



TERM SHEET
(For Discussion Purposes Only)
May 7, 2025

RE: Jackson County School District No. 5, Jackson County, Oregon (the "District")
Full Faith and Credit Tax Anticipation Note, 2025 (the "Note")

Thank you for the opportunity to propose the following structure for the Jackson County School District No. 5 proposed Full Faith and Credit Tax Anticipation Note, 2025. Cashmere Valley Bank (the "Bank") has outlined general terms below for discussion purposes only. All terms are subject to credit approval, and do not constitute a commitment to lend money.

1. **Borrower:** Jackson County School District No. 5, Jackson County, Oregon
2. **Amount:** Not to exceed \$10,000,000
3. **Tax Status:** The District would designate the Financing as a 'qualified tax-exempt obligation' under section 256 of the Internal Revenue Code of 1986, as amended.
4. **Purpose:** The proceeds from the Note would be used to provide interim financing for the District to cover Operating Cash Flows and pay costs of issuance
5. **Maturity:** The Note would mature on December 15, 2025. See Optional Extension below.
6. **Note Description**
 - a. **Interest Rate:** The Note would be dated the date of delivery to the Bank and would accrue interest on the outstanding balance from that date. The Note would accrue interest at a bank qualified tax-exempt fixed rate of 5.60% *per annum* on the outstanding balance to the maturity date or date of prepayment in full.
 - b. **Terms:** Principal of and interest on the Note would be due at Maturity. The Note would be funded upfront or with draws made on the Note. If the Note is funded with draws, draws would be made on any business date in an amount greater than or equal to \$25,000. Draw proceeds would be wire transferred to the District. For same day funding, draw requests would need to be received and confirmed by 11AM. The District would be eligible to make draws from the Date of Delivery of the Note to the Bank to the Maturity.
 - c. **Security:** The Note would be payable from all lawfully available funds of the District. Pursuant to ORS 287A.315 the District would pledge its full faith and credit and taxing power within the restrictions of Sections 11 and 11b, Article XI of the Oregon Constitution to pay the Note. The obligation of the District to pay the Note is not subject to appropriation. The Note would not be secured by any lien on property or revenues of the District.
7. **Optional Extension:** The District may elect to extend the Maturity by up to 90 days, to no later than March 15, 2026, subject to the demonstration of repayment capacity during the extension period, satisfying accrued interest to the original Maturity of December 15, 2025 and compliance with all other agreements of the Note. Draws on the Note would not be allowed during the Optional Extension period. The District would need to provide the Bank 10 days' notice of its intent to utilize the Optional Extension. The Optional Extension provision is intended to facilitate takeout bond financing. During the period of Optional Extension, the interest rate and all other aspects of the transactions would be unchanged. All principal and accrued interest would be due at the conclusion of the Optional Extension period or date of prior prepayment of the Note in full.

8. **Transferability:** The Bank would hold the Note with no intent to sell or transfer. The Note may be transferred only in whole to a qualified investor or as would be further described in the Note documents.
9. **Prepayment:** The District may choose to prepay the Note in whole or in part at any time without penalty. In the event of a prepayment in whole or part, the payment would first satisfy accrued interest with the balance reducing principal outstanding. A prepayment would not change the interest rate or final maturity of the Note. The Note is not intended to be a revolving obligation and principal amounts repaid cannot be reborrowed.
10. **Fees:** The Bank would not charge a fee to the District. The District would be responsible for all other costs of issuing the Note. Costs of issuance may be paid directly on behalf of the District by the Bank with proceeds of the Note.
11. **Additional Terms:** The Note documents would be in the standard form customarily required for tax-exempt municipal funding and would include additional terms and conditions not discussed above. The District would provide or make available to the Bank its financial report in a timely fashion on an annual basis or during the period the Note is outstanding and held by the Bank. At the date of closing of the Note, the financial condition and credit of the District and all other features of this transaction would be as represented to the Bank without material adverse change. In the event of adverse material changes in the credit worthiness of the District, including litigation involving or claims filed against the District, any future commitment would terminate upon notice by the Bank. Any future commitment would be non-assignable by the District. If after closing, the District defaults on the Note, a default rate would apply as defined in the Note Documents or Authorizing Documents. If the District chooses Cashmere Valley Bank to provide the financing, the Bank would need approximately two weeks from the date of acceptance to closing. The Bank documents required for closing would be executed copies or originals of (1) the authorizing ordinance, (2) a valid legal opinion and (3) the Note.

ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER OREGON AND WASHINGTON LAW.

Thank you for this opportunity to discuss this financing with the District and its finance team.

Respectfully,

CASHMERE VALLEY BANK