

Learning Matters Educational Group Loan Proposal for Thrive Point Academy of Nevada

Purpose: To provide a start-up funding for Thrive Point Academy of Nevada before the school receives State of Nevada Apportionment Funding.

Terms:

Loan Amount: Up to \$1,500,000. * Final amount borrowed \$1,435,401.05

Loan Disbursement #1 Amount: \$700,000

*As of the final reconciliation Learning Matters has incurred \$735,401.05 of start-up expenses for the development of Thrive Point Academy of Nevada. These expenses include principal salaries, facility rent, legal fees, marketing, and public relations expenses. The net proceeds of the loan funds will be reduced by the balance already encumbered by Learning Matters.

*As of 3-31-2025, Learning Matters has paid for \$735,401.05 of expenditures for the development of TPAN, which will be netted against the gross amount of the loan. An initial Loan Disbursement will be provided to TPAN in the amount of \$700,000 no later than 5 business days after approval from the TPAN Governing Board. The total amount outstanding amount is \$1,435,401.05.

A final calculation of expenses incurred by LMEG will be reconciled and provided to the TPAN Governing Board at the regularly scheduled April 2025 board meeting.

A full itemized list of these expenditures incurred by Learning Matters as of 3-31-2025 has been attached for reference.

Interest Rate: 3.00%

Loan Period: 36 Months beginning 1/1/2025 thru 12/1/2027.

Proposal: Learning Matters Educational Group (LMEG) acknowledges that Thrive Point Academy of Nevada (TPAN) needs start-up funding during Budget Year 0 and Year 1 before the school receives State of Nevada Apportionment Funding. Additionally, because TPAN is in its first year of operations, a significant amount of the school's revenue will be deferred until the end of the first fiscal year. Therefore, LMEG is proposing to fund the loan disbursements listed above in two installments - disbursement #1 of \$700,000 will be funded no later than 5 business days after the agreement is approved by the TPAN Governing Board at the regularly scheduled board meeting on May 20th, 2024. The loan repayment schedule will not begin until January 1st, 2025. As presented in the Loan Amortization Schedule below, TPAN's first payment will not be due until 1/1/2025. During the period between LMEG funding the loan (May 2024) and TPAN making their first loan repayment (January 2025), there

will be no compound interest charged - LMEG is simply deferring the loan repayment schedule until January 2025.

Disclaimer on NRS 388A.393 – Prohibited Provisions of Contracts with Contractors or educational management companies.

LMEG is aware of NRS 338.A.393 1b. which prohibits the following – "Authorize the payment of loans, advances or other monetary charges from the contractor or educational management organization which are greater than 15 percent of the total expected funding received by the charter school or proposed charter school from the State Education Fund".

As part of this loan agreement, LMEG will ensure that TPAN is in full compliance with NRS 338.A.393 and will adjust any loan repayments during the full term of the loan to ensure compliance. Adjustment of loan invoices will include changes to the current loan repayment schedule in the form of reduced payments or an extended repayment period that moves payments past a 36 month repayment plan.

**As of January 2025, LMEG will pause the initial loan repayments due from TPAN. Loan repayments will not begin until there is clarification from the State of Nevada on TPAN's attendance reporting and the potential for revenue to be paid back to the State of Nevada. During this time additional loan interest will not be charged or accrued for future payment.