



**DISCUSSION PURPOSES ONLY
PROPOSAL
AND
TERM SHEET
("PROPOSAL")**

CREDIT FACILITY IN THE FORM OF AND UP TO

\$1,000,000 NON-REVOLVING LINE OF CREDIT

PROVIDED BY

U.S. Bank N.A.

ISSUED ON BEHALF OF THE

CORBETT SCHOOL DISTRICT NO. 39

NOTE: This proposal constitutes indicative terms for the described transaction for discussion only. The summary that follows is subject to credit approval and does not constitute an offer or commitment. As we obtain more information, additional substantive conditions may be required, and terms may be changed or be supplemented. In addition, upon completion of our analysis and due diligence and if we obtain credit approval of this proposal, loan documentation must be created which will include terms and conditions customary to the Bank, as well as warranties and covenants specific to this transaction. To that end, this term sheet is an expression of interest only, and it is not a contract, commitment nor intent to be bound. The Bank does not intend that this term sheet or discussions relative to the terms of this term sheet create any legal rights or obligations, implicit or explicit, in favor of or against the other party. Also, no oral discussions and/or written agreements shall be in place of or supersede written loan agreements executed by your business and accepted by the Bank. Upon your acceptance of the terms and conditions contained within this letter of interest, we will seek credit approval to provide a Credit Facility for this transaction.

Credit Facility Provider:

U.S. Bank N.A. (USB)	
PRIMARY CONTACT – PORTFOLIO MANAGER DAN CLEMENTS, VICE PRESIDENT 777 E Wisconsin Avenue Milwaukee, WI 53202 Ph: (414) 915-2810 E-mail: daniel.clements@usbank.com	RELATIONSHIP MANAGER DEWENDA KATZFHEY 402 S Main St Joplin, MO 64801 Ph: (417) 317-9999 E-mail: dewenda.katzfey@usbank.com
SECONDARY CONTACT – PORTFOLIO MANAGER BRIAN RICHTER, SENIOR VICE PRESIDENT 777 E. Wisconsin Avenue Milwaukee, WI 53202 Ph: (414) 588-7722 E-mail: brian.richter@usbank.com	

<http://www.usbank.com> (for Annual Report)

Bank: U.S. Bank, N.A. (the “Bank”).

Issuer: Corbett School District No. 39 (the “Issuer” or the “District”).

Type of Credit Facility: Non-Revolving Line of Credit in the form of a Financing Agreement (the “Credit Facility”).

Amount Available: Up to \$1,000,000

Purpose: Bridge loan to cover payroll and operating expenses until state funding is received.

Security: Pursuant to ORS 287A.315 the District will pledge its full faith and credit and taxing power within the limitations of Sections 11 and 11b of Article IX of the Oregon Constitution and from any and all of the District’s legally available funds.

Credit Facility Fee and Term: All fees and interest charges shall be on an actual over 360-day basis. The following term and fees (the “Facility Fees”) shall apply to the Credit Facility.

Facility Term: 12 months

Unutilized Fee: 35 basis points

Utilized Fee:

- **Taxable:** 1-Month SOFR + 75 basis points.
- **Tax-Exempt/Bank Qualified:** 80% of 1-Month SOFR + 70 basis points.

Term SOFR: “Applicable Factor” means 80% for tax-exempt bank qualified or 100% for taxable.

“SOFR Index Rate” means the sum of (a) the Applicable Factor multiplied by the SOFR Index, plus (b) the Applicable Spread.

“SOFR” means the secured overnight financing rate which is published by the Board of Governors of the Federal Reserve System (and available at www.newyorkfed.org).

“SOFR Index” means the greater of (a) zero and (b) the one month forward looking term rate based on SOFR quoted by the Calculation Agent from the Term SOFR Administrator’s Website (or other commercially available source providing such quotations as may be selected by the Calculation from time to time) (“Term SOFR”), which shall be that one-month Term SOFR rate in effect on each Computation Date for effect on the immediately succeeding SOFR Index Reset Date, adjusted for any reserve requirement and any subsequent costs arising from a change in government regulation and such rate to be reset monthly on each SOFR Index Reset Date; provided that if the Term SOFR rate is not published on such Computation Date due to a holiday or other circumstance that Bank deems in its sole discretion to be temporary, the applicable Term SOFR rate shall be the Term SOFR rate published on the New York Banking Day immediately preceding such Computation Date.

Upfront Fee: None.

Base-Rate: Greatest of (i) Prime + 1.0%; (ii) Fed Funds + 2.0%; and (iii) 7.5%.

Default Rate: Base Rate + 5.0%.

Upon the occurrence of an Event of Default, the Draws shall bear interest at the Default Rate.

Timing & Comp. Payments:

All fees are non-refundable. Bank Counsel’s fees and reasonable expenses are payable at closing in immediately available funds and shall be paid by the District.

Amendment Fee: The District will be responsible for the payment of all reasonable fees, including all attorney fees in connection with an amendment, the Credit

Facility, or a related transaction document. Amendment fees shall be payable promptly after the closing / execution of the amendment, upon the receipt of an invoice.

Taxability: In the event a Determination of Taxability shall occur with respect to any tax-exempt Draw under the Facility, in addition to the amounts required to be paid with respect to such tax-exempt Draws under the Credit Facility, the District shall be obligated to pay to the Bank an amount equal to the positive difference, if any, between the amount of interest that would have been paid during the period of taxability if the applicable tax-exempt Note had borne interest at the Taxable Rate and the interest actually paid to the Bank as the owner of the Tax-Exempt Note.

Line of Credit Terms:

Index Floating Rate: Except as provided below, Advances under the Facility will bear interest at the Index Floating Rate until the Maturity Date.

Commitment Period: The period commencing from the closing date to the 1-year anniversary of such closing date, as selected by the District (the “Initial Maturity Date”). All outstanding Advances shall be payable on the Initial Maturity Date or any subsequent date agreed to by the Bank and the District (the Initial Maturity Date and each subsequent date referred to herein as the “Maturity Date”).

Unutilized Fee: The difference between the Facility Amount and amounts drawn down under the Facility shall constitute the “Unutilized Amount.” The District shall be obligated to pay an Unutilized Fee on the Unutilized Amount.

Advances: Advances under the Facility shall occur no more frequently than bi-monthly and subject to compliance with the conditions to each Advance as described below. Advances shall be in a minimum amount of \$25,000 or such other amount as agreed to by the Bank. Advances require 3-day notification. No further Advances may occur after the last day of the Commitment Period as described above.

Day Count: Interest on the Advances will be calculated on the basis of the actual number of days elapsed in a 360-day year.

Interest Payments: Interest on the Advances will be payable in arrears on the first business day of each month.

Interest Reset Date: The interest rate will be reset on the first calendar day of each month (the “Interest Reset Date”).

Interest Recapture: The interest rate shall not exceed the maximum lawful rate and excess interest shall be subject to recapture pursuant to the Bank's standard "clawback" provision.

Prepayment: Prepayments are permitted in whole or in part, with prior notice but without premium or penalty if paid on any business day and including accrued and unpaid interest, subject to limitations as to minimum amounts of prepayments; provided that to the extent that prepayment occurs on any day other than an Interest Reset Date, SOFR breakage costs may apply.

Documentation: Documentation will include a Financing Agreement between the Bank and the District which will be prepared either by Bond Counsel with direct assistance by Bank Counsel with respect to the variable rate and other provisions or by Bank Counsel. Counsel to the District will prepare any necessary Resolution(s) of the District, tax documentation and related matters and opinions required by the Bank.

The Facility will include, but not be limited to, the terms and conditions outlined herein as well as provisions that are customary and standard with respect to conditions precedent, representations and warranties, covenants, events of default and remedies under the Financing Documents, financial responsibility to the Bank, and full protection against increased costs and changes in capital adequacy requirements for the Bank.

Yield Protection: The District will be required to reimburse the Bank for any increased costs resulting from the issuance or maintenance of the Facility imposed by a change in any law, rule or regulation affecting the Bank's commitment or its ability to act in accordance with such commitment. Requests, rules, guidelines, or directives in connection with the Dodd-Frank Act or Basel III, regardless of the date enacted, adopted, or issued, resulting in increased costs will be subject to reimbursement in accordance with this provision.

Conditions Precedent: Normal and customary closing conditions for transactions of this nature including, but not limited to, the following: execution and delivery of the Financing Agreement and other related documentation, including a taxable note and a tax-exempt note, and, if the District plans to post the Agreement to EMMA, the Bank and the District agree that the Financing Agreement will be redacted to remove any confidential terms; appropriate certifications from the District including: no default, no material adverse change and incumbency certification; payment of fees and expenses due at closing; completion of

diligence and satisfactory documentation; no material adverse change to Issuer. The Bank shall also receive customary opinions from the District's counsel regarding the due authorization, validity and enforceability of the Credit Facility and other matters, and, from the District's Bond Counsel, if applicable, an opinion regarding the federal tax-exempt status of the tax-exempt Draws made pursuant to the Credit Facility.

**Representations
and Warranties:**

Those customary for transactions of this nature including, but not limited to, the following: due authorization and execution, validity and enforceability of the Financing Agreement and related documentation; no material litigation; accuracy of documents, financial statements and other information furnished to the Bank and no material adverse change to the District since last audited financial statement; no sovereign immunity; compliance with usury and other laws; no contravention with other documents; necessary approvals obtained; nature of District's obligations to the Bank and the security therefor; compliance with laws including anti-terrorism and anti-money laundering laws.

**Financial
Statements:**

Audited financial statements on a within 270 days of the fiscal year end, notice of default, no default certificate, and any material litigation.

**Other Covenants/
Provisions:**

Those customary for transactions of this nature including compliance with applicable law and terms of related documents; security of the Credit Facility; information reporting; access to records; further assurance; continued existence; maintain assets and insurance. The Financing Agreement shall also contain the Bank's standard yield protection (including Dodd Frank and Basel III protection regardless of the date of enactment) and withholding and tax indemnification; waiver of jury trial; indemnification; redaction; jurisdiction/venue; tax gross up provisions, assignment and participation and the Bank's other standard provisions customary for a Credit Facility of this nature.

Events of Default:

Those customary for transactions of this nature including, but not limited to, the following: failure to pay principal and interest on any other amount when due; cross default to other debt; bankruptcy or insolvency; declaration of a moratorium; material inaccuracy of any representation; covenant breach; invalidity or contest of District's obligations under the Financing Agreement or any other document related to the Credit Facility; judgment default in excess of \$1 Million.

Remedies: Those customary for transactions of this nature including, but not limited to, the following: reduce the available commitment to zero; interest at the Default Rate; and pursue any other remedy allowed by law, by contract or by equity.

Indemnification: To the extent permitted by law, the Issuer shall indemnify the Bank, for all circumstances except those caused by the gross negligence or willful misconduct of the Bank.

Renewal: At least 60 days prior to the expiration date of the Credit Facility, the Issuer may request an extension. The Bank will notify the Issuer if the Bank renews the Credit Facility and the applicable terms and conditions thereof, not less than 30 days before the expiration of the Credit Facility. Such terms and conditions for any renewal would be subject to mutual agreement between the Issuer and the Bank and any renewal by the Bank will be at its sole and absolute discretion.

Governing Law and

Venue: The Facility and any other documents to which the Bank shall become a party will be governed by the laws of the State of New York; provided that the duties and obligations of the District under the Facility and the other Financing Documents to which it is a party will be governed by the laws of the State of Oregon. Any litigation involving the Bank shall be brought in the appropriate state or Federal court New York, New York, or Oregon over the matter.

Jury Trial: The District agrees to waive a jury trial in any proceeding involving U.S. Bank.

Future modification: The terms, conditions, pricing levels and fees (including legal fees and expenses) cited herein reference the transaction structure and the Line Amount as described herein and are subject to revision in the event that (i) the Credit Facility Amount changes, (ii) the security or transaction structure is modified, (iii) the transaction deviates materially from what was initially described or in conjunction therewith, and (iv) the proposed financing does not close by April 30, 2026 or within 90 days of the receipt by the Bank of a signed term sheet.

Participation: The Bank shall have the right to sell participations in the Credit Facility. However, the District shall have no obligation to deal with any entity other than the Bank.

Bank Counsel: Rudy Salo, Partner
Nixon Peabody LLP
300 S. Grand Avenue; Suite 4100
Los Angeles, CA 90071
rsalo@nixonpeabody.com

Counsel Fees: All legal fees and expenses will be payable by the District. Fees of Bank Counsel are \$7,500 if Bond Counsel prepares all documents (with assistance of Bank Counsel on the Financing Agreement), and if Bank Counsel prepares the Financing Agreement, fees shall be \$15,000, in each case assuming the District prepares all other documents.

Credit Approval: The Bank has received preliminary credit approval based on these terms subject to final due diligence. The Bank will endeavor to provide formal credit approval (based on discussions with the District and its finance team) within 7 business days.

Expiry of Terms: April 30, 2026.

NOTE: *This proposal is not a commitment. It is offered as indicative terms on which the Bank is willing to seek credit approval to provide the Credit Facility. The Bank's participation in this transaction is subject to the foregoing terms, completion of appropriate diligence, satisfactory documentation and approval of the Bank's credit committee.*

As we obtain more information, additional substantive conditions may be required, and terms may be changed or be supplemented. In addition, upon completion of our analysis and due diligence and if we obtain credit approval of this proposal, loan documentation must be created which will include terms and conditions customary to the Bank, as well as warranties and covenants specific to this transaction.

To that end, this term sheet is an expression of interest only, and it is not a contract, commitment nor intent to be bound. The Bank does not intend that this term sheet or discussions relative to the terms of this term sheet create any legal rights or obligations, implicit or explicit, in favor of or against the other party. Also, no oral discussions and/or written agreements shall be in place of or supersede written loan agreements executed by your business and accepted by the Bank.

Upon your acceptance of the terms and conditions contained within this letter of interest, we will seek credit approval to provide a Credit Facility for this transaction.