



**Rabobank**

July 20, 2016

Marina Coast Water District  
Attention: Kelly Cadiente  
2840 4<sup>th</sup> Avenue  
Marina, CA 93933

RE: Interest Rate Change for Loan #437484-1

Ms. Cadiente,

First of all, thank you for making time to meet with me on Monday July 18<sup>th</sup> to discuss Marina Coast Water District's construction loan that will soon convert into a term loan.

In our meeting, I mentioned to you that Rabobank (Bank) will be unable to term out construction loan #437484-1 via an interest rate swap loan due to changes in Bank policy shortly after your construction loan was consummated. However, Bank is offering to provide a fixed rate comparable to an interest rate swap loan via a conventional fixed rate loan. Such fixed rate loan will be based on the 10-year Treasury plus an interest rate spread. The INDICATIVE fixed rate as of today on this 20<sup>th</sup> day of July is 4.18%\* (10-yr Treasury + 2.62%).

Interest rate will be locked upon receipt of ALL of the following items needed to term out the construction loan: Notice of Completion; Certificate of Occupancy; Lien Free Endorsement; and verification that tenant is paying rent on subject property.

\*Today's INDICATIVE rate for a 10-year interest rate swap loan would be 4.18% (10-year swap rate + 2.50%). The indicative, all-in rate was 4.77% on May 29, 2015 when the construction loan's Expression of Interest Letter was signed.

If you have any questions, please call me at 831-737-1211 or contact me via email at [john.guzman@rabobank.com](mailto:john.guzman@rabobank.com).

Sincerely,

John Guzman  
Vice President- Relationship Manager  
Real Estate Industries Group