

LOAN COVENANTS AND CONDITIONS

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$1,300,000.00	06-26-2017	10-03-2023	45144520				
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations.							

Borrower: OCEAN CHARTER SCHOOL, A CALIFORNIA
NON-PROFIT CORPORATION
12870 PANAMA STREET
LOS ANGELES, CA 90066

Lender: HANMI BANK
SPECIALTY LENDING
2010 MAIN ST., SUITE 590
IRVINE, CA 92614

This LOAN COVENANTS AND CONDITIONS is attached to and by this reference is made a part of the Change In Terms Agreement, dated December 13, 2022, and executed in connection with a loan or other financial accommodations between HANMI BANK and OCEAN CHARTER SCHOOL, A CALIFORNIA NON-PROFIT CORPORATION.

Financial Reporting Requirements-Borrower

- CPA audited Fiscal Year-End Financial Statement: Borrower agrees to furnish on or before one hundred eighty (180) days after the fiscal year end, while any portion of the Indebtedness secured hereby remains unpaid, annual CPA audited financial statements, including, but not limited to, balance sheet, cash flow statement, and contingent liability statement of Borrower prepared in accordance with generally accepted accounting principles consistently applied.
- Company Prepared Interim Financial Statement: Borrower agrees to furnish on or before forty five (45) days after the end of each quarter, while any portion of the Indebtedness secured hereby remains unpaid, quarterly Company prepared interim financial statements, including, but not limited to, balance sheet, cash flow statement, and contingent liability statement of Borrower prepared in accordance with generally accepted accounting practices consistently applied.

Financial Covenants:

- Borrower shall maintain a minimum Liquidity (cash which excludes restricted construction cash) of at least 3% of annual operating expenses to be measured quarterly.
- Borrower must maintain a minimum Debt Service Coverage Ratio (defined as: Earnings before Interest, Taxes, Depreciation and Amortization to Debt Service, excluding Proposition 1D and LAUSD Grant Funds) of 1.25x to be measured annually.

THIS LOAN COVENANTS AND CONDITIONS IS EXECUTED ON DECEMBER 13, 2022.

CHANGE IN TERMS SIGNERS:

OCEAN CHARTER SCHOOL, A CALIFORNIA NON-PROFIT CORPORATION

By: _____
STEPHANIE EDWARDS, Executive Director of
OCEAN CHARTER SCHOOL, A CALIFORNIA
NON-PROFIT CORPORATION

LENDER:

HANMI BANK

X _____
Authorized Signer