



Bay Area Commercial Banking
One California Street, Suite 2000
San Francisco, CA 94111

December 11, 2019

Susan Munn
Children's Day School
333 Dolores St. 2nd Floor
San Francisco, CA 94110

U.S. Bank National Association ("Bank") is pleased to consider your request to provide financing to Children's Day School. A summary of some of the terms U.S. Bank is considering for this financing package, subject to credit approval, is as follows:

BORROWER: Children's Day School ("CDS")

GUARANTOR: None

LENDER: U.S. Bank National Association ("Bank")

FACILITY AMOUNT: The lesser of \$1,600,000 or amount outstanding at closing.

FACILITY PURPOSE: Refinance existing term loan.

COLLATERAL: First priority DOT on leasehold and improvements at 601-605 Dolores Street, San Francisco, CA, taken on an Abundance of Caution basis.

FACILITY TERMINATION

DATE: 3 years, maturing 2/23/2023 or
5 years, maturing 2/23/2025;
to be coterminous with any other Facilities secured by subject property.

AMORTIZATION /

PAYMENT: 5 year amortization/ Principal and Interest Payments due monthly (according to original amortization schedule).

PREPAYMENT: Prepayment of the loan with a full prepayment waiver.

PRICING: **INDICATIVE RATES AS OF 12/11/2019 AND SUBJECT TO CHANGE:**

3 year term: Fixed rate of 3.07% or 1-month LIBOR plus a spread of 1.35% (indicative rate is 3.10%)

5 year term: Fixed rate of 3.25% or 1-month LIBOR plus a spread of 1.45% (indicative rate is 3.20%)

UPFRONT FEE: None

FINANCIAL COVENANTS: Unchanged

FINANCIAL REPORTING: Unchanged

COSTS: Various costs, expenses and fees relating to due diligence and documentation to be borne by the Borrower.

CONDITIONS PRECEDENT:

- Borrower shall maintain insurance in types and amounts reasonably acceptable to Bank
- No litigation or other proceeding that would materially affect the Borrower or the financings described herein
- All governmental, shareholder, corporate and third party consents shall have been obtained in respect of the credit facility
- No material adverse change in the Borrower's business, properties, financial condition or results of operations
- Additional information as reasonably requested by Bank

As we obtain more information, additional substantive conditions will 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, we will prepare loan documentation which will include terms and conditions customary to U.S. Bank, as well as warranties and covenants specific to this transaction.

To that end, this letter is an expression of interest only, and it is not a contract, commitment nor intent to be bound. U.S. Bank does not intend that this letter or discussions relative to the terms of this letter 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 U.S. Bank.

Please note that this proposal is for your review only. It may not be disclosed to any third party other than your attorney, accountant and authorized agents representing you.

Thank you for discussing your financing needs with U.S. Bank. Should you wish us to continue to consider your credit request; you will be responsible for all of U.S. Bank's out-of-pocket expenses related to this financing request. If you have any questions regarding this letter, please contact Debra Wright at 415-677-3538 or Casey Blakeman at 415-677-3585.

We look forward to your response and the opportunity to work with you.

Sincerely,

Debra Wright S.V.P.
Relationship Manager

Casey Blakeman A.V.P.
Portfolio Manager