDA as available funds.
<i>Maturity</i>	One Year
<i>Loan Fee</i>	Annual loan fee of 0.25% of the loan amount (\$5,000). \$500.00 all-inclusive documentation fee.
<i>Closing Costs</i>	Please be aware that these costs are estimates . In addition to the fees disclosed above, Borrowers pay actual costs including but not limited to the following: 1) Outside legal expense, if necessary 2) Cost of periodic Asset audits, if required
<i>Collateral</i>	1 st Position UCC-1 broad form filing on all assets of APS, except for PTLAM, where the UCC-1 filing will be second to the existing filing supporting the lease payment due monthly to PTMS LLC.
<i>Advance</i>	Advances may be made using Borrower's HB online treasury management access in addition to by facsimile, email or telephone. Quarterly, within 30 days of each quarter-end, Borrower to supply an Advance Certification Form to include a certification by Borrower of APS's current aggregate ADA as of the most recent quarter end, compared to the aggregate ADA for the corresponding quarter end from one year ago, has not declined by more than 10%, along with its Quarterly ADA reporting. Borrower to certify that PTLAM rent has been paid current prior to each loan advance.
<i>Guarantor(s)</i>	None. Borrower is a 501c3 non-profit corporation with no shareholders.

General Requirements:

1. CPA audited financial statements annually, as soon as available but before the later of (i) December 15th, or (ii) by the following February 15 with evidence of extension by the authorizing authority.
2. Company prepared financial statement on a quarterly basis within 45 days of each quarter end.
3. Advance Certification Form, certifying that APS's current aggregate ADA as of the most recent quarter end compared to the aggregate ADA for the corresponding quarter end from one year ago, has complied with the requirement below, along with a copy of its ADA Report for that quarter end, within 30 days of each quarter end.

4. All due diligence being satisfactory to the Bank;
5. Submission of all required documents;
6. Verification of all financial documents;
7. No adverse material changes prior to loan funding;
8. Completion and execution of documentation and UCC filing satisfactory to the Bank;

Key Loan Provisions:

A Loan Agreement will be executed which will include but not be limited to the following key provisions evaluated quarterly on a combined basis for APS:

- Maintain minimum liquidity of \$2.5 million. Liquidity is defined as cash and cash equivalents plus readily marketable securities. One of Borrower's accounts maintained at HB will be a separate account for PTLAM which will contain at least three months rent payments at all times and PTLAM will pay its monthly rent payment to PTMS, LLC from this account. Note that the funds in the PTLAM rent account will be included toward the total Borrower liquidity requirement.
- A minimum Bank debt to Adjusted EBITDA to be maintained and evaluated quarterly, with adjusted EBITDA measured on a rolling four-quarter basis, of not greater than 4.0:1.0. Adjusted EBITDA is adjusted for rent and bond payments.
- A minimum Debt Service Coverage Ratio (DSCR) of at least 1.00:1.00 for APS along with an minimum Adjusted DSCR for APS of at least 1.35:1.0. The Adjusted DSCR will adjust EBITDA and Debt Service for the rent and bond payments. Both ratios to be maintained and evaluated on a rolling four-quarter basis.
- APS's ADA level to not decline more than 10% from the immediately prior "P2" ADA level certified by the California Department of Education.
- Borrower to certify in its quarterly and annual compliance certificates that it is in compliance with all 2014 Bond and 2020 Bond requirements.
- Borrower to move its primary deposit and treasury management relationship to Bank within 90 days of loan funding.

Other Requirements: To be determined & discussed with Borrower prior to loan documentation.

The Bank's ability to pursue this loan request is further contingent upon the following terms and conditions, to include, but not limited to:

- Final credit approval by Hanmi Bank credit department
- Satisfactory underwriting review conducted by Hanmi Bank upon all required information pursuant to the underwriting guidelines of Hanmi Bank as applied by the Bank in its sole discretion.
- Any and all other items as may be required by Hanmi Bank to satisfactorily complete the Bank's underwriting requirements for the proposed credit accommodation.

The contents of this Letter are confidential and are intended for use exclusively by the parties, their advisors and legal counsel in connection with the proposed Loan and may not be disclosed to any

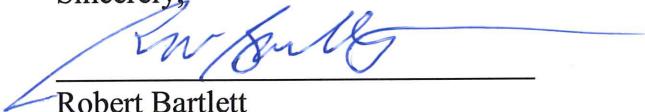
third party by you or your representatives without Bank approval.

Hanmi Bank's willingness to make the Loan is subject to full and complete underwriting, due diligence, documentation, and internal approvals. Neither party hereto shall have any legal or financial obligations to the other with respect to the proposed Loan contemplated herein unless and until all the terms and conditions of the proposed Loan have been negotiated and agreed to by the parties hereto and set forth in a final, binding Loan Agreement which has been properly approved, authorized and executed by the parties, neither party may claim any legal rights against the other by reason of the signing of this Letter, or the taking of any action in reliance thereon.

If you wish Hanmi Bank to proceed and process your request for the credit facility stated herein, please sign below and return the signed copy of this Letter of Interest, along with a check or wire transfer in the amount of \$5,000.00 as a Letter of Interest fee (the "Letter of Interest Fee") no later than ten days after acceptance of this Letter of Interest. The Letter of Interest Fee shall be credited against the Loan Costs and Fees at funding, if the Loan funds substantially according to the terms of this Letter of Interest. If the Bank agrees to fund the Loan on substantially similar terms to those specified in this Letter of Interest, and the Borrower for any reason does not complete the transaction in the period specified, no portion of the Letter of Interest Fee shall be refunded. If the Bank refuses to fund the Loan for any reason on substantially similar terms to those specified in this Letter of Interest, the Borrower shall be entitled to a refund of all of the Letter of Interest Fee, except such amounts as have been spent for out of pocket expenditures related to the Loan.

We really appreciate the opportunity to continue to earn your business and maintain our mutually beneficial banking relationship with you. We believe this Letter of Interest is reflective of Hanmi Bank's interest to support your business and growth objectives. If you have any questions, please contact me at 949-203-2790.

Sincerely,



Robert Bartlett
EVP & Specialty Lending Officer
Specialty Lending Department



Ben Sottile
Senior Vice President
Specialty Lending Department

ACCEPTED AND AGREED TO THIS _____ DAY _____, 2022

By:

Signature

Name

Title