RESOLUTION AUTHORIZING AND APPROVING THE ESTABLISHMENT OF A REVOLVING LINE OF CREDIT FACILITY WITH CITY NATIONAL BANK SPECIFYING AN INITIAL REVOLVING COMMITMENT AMOUNT NOT TO EXCEED $30,000,000 AND AUTHORIZING THE EXECUTION AND DELIVERY OF A REVOLVING CREDIT AGREEMENT, FEE LETTER, PROMISSORY NOTES AND ALL OTHER RELATED DOCUMENTS AND AGREEMENTS AND THE UNDERTAKING OF VARIOUS OTHER ACTIONS IN CONNECTION THEREWITH AND, SUBJECT TO THE APPROVAL OF CITY NATIONAL BANK AND MATERIALLY SIMILAR TERMS AND CONDITIONS, AN AMENDMENT TO OR REPLACEMENT OF THE INITIAL REVOLVING LINE OF CREDIT FACILITY WITH AN AMENDED OR REPLACEMENT LINE OF CREDIT FACILITY SPECIFYING A REVOLVING COMMITMENT AMOUNT NOT TO EXCEED $50,000,000 AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDMENT OR REPLACEMENT REVOLVING CREDIT AGREEMENT, FEE LETTER, PROMISSORY NOTES AND ALL OTHER RELATED DOCUMENTS AND AGREEMENTS PERTAINING TO THE AMENDED OR REPLACED REVOLVING LINE OF CREDIT FACILITY AND THE UNDERTAKING OF VARIOUS OTHER ACTIONS IN CONNECTION THEREWITH.

Douglas Guthrie
President & Chief Executive Officer

Jenny Spanlin
Chief Strategic Development Officer

Purpose:
Adopting the resolution (Attachment 1) will authorize the President and CEO to take all actions necessary to establish a two-year, revolving line of credit facility (the "Revolving Commitment") between the Authority and City National Bank ("Bank") with an initial revolving commitment amount not to exceed $30,000,000 and prospective increases up to $50,000,000, with approval from the Bank, with reasonably similar terms as those described herein.

The Revolving Commitment with City National Bank will provide the Authority with swift access to the funding it needs to successfully finance real estate acquisitions, construction, capital improvements, site development and other legally permitted activities. A Revolving Commitment, once established, is essentially "pre-approval" for the Authority to obtain loans from the Bank, up to a pre-set maximum dollar amount. The loans may serve as (i) interim financing for initiatives undertaken according to the Authority's new Acquisition and Disposition of Real Property Policy; (ii) financing for short-term needs such as pre-development costs or a pre-development loan; (iii) financing for other capital improvement activities of the Authority. Funding available under the Revolving Commitment may be borrowed by the Authority, repaid and then re-borrowed, provided that the aggregate of all loans outstanding at any time does not exceed the pre-set maximum commitment amount.

If extending the term or increasing the maximum Revolving Commitment amount
incorporates materially different provisions than those negotiated for this initial Revolving Commitment, such terms and conditions will be brought back to the Authority’s Board of Commissioners (“BOC”) for approval.

Interest on the loans outstanding will be due monthly, in arrears, and loans that remain outstanding at the facility expiration date may be converted to term loans. Principal payments are not required prior to the facility expiration date. In the unlikely event term-out loan conversion is not an option, as would be the case if the Authority were to default on the payment of its scheduled debt obligations, principal and accrued interest owed the bank would be due and payable in full on the facility expiration date. The term loan period is four (4) years, and repayment of principal owed the bank would be payable in 16 installments of approximately equal size, plus accrued interest for that period. The terms and conditions of the Revolving Commitment negotiated with City National Bank are normal and customary for a transaction of this size and type.

Interest payments due on borrowings will be secured by all unencumbered and legally available assets of the Authority. In other words, the borrowings are secured as a general obligation of the Authority, on par with and equal to the general obligation pledge extended to the Authority’s currently outstanding general obligation debt (i.e., General Obligation Refunding Bonds, 2018 Series A, and the 2012 Loan with Citibank).

Proceeds from the sale of long-term debt represent the primary source of “take-out” financing, and use of available and unrestricted funds representing the secondary source of repayment. Debt proceeds will constitute the Authority’s primary source of funds for the repayment of loans owed to the Bank. The Authority may execute one or more bond issuances each year to repay loans owed the Bank, which also serves to replenish the Authority’s available borrowing capacity under the Revolving Commitment. The Authority may issue a supplemental series to an existing bond portfolio or a separate bond issuance depending on the expected interest rate and fees then available in the municipal bond market.

Assuming the majority of funds from the Facility will be used on new acquisitions, the payment of debt service obligations owed on the take-out financings (i.e., the long-term debt) is most likely to be secured by the net revenues and/or mortgage of one or more of the new properties purchased, and possibly (but less likely) other legally available funding sources—in case of long-term general obligation debt issuance.

Authority staff will commence with a bond issuance process when it is in the Authority’s strategic interest to execute a bond offering. Staff will evaluate market conditions, bond yields, amount of loans to be repaid, upcoming borrowing needs, cost of issuance and related factors when planning for bond issuance. Staff will return to the BOC to seek approval to commence with any bond issuance as it pertains to repaying amounts borrowed under the Revolving Commitment.

Regarding: On April 23, 2020, the BOC will consider the approval and adoption of a new Acquisition and Disposition of Real Property Policy to which the Revolving Commitment facility is directly associated.

On August 7, 2019, staff solicited proposals from ten commercial banks to probe the banking community’s interest in possibly providing the Authority a Revolving
Commitment.

On December 19, 2017, the BOC, by Resolution No. 9404, approved the Authority's Debt Management Policy.

Issues:

The Banks
In Fall 2019, a term sheet was prepared by the Authority and circulated to ten banks, requesting proposals from banks that may be interested in providing a Revolving Commitment to the Authority. Of the ten banks solicited (i) two banks verbally declined the opportunity because the proposed facility amount was below their minimum credit-lending threshold; (ii) two banks did not respond; and (iii) six banks responded with proposals. Of those six responding banks, four offered to provide a Revolving Commitment sized at $30 million each, while two offered up to $50 million each. Five of the six banks have capacity to also provide capital market services and expressed an interest in serving as underwriter of the take-out financings. The Authority is under no obligation to assign take-out financing business to any of these five banks.

In addition to City National Bank, the responding banks included JPMorgan, MUFG Union Bank, Bank of America, Key Bank and Western Alliance Bancorp. City National Bank recently expanded its affordable housing banking team and seeks a long-term banking relationship with the Authority.

Of the ten banks staff contacted, City National Bank provided the most attractive proposal of the six banks that responded to our solicitation for bank quotes. Table 1 (below) summarizes a fee comparison across all six banks, and illustrates that City National Bank's proposal was by far the most favorable in terms of pricing—approximately 33% less expensive than the cover bid of the next most competitive bank.
<p>| Table 1. |</p>
<table>
<thead>
<tr>
<th>Fees and Interest Expenses – Comparison of the Proposal from Six Banks</th>
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<tr>
<td><strong>Orignation Factor</strong></td>
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<td><strong>Orignation Fee</strong></td>
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<td><strong>HACLA Legal, Closing Costs</strong></td>
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<td><strong>Bank Counsel Fee</strong></td>
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<tr>
<td><strong>Total Orignation and Issuance Fees</strong></td>
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<tr>
<td><strong>Bank A</strong></td>
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<tr>
<td><strong>Assuming 0% Utilization:</strong></td>
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<tr>
<td><strong>Total Fees Year 1</strong></td>
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<td><strong>Total Fees Year 2</strong></td>
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<td><strong>Total Fees Years 1 and 2</strong></td>
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<td><strong>Assuming 20% Utilization:</strong></td>
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<td><strong>Total Fees Year 1</strong></td>
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<td><strong>Total Fees Year 2</strong></td>
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<td><strong>Total Fees Years 1 and 2</strong></td>
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<td><strong>Assuming 40% Utilization:</strong></td>
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<tr>
<td><strong>Total Fees Year 1</strong></td>
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<td><strong>Total Fees Year 2</strong></td>
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<td><strong>Total Fees Years 1 and 2</strong></td>
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<td><strong>Assuming 60% Utilization:</strong></td>
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<td><strong>Total Fees Year 1</strong></td>
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<td><strong>Total Fees Year 2</strong></td>
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<td><strong>Total Fees Years 1 and 2</strong></td>
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<tr>
<td><strong>Assuming 80% Utilization:</strong></td>
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<tr>
<td><strong>Total Fees Year 1</strong></td>
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<tr>
<td><strong>Total Fees Year 2</strong></td>
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<tr>
<td><strong>Total Fees Years 1 and 2</strong></td>
</tr>
</tbody>
</table>
Basic Fees and Terms
The Revolving Commitment will expire on the two-year anniversary of the closing date, unless extended in one-year increments by mutual agreement. The Authority may exit the facility without penalty on or after the one-year anniversary of the facility commencement date, provided all advances (loans) have been repaid. Terms include an Origination (Closing) Fee (0.10%), Unused Commitment Fee (0.10%) and interest rate on advances outstanding of 1-month LIBOR plus 0.0% margin for the funding of tax-exempt initiatives or 1-month LIBOR plus 0.75% for the funding of taxable initiatives. Interest on the loans is due monthly, in arrears.

Loans outstanding at the facility expiration date will convert to term-out loan, provided no event of default has occurred. The term-out loan period is four (4) years, and the aggregate outstanding loan balance must be repaid in equal principal amounts on a quarterly basis (16 payments). A term-out loan is relatively expensive and should be avoided, but it does enhance the Authority’s financial flexibility compared to all principal and interest due and payable on the facility expiration date. The term loan interest rate is the bank’s Base Rate, which is the greater of (i) the Prime Rate; (ii) Federal Funds Rate plus 50 basis points, or (iii) the 1-month LIBOR rate. If ineligible for the term-out loan, the amount owed to the bank is due and payable in full on the facility expiration date.

Site Acquisitions and Parking Lot Project
In addition to the acquisition of multifamily housing developments, the Authority may borrow up to 30% of the Revolving Commitment for site acquisitions, provided such site acquisitions consist of unimproved real property adjacent to or within ¼ mile of improved real property owned by the Authority. Further, the Authority may borrow to fund capital projects like constructing a parking lot, provided (i) the Authority first summarizes the scope and feasibility of the take-out financing intended for such project; (ii) present the summary to City National Bank; and (iii) obtain the written approval of City National Bank, whose approval shall not be unreasonably withheld.

The terms and conditions of the Revolving Commitment are within the scope of current industry norms. Fees and interest rate, flexibility in how the Authority may use the Revolving Commitment, and length of term-out structure were obtained through negotiation between staff and City National Bank. The ability to borrow money for a relatively wide range of initiatives provides the Authority extraordinary financial flexibility—significantly more flexibility than would have been attainable from any of the five competing banks.

Take-Out Financing and Market Access Risk
A transaction of this type is designed to provide the borrower with interim financing. It is not long-term financing and requires a plan for take-out financing. The source of take-out financing is expected to be derived from proceeds collected from the sale of long-term bonds or notes, or from the application of available fund balances of the Authority. A successful sale of long-term debt is dependent on market conditions, bond yields and other factors present at the time of sale. In the unlikely event of severe market disruption, the Authority may be forced to delay the sale of the bonds or notes until market conditions improve. If delayed in arranging take-out financing, the Authority will incur higher than anticipated annual interest expenses and possibly a prolonged period of limited remaining borrowing capacity under the Revolving Commitment. This risk, a refinancing risk, is inherent to interim financing structures of this type. Most government entities find that the benefits of the structure outweigh the risks. The Authority is a solid investment-
grade issuer and take-out financing such as a tax-exempt bond sale, should be well-received by the investment community. We note that S&P recently published commentary indicating that public housing authorities, in general, are performing well and face lesser headwinds than some other sectors of the municipal debt arena, such as transportation, healthcare and higher education.

**Variable Rate Interest Risk**
The 1-month LIBOR index is a variable interest rate index that will fluctuate as market conditions change. Over the past ten years, the index has ranged from 0.17% to 2.5%, as presented in the Table 2 below, and was near 1.0% in early April 2020. The greatest year over year increase in the index, since 2010, is approximately 1.0% between January 2, 2018 and 2019. Should the index increase during the two-year term of the Revolving Commitment, interest costs on advances will increase, accordingly.

### Table 2.

<table>
<thead>
<tr>
<th>30-Day LIBOR Rates</th>
<th>First Rate per Month</th>
<th>First Rate per Year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current interest rates</strong></td>
<td><strong>First rate per month</strong></td>
<td><strong>First rate per year</strong></td>
</tr>
<tr>
<td>April 03 2020</td>
<td>0.98613 %</td>
<td>April 01 2020</td>
</tr>
<tr>
<td>April 02 2020</td>
<td>0.98163 %</td>
<td>March 02 2020</td>
</tr>
<tr>
<td>April 01 2020</td>
<td>1.01625 %</td>
<td>February 03 2020</td>
</tr>
<tr>
<td>March 31 2020</td>
<td>0.92288 %</td>
<td>January 02 2020</td>
</tr>
<tr>
<td>March 30 2020</td>
<td>0.98450 %</td>
<td>December 02 2019</td>
</tr>
<tr>
<td>March 27 2020</td>
<td>0.98938 %</td>
<td>November 01 2019</td>
</tr>
<tr>
<td>March 26 2020</td>
<td>0.94088 %</td>
<td>October 01 2019</td>
</tr>
<tr>
<td>March 25 2020</td>
<td>0.95913 %</td>
<td>September 02 2019</td>
</tr>
<tr>
<td>March 24 2020</td>
<td>0.92488 %</td>
<td>August 01 2019</td>
</tr>
<tr>
<td>March 23 2020</td>
<td>0.94663 %</td>
<td>July 01 2019</td>
</tr>
<tr>
<td>March 20 2020</td>
<td>0.92850 %</td>
<td>June 03 2019</td>
</tr>
<tr>
<td>March 19 2020</td>
<td>0.92363 %</td>
<td>May 01 2019</td>
</tr>
</tbody>
</table>

Table 3 below illustrates the estimated fees and interest across three scenarios. Scenario A represents the base case, Scenario B features a 1.0% increase in the LIBOR index and Scenario C features a 2.0% increase in the LIBOR index. Utilization rates are indicated in the left column, as the LIBOR index is applicable only to the utilized (borrowed) portion of the Revolving Commitment. A commitment fee of just 10 basis points applies to the unused portion of the Revolving Commitment.

Please note that “total fees year 1” fees and expenses are larger than “total fees year 2” fees and expenses. The explanation is that legal fees for both City National Bank (estimated $50,000) and for the Authority (estimated $40,000), and a closing fee to City National Bank ($30,000) are included in the “total fees year 1” calculations. Provided take-out financing can be executed within three to four months of initiation, staff projects the Revolving Commitment will be utilized at a level between 40% and 60%. Stated another way, fees and expenses are based on the assumption that $30,000,000 of loans are outstanding for a total of five to seven months during a twelve-month period.

### Table 3.
### Estimated Interest and Fees, Adjusted for Increases in LIBOR Index

<table>
<thead>
<tr>
<th>Tax-Exempt Scenarios</th>
<th>Scenario A</th>
<th>Scenario B</th>
<th>Scenario C</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Stated Commitment Amount</strong></td>
<td>$30,000,000</td>
<td>$30,000,000</td>
<td>$30,000,000</td>
</tr>
<tr>
<td><strong>Unused Fee</strong></td>
<td>0.10%</td>
<td>0.10%</td>
<td>0.10%</td>
</tr>
<tr>
<td><strong>1 month LIBOR</strong></td>
<td>0.98%</td>
<td>0.98%</td>
<td>0.98%</td>
</tr>
<tr>
<td><strong>Increase to 1-month LIBOR</strong></td>
<td>0.00%</td>
<td>1.00%</td>
<td>2.00%</td>
</tr>
<tr>
<td><strong>Adjusted 1-month LIBOR</strong></td>
<td>0.98%</td>
<td>1.98%</td>
<td>2.98%</td>
</tr>
<tr>
<td><strong>% of Adjusted 1-month LIBOR</strong></td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
</tr>
<tr>
<td><strong>Additional Margin (for Taxable)</strong></td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td><strong>Used Fee (Interest Rate on Advances)</strong></td>
<td>0.98%</td>
<td>1.98%</td>
<td>2.98%</td>
</tr>
</tbody>
</table>

| Origination Factor | 0.10% | 0.10% | 0.10% |
| Origination Fee | $30,000 | $30,000 | $30,000 |
| HACLA Legal, Closing Costs | $40,000 | $40,000 | $40,000 |
| Bank Counsel Fee | $50,000 | $50,000 | $50,000 |
| **Total Origination and Issuance Fees** | $120,000 | $120,000 | $120,000 |

**Assuming 0% Utilization:**
- **Total Fees Year 1** | $150,000 | $150,000 | $150,000 |
- **Total Fees Year 2** | $30,000 | $30,000 | $30,000 |
- **Total Fees Years 1 and 2** | $180,000 | $180,000 | $180,000 |

**Assuming 20% Utilization:**
- **Total Fees Year 1** | $202,800 | $262,800 | $322,800 |
- **Total Fees Year 2** | $82,800 | $142,800 | $212,800 |
- **Total Fees Years 1 and 2** | $285,600 | $405,600 | $525,600 |

**Assuming 40% Utilization:**
- **Total Fees Year 1** | $255,600 | $375,600 | $495,600 |
- **Total Fees Year 2** | $135,600 | $255,600 | $375,600 |
- **Total Fees Years 1 and 2** | $391,200 | $631,200 | $871,200 |

**Assuming 60% Utilization:**
- **Total Fees Year 1** | $308,400 | $488,400 | $688,400 |
- **Total Fees Year 2** | $188,400 | $368,400 | $548,400 |
- **Total Fees Years 1 and 2** | $496,800 | $856,800 | $1,236,800 |

**Assuming 80% Utilization:**
- **Total Fees Year 1** | $361,200 | $601,200 | $841,200 |
- **Total Fees Year 2** | $241,200 | $481,200 | $721,200 |
- **Total Fees Years 1 and 2** | $602,400 | $1,082,400 | $1,562,400 |

The LIBOR index is a variable rate. All fees expressed are estimates only.

To partially mitigate the risk of higher than anticipated interest expense for the Revolving Commitment, the Authority may exit the facility, without penalty, at any time after the one-year anniversary of the commencement date.

**Compliance with Debt Management Policy**
The Facility structure, terms and conditions comply with the Debt Management Policy and, specifically, section IV.4. Fixed Interest Rate vs. Variable Interest Rate and section IV.8. Bank Loans.

**Legal Counsel**
Kutak Rock, the Authority's bond counsel, and in-house counsel serve as the Authority's legal counsel for this transaction.

**Previous Instance of a Revolving Line of Credit**
Ten years ago, the Authority established a similar interim financing instrument with
a commercial bank. In 2010, the Authority established a $30,000,000 revolving line of credit (same as revolving commitment) with Wells Fargo Bank. The line of credit was used to provide interim financing for housing and mixed-use developments, and to refinance properties in the Authority's existing non-HUD portfolio. The Authority's revolving line of credit with Wells Fargo Bank featured an interest rate based on the LIBOR index plus a margin of 1.65%, an unused commitment fee of 0.35%, a facility term of three years, required the establishment of a collateral account sized at 50% of advances outstanding, and repayment of advances were payable from all unencumbered and legally available assets of the Authority's rent subsidy program. By comparison, the terms and conditions for the Bank Facility are more favorable to the Authority.

**Vision Plan:** PLACE Strategy #2: Increase functionality and effectiveness of Asset Management portfolio.

This action allows the Authority to exercise its interest in expanding the affordable housing options in the City of Los Angeles by supporting the acquisition of multi-family property and utilize funds to make improvements to the Authority's properties that add value and functionality.

**Funding:** The Chief Administrative Officer confirms the following:

**Source of Funds:**
Unencumbered and legally available assets of the Authority are available to cover the fees and expenses associated with using this interim financing mechanism. It is also noted that take-out financing in the form of long-term debt obligations is the intended permanent source of financing for these activities.

**Budget and Program Impact:**
As presented in Table 3 above,

- Scenario B assumes a 100 basis point (1.0%) increase to the April 6, 2020, 1-month LIBOR index of 0.98%—raising the LIBOR index to 1.98%. If, during the first 12 months after establishing the Revolving Commitment, the Authority borrows 100% of the $30 million commitment amount and repays the loan five months later, total fees and expenses are estimated at $375,600 in year one and $255,600 in year two.

- Scenario B assumes a 100 basis point (1.0%) increase to the April 6, 2020, 1-month LIBOR index of 0.98%—raising the LIBOR index to 1.98%. If, during the first 12 months after establishing the Revolving Commitment, the Authority borrows 100% of the $30 million commitment amount and repays the loan seven months later, total fees and expenses are estimated at $488,400 in year one and $368,400 in year two.

- If the Authority establishes the Revolving Commitment and never takes out a loan from City National Bank during the two-year tenor, total fees and expenses are estimated at $150,000 in year one and $30,000 in year two.

Current market conditions provide a relatively low interest rate environment for a Revolving Commitment of this type, making the $30,000,000 facility economically viable. If market rates trend significantly higher than anticipated, the Authority has no obligation to take any loans and may exit the transaction in short order.
Environmental Review: Not Applicable

Section 3: Not Applicable

Attachments:
1. Resolution
2. Summary Comparison of Lending Parameters of the Six Bank
3. Draft Revolving Credit Agreement
Attachment 1
Resolution
RESOLUTION NO. [_______]

RESOLUTION AUTHORIZING AND APPROVING THE ESTABLISHMENT OF A REVOLVING LINE OF CREDIT FACILITY WITH CITY NATIONAL BANK SPECIFYING AN INITIAL REVOLVING COMMITMENT AMOUNT NOT TO EXCEED $30,000,000 AND AUTHORIZING THE EXECUTION AND DELIVERY OF A REVOLVING CREDIT AGREEMENT, FEE LETTER, PROMISSORY NOTES AND ALL OTHER RELATED DOCUMENTS AND AGREEMENTS AND THE UNDERTAKING OF VARIOUS OTHER ACTIONS IN CONNECTION THEREWITH AND, SUBJECT TO THE APPROVAL OF CITY NATIONAL BANK AND MATERIALLY SIMILAR TERMS AND CONDITIONS, AN AMENDMENT TO OR REPLACEMENT OF THE INITIAL REVOLVING LINE OF CREDIT FACILITY WITH AN AMENDED OR REPLACEMENT LINE OF CREDIT FACILITY SPECIFYING A REVOLVING COMMITMENT AMOUNT NOT TO EXCEED $50,000,000 AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDMENT OR REPLACEMENT REVOLVING CREDIT AGREEMENT, FEE LETTER, PROMISSORY NOTES AND ALL OTHER RELATED DOCUMENTS AND AGREEMENTS PERTAINING TO THE AMENDED OR REPLACED REVOLVING LINE OF CREDIT FACILITY AND THE UNDERTAKING OF VARIOUS OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Housing Authority of the City of Los Angeles (the "Authority") is a public body, corporate and politic, duly created, established and authorized to transact business and exercise powers under and pursuant to the provisions of the Housing Authorities Law, Sections 34200 et seq. of the California Health and Safety Code (the "Act"), including the power to provide financing for the acquisition, construction, rehabilitation and equipping of multifamily rental housing for persons and families of low to moderate income; and

WHEREAS, the Authority is further authorized under the Act to issue bonds, notes, interim certificates, debentures, or other obligations for any of its corporate purposes and to make and execute contracts and other instruments necessary or convenient for the exercise of its powers; and

WHEREAS, it is in the public interest that the Authority has access to a revolving line of credit or other revolving commitment facility (the "Revolving Commitment") so the Authority may facilitate the timely acquisition, construction, rehabilitation, renovation, equipping and refinancing of multifamily rental housing, among other things; and

WHEREAS, the Revolving Commitment is intended to primarily serve as interim financing until construction and/or permanent financing, bonds or a private placement financing can be provided or potentially as a planned short-term financing for development and redevelopment short-term costs; and

WHEREAS, the President and Chief Executive Officer (the "President and CEO") and Authority staff have identified features and terms of a Revolving Commitment that would assist the Authority in carrying out its mission and corporate purpose of providing additional multifamily rental housing for persons of low income in the City of Los Angeles; and
WHEREAS, the Authority has determined that it would be beneficial for the Revolving Commitment to have an initial commitment amount not to exceed $30,000,000, and with approval from the Bank to extend the maximum commitment amount to $50,000,000, and a maximum term of 2 years with a one-year extension, subject to approval by the Bank, and the ability to extend or exit the Revolving Commitment without penalty after one year providing that all loan amounts have been repaid; and

WHEREAS, Authority staff contacted ten banks and other lenders with certain parameters and based on an analysis of interest rates, term, payoff provisions, fees, amount of funding available and determined that City National Bank’s (the “Bank”) response was the most favorable to the Authority in that the overall cost was approximately 33% less costly than the cover bid of the next most competitive bank; and

WHEREAS, based on all of the bids received, Authority staff wishes to proceed with City National Bank as the lender for the Revolving Commitment; and

WHEREAS, the Revolving Commitment will be provided to the Authority by the Bank pursuant to a revolving credit agreement (the “Credit Agreement”) by and between the Authority and the Bank, whereby the Authority may request Borrowings (as defined in the Credit Agreement), from time to time, to finance the (i) acquisition, construction, rehabilitation, renovation, equipping and refinancing of multifamily rental housing, other housing properties, permissible mixed use properties, (ii) Site Acquisitions, (iii) the Parking Lot Project, and (iv) to pay costs in connection with the Revolving Credit Agreement; and

WHEREAS, the obligations incurred by the Authority pursuant to the terms of the Credit Agreement and evidenced by one or more promissory notes (the “Notes”), will be a general obligation debt of the Authority secured by and payable from unencumbered and legally available assets of the Authority, as provided in the Credit Agreement; and

WHEREAS, the interest rate on the Note(s) will be a variable rate based on the 1-month LIBOR plus 0.0% margin for tax-exempt borrowings and 1-month LIBOR plus 0.75% for taxable borrowings; and

WHEREAS, the Authority and the Bank will enter into a Fee and Interest Rate Agreement (“Fee Agreement”) to confirm the Commitment Fee and certain other fees payable by the Authority to the Bank with respect to the Revolving Commitment; and

WHEREAS, the following substantially final documents have been presented to this Board:

(a) a form of the Credit Agreement; and
(b) a form of the Fee and Interest Rate Agreement; and
(c) a form of the Note (which is attached to the Credit Agreement as an Exhibit thereto).

NOW, THEREFORE, BE IT RESOLVED, the Board of Commissioners of the Housing Authority of the City of Los Angeles does hereby authorize and approve the establishment of a Revolving Commitment facility with City National Bank specifying an initial maximum Revolving Commitment amount of $30,000,000, and an amended or replacement Revolving Commitment facility specifying a revolving commitment amount not to exceed $50,000,000, with Bank approval, provided that terms and conditions for the amended or replacement Revolving Commitment are
otherwise substantially similar to the terms and conditions contained within the Credit Agreement, Fee Agreement and Note that accompany the initial Revolving Commitment facility; and authorizes the President and CEO or his authorized delegate to execute the Credit Agreement, a replacement Credit Agreement or Amendment up to a $50,000,000, a Fee Agreement and any related Notes, with such changes as approved by the Authority’s legal counsel, and to execute any and all documents, certificates and agreements necessary to finalize the actions contemplated by this Resolution without further approval.

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately.

APPROVED AS TO FORM:  
JAMES JOHNSON

HOUSING AUTHORITY OF THE CITY OF LOS ANGELES

By: ________________________________
Chairperson

By: ________________________________
General Counsel

DATE ADOPTED: ____________________
<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Base Facility (&quot;Basis&quot;)</strong></td>
<td><strong>Base Facility Attributes</strong>&lt;br&gt;The facility may be drawn down in multiple advances. Advances that are repaid may be borrowed again as needed.</td>
</tr>
<tr>
<td><strong>Permitted Use of Facility</strong></td>
<td><strong>Permitted Use of Facility</strong>&lt;br&gt;Interim financing for the acquisition, rehabilitation, renovation, and development of housing properties and related developments. Amount of outstanding advances used for site acquisition will be capped at 35% of Base Facility Amount.</td>
</tr>
<tr>
<td><strong>Security</strong></td>
<td><strong>Security</strong> General Obligation of HACA, payable from any and all funds legally available, plus financial guarantees below</td>
</tr>
<tr>
<td><strong>Bonded Facility Amount</strong></td>
<td><strong>Bonded Facility Amount</strong>&lt;br&gt;$100,000,000</td>
</tr>
<tr>
<td><strong>Bonded Facility Amount</strong></td>
<td><strong>Bonded Facility Amount</strong>&lt;br&gt;Two Years</td>
</tr>
<tr>
<td><strong>Interest Rates and Fees</strong></td>
<td><strong>Interest Rates and Fees</strong>&lt;br&gt;100% of 141.00% - 165% base + 15 basis points</td>
</tr>
<tr>
<td><strong>Fees (Base)</strong></td>
<td><strong>Fees (Base)</strong>&lt;br&gt;25 basis points</td>
</tr>
<tr>
<td><strong>Origination Fee</strong></td>
<td><strong>Origination Fee</strong>&lt;br&gt;0.50%</td>
</tr>
<tr>
<td><strong>Grid Plan (Commitment Fee)</strong></td>
<td><strong>Grid Plan (Commitment Fee)</strong>&lt;br&gt;0 basis</td>
</tr>
<tr>
<td><strong>Prepayment</strong></td>
<td><strong>Prepayment</strong>&lt;br&gt;No prepayment penalty</td>
</tr>
<tr>
<td><strong>Insurance (D&amp;O)</strong></td>
<td><strong>Insurance (D&amp;O)</strong>&lt;br&gt;Quarterly, in arrears, and calculated against the average annual premium of the facility</td>
</tr>
<tr>
<td><strong>Prepayment (D&amp;O)</strong></td>
<td><strong>Prepayment (D&amp;O)</strong>&lt;br&gt;No prepayment penalty</td>
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<td><strong>Minimum Borrower (Borrower) Amount</strong>&lt;br&gt;$1,000,000</td>
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<td><strong>Advance Insurance (Borrower)</strong></td>
<td><strong>Advance Insurance (Borrower)</strong>&lt;br&gt;Yes</td>
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<tr>
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<td><strong>Prepayment (Borrower)</strong>&lt;br&gt;No prepayment penalty</td>
</tr>
<tr>
<td><strong>Term Loan Interest Rate</strong></td>
<td><strong>Term Loan Interest Rate</strong>&lt;br&gt;Prime Rate plus 1 basis points</td>
</tr>
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Attachment 3
Draft Revolving Credit Agreement between HACLA and City National Bank
REVOLVING CREDIT AGREEMENT

dated as of ____________, 2020

between

HOUSING AUTHORITY OF THE CITY OF LOS ANGELES

and

CITY NATIONAL BANK
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EXHIBIT D — Form of Request for Extension of Term Loan
REVOLVING CREDIT AGREEMENT

This REVOLVING CREDIT AGREEMENT (as amended, modified or supplemented from time to time, this "Agreement") is entered into as of ___________, 2020, between the HOUSING AUTHORITY OF THE CITY OF LOS ANGELES, a public body, corporate and politic (the "Authority"), and CITY NATIONAL BANK (the "Bank").

PRELIMINARY STATEMENTS

WHEREAS, the Authority wishes to obtain loans from the Bank hereunder and the Bank is willing, upon the terms and subject to the conditions set forth below, to provide such loans to the Authority to (i) finance (A) the acquisition, rehabilitation, renovation, equipping and development of housing properties and mixed-use properties, (B) Site Acquisitions, and (C) the Parking Lot Project and (ii) to pay costs in connection with this Agreement (the "Project");

WHEREAS, all obligations of the Authority to repay the Bank for Borrowings (as defined herein) made by the Bank under the Revolving Commitment (as defined herein) and to pay all other amounts payable to the Bank arising under or pursuant to this Agreement or the Notes (as defined herein) to be issued to the Bank hereunder are created under and will be evidenced by this Agreement and the Notes and will be a general obligation of the Authority payable from any and all funds of the Authority legally available therefor;

NOW, THEREFORE, in consideration of the foregoing recitals and other consideration, the receipt and sufficiency of which is hereby acknowledged, and to induce the Bank to extend to the Authority the Revolving Commitment, the Authority and the Bank hereby agree as follows:

ARTICLE 1

DEFINITIONS AND ACCOUNTING TERMS

Section 1.01. Defined Terms. As used in this Agreement, the following terms shall have the meanings set forth below:

"Adjusted LIBOR" means, for any Borrowing of LIBOR Rate Revolving Loans, a rate per annum determined in accordance with the following formula:

\[
\text{Adjusted LIBOR} = \frac{\text{LIBOR}}{1 - \text{Eurodollar Reserve Percentage}}
\]

"Affiliate" means, with respect to any Person, any Person that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such first Person. A Person shall be deemed to control another Person for the purposes of this definition if such first Person possesses, directly or indirectly, the power to direct, or cause the direction of, the management and of the second Person, whether through the ownership of voting securities, common directors, trustees or officers, by contract or otherwise.
“Agreement” has the meaning set forth in the introductory paragraph hereof.

“Amortization End Date” means the earlier to occur of (a) the fourth (4th) anniversary of the Commitment Termination Date and (b) the date on which all Loans and other Obligations are repaid, prepaid or cancelled in accordance with the terms hereof.

“Amortization Payment Date” means (a) the Initial Amortization Payment Date and the first Business Day of each third calendar month thereafter which occurs prior to the Amortization End Date and (b) the Amortization End Date.

“Anti-Corruption Law” means the FCPA and any related or similar law, rule or regulation of any jurisdiction concerning or relating to bribery or corruption that are applicable to the Authority.

“Applicable Law” means all applicable provisions of all constitutions, statutes, rules, regulations and all binding orders, judgments and decrees of any Governmental Authority.

“Approving Opinion” means, with respect to any action or matter that may affect a Tax-Exempt Revolving Loan and/or the Tax-Exempt Term Loan, an opinion delivered by Bond Counsel to the effect that such action (i) is permitted by this Agreement and the other Related Documents and (ii) will not, in and of itself, adversely affect the exclusion of interest on any Tax-Exempt Revolving Loan and/or the Tax-Exempt Term Loan from gross income of the Bank or any Participant for purposes of federal income taxation.

“Audited Financial Statements” means the audited consolidated balance sheet of the Authority for the most recently completed Fiscal Year and the related consolidated statements of income or operations and cash flows for such Fiscal Year, including the notes thereto.

“Authority” has the meaning set forth in the introductory paragraph hereof.

“Authorized Officer” when used with reference to the Authority means [________________________] or any other person at any time designated to act on behalf of the Authority by written certificate furnished to the Bank, containing the specimen signature of such person. Such certificate may designate one or more alternates.

“Availability Period” means the period from and including the Closing Date to the Commitment Termination Date.

“Available Commitment” means, on any date, an initial amount equal to $30,000,000 and thereafter such initial amount adjusted from time to time as follows: (a) downward in an amount equal to any Revolving Loan made to the Authority under the Tax-Exempt Revolving Loan Commitment and/or the Taxable Revolving Loan Commitment, as applicable; (b) upward in an amount equal to the principal amount of any Revolving Loan made to the Authority under the Tax-Exempt Revolving Loan Commitment and/or the Taxable Revolving Loan Commitment, as applicable, that is repaid or prepaid, as applicable, in the manner provided herein; (c) downward in an amount equal to any reduction thereof effected pursuant to Section 2.04 hereof; and
(d) downward to zero upon the expiration or termination of the Available Commitment in accordance with the terms hereof; provided, that, after giving effect to any of the foregoing adjustments the Available Commitment shall never exceed $25,000,000 at any one time.

"Bank" has the meaning specified in the introductory paragraph hereof.

"Bank Agreement" means any credit agreement, liquidity agreement, standby bond purchase agreement, reimbursement agreement, direct purchase agreement (such as a continuing covenant agreement or supplemental bondholder's agreement), bond purchase agreement, or other agreement or instrument (or any amendment, supplement or other modification thereof) under which, directly or indirectly, any Person or Persons undertake(s) to make payment of or provide funds to make payment of, or to purchase or provide credit enhancement for bonds, notes or other obligations of the Authority.

"Base Rate" means, for any day, the rate per annum equal to the greatest of: (a) the rate of interest announced or otherwise established publicly by the Bank from time to time as its prime commercial rate as in effect on such day, with any change in the Base Rate resulting from a change in said prime commercial rate to be effective as of the date of the relevant change in said prime commercial rate (it being acknowledged and agreed that such rate may not be the Bank’s best or lowest rate), (b) the sum of (i) the Federal Funds Rate, plus (ii) 0.50% and (c) the LIBOR Quoted Rate for such day. As used herein, the term "LIBOR Quoted Rate" means, for any day, the rate per annum equal to the quotient of (i) the rate per annum (rounded upwards, if necessary, to the next higher one hundred-thousandth of a percentage point) for deposits in U.S. Dollars for a one-month interest period which appears on the LIBOR01 Page as of 11:00 a.m. (London, England time) on such day (or, if such day is not a Business Day, on the immediately preceding Business Day) divided by (ii) one (1) minus the Eurodollar Reserve Percentage; provided that in no event shall the "LIBOR Quoted Rate" be less than 0.00%.

"Base Rate Revolving Loan" means a Revolving Loan that bears interest at a Taxable Base Rate or a Tax-Exempt Base Rate, as applicable.

"Bond Counsel" means Kutak Rock LLP, or any other firm of attorneys nationally recognized on the subject of tax-exempt municipal finance selected by the Authority.

"Borrowing" means a borrowing of Revolving Loans from the Bank pursuant to Section 2.01 hereof.

"Business Day" means a day which is not (a) a Saturday, Sunday or legal holiday on which banking institutions in New York, New York, Los Angeles California or the state where the principal corporate office of the Authority is located are authorized by law to close, (b) a day on which the New York Stock Exchange or the Federal Reserve Bank is closed or (c) a day on which either (i) the principal office of the Bank is closed or (ii) the office of the Bank in which it advances Loans hereunder is closed.

"CAFR" means the Authority's Annual Financial Report prepared in accordance with Generally Accepted Accounting Principles.
"Capitalized Lease" shall mean any lease or obligation for rentals which is required to be capitalized on a consolidated balance sheet of a Person in accordance with Generally Accepted Accounting Principles.

"Capitalized Lease Obligation" shall mean the present discounted value of the rental obligations under any Capitalized Lease.

"Change in Law" means the occurrence, after the Closing Date, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority, or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, regulations, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III or any successor Basel Accord, shall in each case be deemed to be a "Change in Law," regardless of the date enacted, adopted or issued.

"Closing Date" means _________________, 2020, subject to the satisfaction or waiver by the Bank of all of the conditions precedent set forth in Article 4 hereof.

"Code" means the Internal Revenue Code of 1986, as amended, and when appropriate, any statutory predecessor or successor thereto, and all applicable regulations (whether proposed, temporary or final) thereunder and any applicable official rulings, announcements, notices, procedures and judicial determinations relating to the foregoing.

"Commitment Fee" has the meaning set forth in the Fee Letter.

"Commitment Termination Date" shall mean the earlier of:

(a) [______________], 2022, or such later date as may be established pursuant to Section 2.11 hereof; and

(b) the date the Revolving Commitment is reduced to zero pursuant to Section 2.04 or Section 7.02 hereof.

"Conduit Debt" means non-recourse Debt of a Person payable solely from loan or lease payments made to such Person by another Person and reserves funded from the proceeds of such loan or lease, provided that other Person is not an Affiliate of such first Person.

"Debt" of any Person means at any date, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (c) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of
business, (d) all obligations of such Person as lessee under capital leases, (e) all Bank Agreements or interest rate protection or other derivative instruments or agreements, (f) all debt of others secured by a lien on any asset of such Person, whether or not such Debt is assumed by such Person, and (g) all guarantees by such Person of debt other Persons; provided, however, that for purposes of this definition, "Debt" shall exclude Conduit Debt.

"Debt Service" means, as of any date of determination, for any period, for the Authority, the sum of (a) Interest Expense (calculated at the interest rate payable on such Debt on the date of calculation) for such period, plus (b) the aggregate amount of scheduled payments required to be made during such period in respect of principal of all Debt of the Authority.

"Debtor Relief Laws" means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

"Default" means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

"Default Rate" means, for any day, a rate of interest per annum equal to the Base Rate from time to time in effect plus three percent (3.00%), provided that the Default Rate shall increase by one percent (1.00%) on the one hundred eighty-first (181st) day following the occurrence of the related Event of Default and shall increase by an additional one percent (1.00%) on each 30-day anniversary thereafter.

"Derivative Product" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement.

"Determination of Taxability" means and shall be deemed to have occurred on the first to occur of the following:

(i) on the date when the Authority files any statement, supplemental statement, or other tax schedule, return or document which discloses that an Event of Taxability has occurred;
(ii) on the date when the Bank notifies the Authority that it has received a written opinion (which shall not be a reasoned opinion and shall be subject only to customary assumptions and exclusions) by a nationally recognized firm of attorneys of substantial expertise on the subject of tax exempt municipal finance to the effect that an Event of Taxability shall have occurred unless, within two hundred seventy (270) days after receipt by the Authority of such notification from the Bank, the Authority shall deliver to the Bank, a ruling or determination letter issued to or on behalf of the Authority by the Commissioner of the Internal Revenue Service or the Director of Tax-Exempt Bonds of the Tax-Exempt and Government Entities Division of the Internal Revenue Service (or any other government official exercising the same or a substantially similar function from time to time) to the effect that, after taking into consideration such facts as form the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability has not occurred;

(iii) on the date when the Authority shall be advised in writing by the Commissioner of the Internal Revenue Service or the Director of Tax-Exempt Bonds of the Tax-Exempt and Government Entities Division of the Internal Revenue Service (or any other government official exercising the same or a substantially similar function from time to time, including an employee subordinate to one of these officers who has been authorized to provide such advice) that, based upon filings of the Authority, or upon any review or audit of the Authority or upon any other ground whatsoever, an Event of Taxability shall have occurred; or

(iv) on the date when the Authority shall receive notice from the Bank that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of the Bank or any Participants the interest on any Tax-Exempt Revolving Loan or the Tax-Exempt Term Loan due to the occurrence of an Event of Taxability;

provided, however, no Determination of Taxability shall occur under subparagraph (iii) or (iv) hereunder unless the Authority has been afforded the reasonable opportunity, at its expense, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined; provided further, however, that upon demand from the Bank, the Authority shall promptly reimburse the Bank for any payments, including any taxes, interest, penalties or other charges, the Bank shall be obligated to make as a result of the Determination of Taxability.

"Dollar" and "$" mean lawful money of the United States.

"EBITDA" means, with respect to the Authority and with reference to any period, Net Income for such period plus all amounts deducted in arriving at such Net Income amount in respect of (i) Interest Expense for such period, plus (ii) federal, state and local income taxes for such period, plus (iii) all amounts properly charged for depreciation of fixed assets and amortization of intangible assets during such period on the books of such Person.

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"EMMA" means Electronic Municipal Market Access as provided by the Municipal Securities Rulemaking Board.

"Environmental Laws" means any and all federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

"Event of Default" has the meaning set forth in Section 7.01 hereof.

"Eurodollar Reserve Percentage" means the maximum reserve percentage, expressed as a decimal, at which reserves (including, without limitation, any emergency, marginal, special, and supplemental reserves) are imposed by the Board of Governors of the Federal Reserve System (or any successor) on "eurocurrency liabilities", as defined in such Board's Regulation D (or any successor thereto), subject to any amendments of such reserve requirement by such Board or its successor, taking into account any transitional adjustments thereto. For purposes of this definition, the relevant Loans shall be deemed to be "eurocurrency liabilities" as defined in Regulation D without benefit or credit for any prorations, exemptions or offsets under Regulation D. The Eurodollar Reserve Percentage shall be adjusted automatically on and as of the effective date of any change in any such reserve percentage.

"Event of Taxability" means a (i) change in Law or fact or the interpretation thereof, or the occurrence or existence of any fact, event or circumstance (including, without limitation, the taking of any action by the Authority, or the failure to take any action by the Authority, or the making by the Authority of any misrepresentation herein or in any certificate required to be given in connection with this Agreement) which has the effect of causing interest paid or payable on any Tax-Exempt Revolving Loan or the Tax-Exempt Term Loan, as applicable, to become includable, in whole or in part, in the gross income of the Bank or any Participant for federal income tax purposes or (ii) the entry of any decree or judgment by a court of competent jurisdiction, or the taking of any official action by the Internal Revenue Service or the Department of the Treasury, which decree, judgment or action shall be final under applicable procedural law, in either case, which has the effect of causing interest paid or payable on any Tax-Exempt Revolving Loan or the Tax-Exempt Term Loan, as applicable, to become includable, in whole or in part, in the gross income of the Bank or any Participant for federal income tax purposes with respect to any Tax-Exempt Revolving Loan or the Tax-Exempt Term Loan, as applicable.

"Excluded Taxes" means Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of being organized under the laws of, or having its principal office or, in the case of the Bank, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes.

“Federal Funds Rate” means, for any day, the rate per annum equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to City National Bank on such day on such transactions as determined by the Bank.

“Fee Letter” means the Fee and Interest Rate Agreement, dated as of the date of this Agreement, providing for payment of the Commitment Fee and other fees to be payable to the Bank related to the Revolving Loans, the Term Loans and this Agreement and for the determination of the Taxable Computable Spread.

“Fiscal Year” means the twelve-month period from January 1 through the following December 31.

“Forecasted Cash for Continuing Operations” means, for any period, [the amount set forth in the line item in the budget of the Authority for Forecasted Cash for Continuing Operations], as identified in the budget of the Authority for the then current Fiscal Year.

“Forecasted Working Capital Use” means, for any period, [the amount set forth in the line item in the budget of the Authority for Forecasted Working Capital Use], as identified in the budget of the Authority for the then current Fiscal Year.

[“General Fund” means, collectively, any and all funds or accounts where the Authority accounts for unrestricted revenue or other monies or funds, including, without limitation, the Rent Subsidy account (account number 14.149) and the Section 8 Special Allocation account (account number 14.195) and any successors to such accounts.]

“Generally Accepted Accounting Principles” means generally accepted accounting principles consistently applied and maintained throughout the period indicated, except for changes permitted by the Governmental Accounting Standards Board or any similar accounting authority of comparable standing.

“Governmental Approval” means an authorization, consent, approval, license, or exemption of, registration or filing with, or report to any Governmental Authority.

“Governmental Authority” means any national, state or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasi-governmental, judicial, public or statutory instrumentality, authority, body, tribunal, agency, bureau, court or entity (including the Federal Reserve Board, any central bank or any comparable authority), or any arbitrator with authority to bind a party at law.
"Hazardous Material" means any and all pollutants, toxic or hazardous wastes or any other substances that might pose a hazard to health or safety, the removal of which may be required or the generation, manufacture, refining, production, processing, treatment, storage, handling, transportation, transfer, use, disposal, release, discharge, spillage, seepage, or filtration of which is or shall be restricted, prohibited or penalized by any applicable law (including, without limitation, asbestos, urea formaldehyde foam insulation and polychlorinated biphenyls).

"Highest Lawful Rate" means the maximum interest rate permitted by applicable law.

"Indemnified Taxes" means (a) all Taxes other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Authority under any Related Document and (b) to the extent not otherwise described in (a), Other Taxes.

"Indemnitees" has meaning specified in Section 8.04(b) hereof.

"Initial Amortization Payment Date" means the first Business Day of the third (3rd) full calendar month following the Commitment Termination Date.

"Initial Tax-Exempt Revolving Loan" means the Tax-Exempt Revolving Loan extended on the Closing Date in the initial principal amount of $[__________].

"Interest Expense" means, with respect to the Authority and with reference to any period, the sum of all interest charges (including imputed interest charges with respect to Capitalized Lease Obligations, all amortization of debt discount and expense and all fees relating to letters of credit accrued and all net obligations pursuant to interest rate hedging agreements) on Debt of the Authority for such period determined on a consolidated basis in accordance with Generally Accepted Accounting Principles.

"Interest Payment Date" means, (a) as to any Revolving Loans, the last day of each Interest Period; and (b) as to the Term Loans, the first Business Day of each third calendar month and the Amortization End Date.

"Interest Period" means, as to each LIBOR Rate Loan, the period commencing on the date a Borrowing of LIBOR Rate Revolving Loans is advanced, continued, or created by conversion and ending one (1) month thereafter, provided, however, that:

(i) whenever the last day of any Interest Period would otherwise be a day that is not a Business Day, the last day of such Interest Period shall be extended to the next succeeding Business Day, provided that, if such extension would cause the last day of an Interest Period for a Borrowing of LIBOR Rate Revolving Loans to occur in the following calendar month, the last day of such Interest Period shall be the immediately preceding Business Day;

(ii) for purposes of determining an Interest Period for a Borrowing of LIBOR Rate Revolving Loans, a month means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month; provided,
however, that if there is no numerically corresponding day in the month in which such an Interest Period is to end or if such an Interest Period begins on the last Business Day of a calendar month, then such Interest Period shall end on the last Business Day of the calendar month in which such Interest Period is to end;

(iii) no Interest Period shall extend beyond the Commitment Termination Date.

"IRS" means the United States Internal Revenue Service.

"Laws" means, collectively, all international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

"Lending Office" means, the office or offices of the Bank described as such in Schedule 8.02 attached hereto, or such other office or offices as the Bank may from time to time notify the Authority.

"LIBOR" means, for any Interest Period for a Borrowing of LIBOR Rate Revolving Loans, (a) the LIBOR Index Rate for such Interest Period, if such rate is available, or (b) if the LIBOR Index Rate cannot be determined, the arithmetic average of the rates of interest per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) at which deposits in U.S. Dollars in immediately available funds are offered to the Bank at 11:00 a.m. (London, England time) two (2) Business Days before the beginning of such Interest Period by three (3) or more major banks in the interbank eurodollar market selected by the Bank for delivery on the first day of and for a period equal to such Interest Period and in an amount equal or comparable to the principal amount of the LIBOR Rate Revolving Loan scheduled to be made as part of such Borrowing, provided that in no event shall "LIBOR" be less than 0.00%.

"LIBOR Index Rate" means, for any Interest Period, the rate per annum (rounded upwards, if necessary, to the next higher one hundred-thousandth of a percentage point) for deposits in U.S. Dollars for a period equal to such Interest Period, which appears on the LIBOR01 Page as of 11:00 a.m. (London, England time) on the day two (2) Business Days before the commencement of such Interest Period.

"LIBOR01 Page" means the display designated as "LIBOR01 Page" on the Reuters Service (or on any successor or substitute page of such service, or any successor to or substitute for such service, providing rate quotations comparable to those currently provided on such page of such service, as determined by the Bank from time to time for purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank market.

"LIBOR Rate Revolving Loan" means a Revolving Loan that bears interest at a Taxable LIBOR Rate or a Tax-Exempt LIBOR Rate, as applicable.
"Lien" means any mortgage, lien, security interest, pledge, charge or encumbrance of any kind in respect of any property, including the interests of a vendor or lessor under any conditional sale, capital lease or other title retention arrangement.

"Loans" means, collectively, the Revolving Loans and the Term Loans.

"Loan Notice" or "Revolving Loan Notice" means a notice of (a) a Borrowing, (b) a conversion of Revolving Loans from one Type to the other or (c) a continuation of LIBOR Rate Revolving Loans, pursuant to Section 2.02(a), which, if in writing, shall be substantially in the form of Exhibit A or such other form as may be approved by the Bank (including any form on an electronic platform or electronic transmission system as be approved the Bank), appropriately completed and signed by an Authorized Officer of the Authority.

"London Banking Days" means any day on which dealings in U.S. Dollar deposits are conducted by and between banks in the London interbank Eurodollar market.

"Margin Stock" has the meaning ascribed to such term in Regulation U promulgated by the Board of Governors of the Federal Reserve System of the United States, together with any successors thereof.

"Material Adverse Effect" means (a) (i) with respect to any Person, a materially adverse effect upon such Person's business, assets, liabilities, financial condition, results of operations or business prospects, and (ii) with respect to a group of Persons as a whole, a materially adverse effect upon such Persons' business, assets, liabilities, financial condition, results of operations or business prospects taken as a whole, and (b) with respect to any agreement or obligation, a materially adverse effect upon the binding nature, validity or enforceability of such agreement or obligation.

"Maximum Federal Corporate Tax Rate" means the maximum rate of income taxation imposed on corporations pursuant to Section 11(b) of the Code, as in effect from time to time (or, if as a result of a change in the Code, the rate of income taxation imposed on corporations generally shall not be applicable to the Bank, the maximum statutory rate of federal income taxation which could apply to the Bank). As of the Closing Date, the Maximum Federal Corporate Tax Rate is 21%.

"Measurement Date" means each June 30 and December 31 of each Fiscal Year.

"Net Income" means, with respect to the Authority and with reference to any period, the net [unrestricted] income of the Authority for such period determined on a consolidated basis in accordance with Generally Accepted Accounting Principles but excluding in any event any items of extraordinary gain or loss.

"Notes" means collectively, the Tax-Exempt Note and the Taxable Note.

"Notice of Loan Prepayment" means a notice of prepayment with respect to a Revolving Loan or a Term Loan, which shall be substantially in the form of Exhibit C or such other form as
may be approved by the Bank (including any form on an electronic platform or electronic transmission system as shall be approved by the Bank), appropriately completed and signed by an Authorized Officer.

"Obligations" means the obligations of the Authority under this Agreement to repay (i) all Revolving Loans, the Term Loans, the Notes and the obligations due under the Fee Letter, together with interest thereon, pursuant to and in accordance with this Agreement, the Fee Letter and the Notes, (ii) all fees, and (iii) all expenses and charges payable or reimbursable hereunder to the Bank (including, without limitation, any amounts to reimburse the Bank for any advances or expenditures by it under any of such documents) and all other payment obligations of the Authority to the Bank arising under or in relation to this Agreement, the Fee Letter or the other Related Documents, in each, case whether now existing or hereafter arising, due or to become due, direct or indirect, absolute or contingent, and howsoever evidenced, held or acquired.

"OFAC" means the United States Department of Treasury Office of Foreign Assets Control.

"OFAC Event" means the event specified in Section 6.25(c) hereof.

"OFAC Sanctions Programs" means all economic and trade sanctions or anti-money laundering, laws, regulations, Executive Orders and programs administered, enacted or enforced by the government of the United States of America or its respective institutions and agencies (including OFAC), including without limitation, the Bank Secrecy Act, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Title III of Pub. L. 107-56, signed into law October 26, 2001) (the "USA Patriot Act") and the OFAC SDN List.

"OFAC SDN List" means the list of the Specially Designated Nationals and Blocked Persons maintained by OFAC.

"Other Connection Taxes" means, with respect to the Bank, Taxes imposed as a result of a present or former connection between the Bank and the jurisdiction imposing such Tax (other than connections arising from the Bank having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Related Document, or sold or assigned an interest in any Loan or Related Document).

"Other Taxes" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document.

"Outstanding Amount" means with respect to Revolving Loans or Term Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any Borrowings and prepayments or repayments of Revolving Loans or Term Loans, as the case may be, occurring on such date.
"Parking Lot Project" means [__________________].

"Participant" means any person to whom the Bank has assigned its rights under this Agreement or to which the Bank or any Participant has sold a participation in rights under this Agreement.

"Person" means an individual, partnership, corporation (including a business trust), trust, unincorporated association, joint venture or other entity, including a government or political subdivision or any agency or instrumentality thereof.

"Project" means, in the aggregate, the project described in the recitals hereof.

"Related Documents" means this Agreement, the Fee Letter, the Notes, the Tax Certificate and any other documents related to any of the foregoing or executed in connection therewith, and any and all future renewals and extensions or restatements of, or amendments or supplements to, any of the foregoing permitted hereunder and thereunder.

"Related Parties" means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents and advisors of such Person and of such Person’s Affiliates.

"Revolving Commitment" means the Bank’s obligation to make Revolving Loans to the Authority pursuant to Section 2.01(b) hereof. The Revolving Commitment on the Closing Date shall initially be $30,000,000.

"Revolving Loan" has the meaning specified in Section 2.01 hereof.

"S&P" means S&P Global Ratings, a division of Standard & Poor’s Financial Services LLC, and any successor rating agency.

"Site Acquisition" means [the acquisition by the Authority of unimproved real property adjacent to improved real property owned by the Authority].

"State" means the State of California.

"Taxable Applicable Spread" has the meaning set forth in the Fee Letter.

"Taxable Date" means the date on which interest on any Tax-Exempt Revolving Loan or the Tax-Exempt Term Loan, as applicable, is first includable in gross income of any recipient thereof (including the Bank) as a result of an Event of Taxability as such a date is established pursuant to a Determination of Taxability.

"Taxable Base Rate" means a fluctuating rate of interest per annum equal to the Base Rate less 1.00%; provided, however, that immediately and upon the occurrence of an Event of Default (and without any notice given with respect thereto) and during the continuation of such Event of Default, "Taxable Base Rate" shall mean the Default Rate.
“Taxable LIBOR Rate” means an annualized rate, for the applicable Interest Period, (rounded upward to the nearest 1/16th) that is equal to the sum of (a) Adjusted LIBOR for the applicable Interest Period plus (b) the Taxable Applicable Spread; provided, however, that immediately and upon the occurrence of an Event of Default (and without any notice given with respect thereto) and during the continuation of such Event of Default, “Taxable LIBOR Rate” shall mean the Default Rate.

“Taxable Rate” means, as applicable, the Taxable LIBOR Rate and/or the Taxable Base Rate.

“Taxable Note” means the Note dated ______________, 2020, of the Authority in favor of the Bank evidencing the outstanding Taxable Revolving Loans and the Taxable Term Loan made by the Bank and substantially in the form of Exhibit B-2 hereto.

“Taxable Period” has meaning specified in Section 2.13 hereof.

“Taxable Rate” means, with respect to a Taxable Period, the product of (i) the interest rate on the Tax-Exempt Revolving Loan for each day during such period and (ii) the applicable Taxable Rate Factor.

“Taxable Rate Factor” means for each day that the Taxable Rate is determined, the quotient of (i) one divided by (ii) one minus the Maximum Federal Corporate Tax Rate in effect as of such day, rounded upward to the second decimal place.

“Taxable Revolving Loan” means any Loan bearing interest at the Taxable LIBOR Rate or the Taxable Base Rate.

“Taxable Revolving Loan Commitment” means, on any date, an initial amount equal to $30,000,000 and thereafter such initial amount adjusted from time to time as follows: (a) downward an amount equal to any Revolving Loan made to the Authority under the Tax-Exempt Revolving Loan Commitment and/or the Taxable Revolving Loan Commitment, as applicable; (b) upward in an amount equal the principal amount of any Revolving Loan made to the Authority under the Tax-Exempt Revolving Loan Commitment and/or the Taxable Revolving Loan Commitment, as applicable, that is repaid, prepaid or canceled, as applicable, in the manner provided herein; (c) downward in an amount equal to any reduction thereof effected pursuant to Section 2.04 hereof; and (d) downward to zero upon the expiration or termination of the Available Commitment in accordance with the terms hereof; provided, that, after giving effect to any of the foregoing adjustments the Taxable Revolving Loan Commitment shall never exceed $30,000,000 at any one time.

“Taxable Term Loan” means the Taxable Term Loan advanced hereunder pursuant to the terms of Section 2.05 hereof.

“Tax-Exempt Base Rate” means a fluctuating rate of interest per annum equal to the Base Rate less 1.00%; provided, however, that immediately and upon the occurrence of an Event of
Default (and without any notice given with respect thereto) and during the continuation of such Event of Default, “Tax-Exempt Base Rate” shall mean the Default Rate.

“The Exempt LIBOR Rate” means an annualized fixed rate, for the applicable Interest Period (rounded upward to the nearest 1/16th) that is equal to Adjusted LIBOR for the applicable Interest Period; provided, however, that immediately and upon the occurrence of an Event of Default (and without any notice given with respect thereto) and during the continuation of such Event of Default, “Tax-Exempt LIBOR Rate” shall mean the Default Rate.

“The Exempt Note” means the Note dated ________________, 2020, of the Authority in favor of the Bank evidencing the outstanding Tax-Exempt Revolving Loans and the Tax-Exempt Term Loans made by the Bank and substantially in the form of Exhibit B-1 hereto.

“The Exempt Revolving Loan” means any Loan bearing interest at the Tax-Exempt LIBOR Rate or the Tax-Exempt Base Rate.

“The Exempt Revolving Loan Commitment” means, on any date, an initial amount equal to $30,000,000 and thereafter such initial amount adjusted from time to time as follows: (a) downward in an amount equal to any Revolving Loan made to the Authority under the Tax-Exempt Revolving Loan Commitment and the Taxable Revolving Loan Commitment, as applicable; (b) upward in an amount equal to the principal amount of any Revolving Loan made to the Authority under the Tax-Exempt Revolving Loan Commitment and/or the Taxable Revolving Loan Commitment, as applicable, that is repaid, prepaid or canceled, as applicable, in the manner provided herein; (c) downward in an amount equal to any reduction thereof effected pursuant to Section 2.04 hereof; and downward to zero upon the expiration or termination of the Available Commitment in accordance with the terms hereof; provided, that, after giving effect to any of the foregoing adjustments the Tax-Exempt Revolving Loan Commitment shall never exceed $30,000,000 at any one time.

“The Exempt Term Loan” means the Tax-Exempt Term Loan advanced hereunder pursuant to the terms of Section 2.05 hereof.

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.


“Term Loans” means both the Tax-Exempt Term Loan and the Taxable Term Loan.

“Total Outstandings” means the aggregate Outstanding Amount of all Revolving Loans.

“Type” means, with respect to a Revolving Loan, its character as a Base Rate Revolving Loan or a LIBOR Rate Revolving Loan.
"United States" and "U.S." mean the United States of America.

"Unrestricted Cash and Investments" means, with respect to any Person, the sum of all cash, cash equivalents and unrestricted and unencumbered marketable or liquid investments, whether classified as current or noncurrent assets, held by or for the account of such Person for any of its corporate purposes, but excluding trustee-held funds, reserves and deposits, such as debt service funds, construction funds, reserve funds, malpractice funds, litigation reserves, self-insurance and captive insurer funds, pension and retirement funds, and also excluding the amount realized from the sale or factoring of accounts receivable.

"Uses of Liquidity" means, for any period, the sum of (i) Forecasted Cash for Continuing Operations, (ii) Forecasted Cash for Working Capital and (iii) Debt Service.

"Withholding Agent" means the Authority and the Bank.

"Written" or "in writing" means any form of written communication or a communication by means of telex, teletypewriter device or electronic mail.

Section 1.02. Other Interpretive Provisions. With reference to this Agreement, the Fee Letter and the Notes, unless otherwise specified herein or in the Notes or the Fee Letter:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in the Fee Letter or the Notes), (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, (iii) the words "hereof," "herein," "hereof" and "hereunder," and words of similar import when used in this Agreement, the Fee Letter or the Notes, shall be construed to refer to such document in its entirety and not to any particular provision thereof, (iv) all references in this Agreement, the Fee Letter or the Notes to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, the Fee Letter or the Notes in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (vi) the words "asset" and "property" shall be construed to have the meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.
(b) In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including”; the words “to” and “until” each mean “to but excluding”; and the word “through” means “to and including.”

(c) Section headings herein and in the Fee Letter and the Notes are included for convenience of reference only and shall not affect the interpretation of this Agreement or the Notes.

Section 1.03. Accounting Terms.

(a) Generally. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the Audited Financial Statements, except as otherwise specifically prescribed herein.

(b) Changes in GAAP. If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Related Document, and either the Authority or the Bank shall so request, the Bank and the Authority shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP; provided that, until so amended, (A) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (B) the Authority shall provide to the Bank financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

Section 1.04. Times of Day. Unless otherwise specified, all references herein to times of day shall be references to Pacific Time (daylight or standard, as applicable).

ARTICLE 2

THE REVOLVING COMMITMENT

Section 2.01. Revolving Loans. Subject to the terms and conditions set forth herein, the Bank agrees to make loans (individually, a “Revolving Loan” and collectively, the “Revolving Loans”) to the Authority from time to time, on any Business Day during the Availability Period, in an aggregate amount not to exceed at any time the Available Commitment; provided, however, that after giving effect to any Borrowing, the Total Outstandings shall not exceed the Revolving Commitment, subject to any reductions thereof pursuant to the terms hereof. Subject to the other terms and conditions hereof, the Authority may borrow under this Section 2.01, prepay under Section 2.03 hereof, and reborrow under this Section 2.01. The Authority may elect that any Revolving Loan be either a Tax-Exempt Revolving Loan pursuant to the Tax-Exempt Revolving Loan Commitment or a Taxable Revolving Loan pursuant to the Taxable Revolving Loan Commitment. A Tax-Exempt Revolving Loan will bear interest at the Tax-Exempt LIBOR Rate
or the Tax-Exempt Base Rate. A Taxable Revolving Loan will bear interest at the Taxable LIBOR Rate or Taxable Base Rate. In the event the Bank shall specify an alternate rate index as described in the definitions of LIBOR Index or Base Rate, the Authority shall use its best efforts to provide an Approving Opinion. If the Authority shall be unable to do so, the applicable rate shall convert to a Taxable LIBOR Rate or Taxable Base Rate, as applicable, as of the effective date of such alternate rate index.

Section 2.02. Borrowings, Conversions and Continuations of Revolving Loans. (a) Each Borrowing, each conversion of Revolving Loans from one Type to the other, and each continuation of LIBOR Rate Revolving Loans shall be made upon the Authority's irrevocable notice to the Bank, which may be given by a Loan Notice. Each such notice must be received by the Bank not later than 11:00 a.m. (i) three (3) Business Days prior to the requested date of any Borrowing of, conversion to or continuation of LIBOR Rate Revolving Loans, or of any conversion of Base Rate Revolving Loans to LIBOR Rate Revolving Loans, and (ii) on the requested date of any Borrowing of Base Rate Revolving Loans. Each Borrowing of, conversion to or continuation of LIBOR Rate Revolving Loans shall be, unless otherwise agreed by the Bank, in a principal amount of $100,000 or a whole multiple of $5,000 in excess thereof. Each Borrowing of or conversion to Base Rate Revolving Loans shall be in a principal amount of $100,000 or a whole multiple of $5,000 in excess thereof. Each Loan Notice (whether telephonic or written) shall specify (i) whether the Authority is requesting a Borrowing, a conversion of Revolving Loans from one Type to the other, or a continuation of LIBOR Rate Revolving Loans, (ii) the requested date of the Borrowing, conversion or a continuation, as the case may be (which shall be a Business Day), (iii) the principal amount of Revolving Loans to be borrowed, converted, or continued, (iv) the Type of Revolving Loans to be borrowed or to which existing Revolving Loans are to be converted, (v) whether the interest rate will be the Tax-Exempt Base Rate, the Tax-Exempt LIBOR Rate, the Taxable Base Rate or the Taxable LIBOR Rate and, if converting to or from a Tax-Exempt Revolving Loan, shall be accompanied by an Approving Opinion and (vi) if applicable, the duration of the Interest Period with respect thereto and, if different from the previous Interest Period, the Loan Notice shall be accompanied by an Approving Opinion. If the Authority fails to specify a Type of Revolving Loan in a Loan Notice, or to specify the interest rate or Interest Period applicable to such Revolving Loan in a Loan Notice or to give a timely notice requesting a conversion or continuation of such Revolving Loan, then the applicable Revolving Loan will be deemed to be or converted to or continued as, a LIBOR Rate Revolving Loan with an Interest Period of one (1) month. All such Revolving Loans will bear interest at the Tax-Exempt LIBOR Rate, other than Revolving Loans previously bearing interest at a Taxable Base Rate or Taxable LIBOR Rate or a new Revolving Loan for which the Loan Notice does not specify a Tax-Exempt Base Rate or Tax-Exempt LIBOR Rate. Any such conversion or continuation of a LIBOR Rate Revolving Loan shall be effective as of the last day of the Interest Period then in effect with respect to the applicable LIBOR Rate Revolving Loan.

(b) Following receipt of a Loan Notice, upon satisfaction of the applicable conditions set forth in Section 4.02 hereof (and, if such Borrowing is the initial Borrowing, Section 4.01 hereof), the Bank shall make the requested funds available to the Authority either by (i) crediting the account of the Authority on the books of the Bank with the amount of such funds or (ii) wire transfer of such funds, in each case in accordance with instructions provided (and reasonably acceptable to) the Bank by the Authority.
(c) Except as otherwise provided herein, a LIBOR Rate Revolving Loan may be continued or converted only on the last day of an Interest Period for such LIBOR Rate Revolving Loan. During the existence of a Default or Event of Default, no Revolving Loans may be requested as, converted to or continued as LIBOR Rate Revolving Loans without the prior consent of the Bank, and the Bank may demand that any or all of the then outstanding LIBOR Rate Revolving Loans be converted immediately to Base Rate Revolving Loans and the Authority agrees to pay all amounts due under Section 3.06 in accordance with the terms thereof due to any such conversion upon receipt of invoice of such charges.

(d) The Bank shall promptly notify the Authority of the interest rate applicable to any Interest Period for LIBOR Rate Revolving Loans upon determination of such interest rate and the date on which such Interest Period ends.

(e) After giving effect to all Borrowings, all conversions of Revolving Loans from one Type to the other, and all continuations of Revolving Loans as the same Type, there shall not be more than five (5) Interest Periods in effect with respect to Revolving Loans without the consent of the Bank.

Section 2.03. Prepayments.

(a) Optional. The Authority may, upon notice to the Bank pursuant to delivery to the Bank of a Notice of Loan Prepayment, at any time or from time to time voluntarily prepay Revolving Loans or Term Loans in whole or in part subject to Section 3.06 hereof; provided that, unless otherwise agreed by the Bank (A) such notice must be received by Bank not later than 11:00 a.m. (1) three (3) Business Days prior to any date of prepayment of LIBOR Rate Revolving Loans and (2) on the date of prepayment of Base Rate Revolving Loans or Term Loans, (B) any prepayment of LIBOR Rate Revolving Loans shall be in a principal amount of $100,000 or a whole multiple of [$5,000] in excess thereof, unless the Outstanding Amount is prepaid in full, and (C) any prepayment of Base Rate Revolving Loans or Term Loans shall be in a principal amount of $100,000 or a whole multiple of [$5,000] in excess thereof, unless the Outstanding Amount is prepaid in full. Each such notice shall specify the date and amount of such prepayment the Type(s) of Loans to be prepaid, if LIBOR Rate Revolving Loans are to be prepaid, the Interest Period(s) of such Revolving Loans and, if Term Loans are to be prepaid, the type of Term Loan. If such notice is given by the Authority, the Authority shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of principal shall be accompanied by all accrued interest on the amount prepaid, together with any additional amounts required pursuant to Section 3.06 hereof. Each prepayment of a Term Loan pursuant to this Section 2.03(a) shall be applied to the principal repayment installments thereof in inverse order of maturity. Notwithstanding anything herein to the contrary, the Authority may not prepay any LIBOR Rate Revolving Loans on any day other than on the last day of the Interest Period applicable to such LIBOR Rate Revolving Loan unless such prepayment is accompanied by any amount required to be paid pursuant to Section 3.06(a) hereof.

(b) Mandatory. If for any reason the Total Outstandings at any time exceed the Revolving Commitment at such time, the Authority shall immediately prepay Revolving Loans (together with all accrued but unpaid interest thereon) in an amount (the sum of such prepayment amounts, the
"Reduction Amount") such that the Total Outstandings does not exceed the Revolving Commitment. Prepayments under the Revolving Commitment made pursuant to this Section 2.03(b) shall be applied to the outstanding Revolving Loans, first to Base Rate Revolving Loans and then to LIBOR Rate Revolving Loans in direct order of Interest Period maturities. All prepayments under this Section 2.03(b) shall be subject to Section 3.06 hereof, and shall be accompanied by interest on the principal amount prepaid to the date of prepayment.

Section 2.04. Termination or Permanent Reduction of Revolving Commitment.

(a) Optional. The Authority may, upon notice to the Bank, terminate the Revolving Commitment, or from time to time permanently reduce the Revolving Commitment; provided that (i) any such notice shall be received by the Bank not later than 11:00 a.m. five (5) Business Days prior to the date of termination or permanent reduction, (ii) any such partial reduction shall be in an aggregate amount of $100,000 or any whole multiple of $[5,000] in excess thereof, and (iii) the Authority shall not terminate or permanently reduce the Revolving Commitment if, after giving effect thereto and to any concurrent prepayments hereunder, the Total Outstandings would exceed the Revolving Commitment.

(b) Mandatory. The Revolving Commitment shall be automatically and permanently reduced on each date on which the prepayment of Loans outstanding thereunder is required to be made pursuant to Section 2.03(b)(i) by an amount equal to the applicable Reduction Amount.

(c) Payment of Fees. All fees in respect of the Revolving Commitment accrued until the effective date of any termination of the Revolving Commitment shall be paid on the effective date of such termination.

Section 2.05. Repayment of Revolving Loans; Advance of Term Loans and Repayment of Term Loans. (a) The Authority shall repay to the Bank on the Commitment Termination Date the aggregate principal amount of Revolving Loans outstanding on such date.

(b) Subject to the satisfaction of the terms and conditions of Section 4.03 hereof, on the Commitment Termination Date, (i) the Outstanding Amount of the Tax-Exempt Revolving Loans shall convert into the Tax-Exempt Term Loan and the proceeds of the Tax-Exempt Term Loan shall be used to pay in full the Outstanding Amount of the Tax-Exempt Revolving Loans and (ii) the Outstanding Amount of the Taxable Revolving Loans shall convert into the Taxable Term Loan and the proceeds of the Taxable Term Loan shall be used to pay in full the Outstanding Amount of the Taxable Revolving Loans. Any Revolving Loan not converted to the Tax-Exempt Term Loan or Taxable Term Loan, as applicable, shall be due and payable on the Commitment Termination Date and shall bear interest at the Default Rate.

(c) The principal amount of the Term Loans shall be due and payable in sixteen (12) substantially equal installments due quarterly on each Amortization Payment Date; provided, however, that any remaining portion of the Term Loans shall be due and payable no later than the Amortization End Date.
Section 2.06. Interest and Default Rate.

(a) Interest. Subject to the provisions of subsection (b) below, (i) each LIBOR Rate Revolving Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the Tax-Exempt LIBOR Rate or the Taxable LIBOR Rate, as applicable, for such Interest Period, (ii) each Base Rate Revolving Loan shall bear interest on the outstanding principal amount thereof from the applicable Borrowing date at a rate per annum equal to the Tax-Exempt Base Rate or the Taxable Base Rate, as applicable and (iii) each of the Taxable Term Loan and the Tax-Exempt Term Loan shall bear interest on the outstanding principal amount thereof at a rate per annum equal to the Base Rate.

(b) Default Rate. (i) While any Event of Default exists, the Authority shall pay interest on all outstanding Obligations hereunder (including, without limitation, all Revolving Loans and Term Loans) at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by Applicable Law. Accrued interest at the Default Rate shall be due and payable upon demand.

(ii) Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(c) Interest Payments. Except as otherwise provided herein, interest on each Revolving Loan and the Term Loans shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

Section 2.07. Fees. The Authority shall pay to the Bank a Commitment Fee and other amounts as required under the Fee Letter. The terms and provisions of the Fee Letter are incorporated herein by reference as if fully set forth herein. Any reference herein or in the Fee Letter to fees and/or other amounts or obligations payable hereunder shall include, without limitation, all fees and other amounts or obligations (including without limitation fees and expenses) payable pursuant to the Fee Letter, and any reference to this Agreement shall be deemed to include a reference to the Fee Letter. The Fee Letter and this Agreement shall be construed as one agreement between the Authority and the Bank and all obligations under the Fee Letter shall be construed as obligations hereunder. All fees payable pursuant to this Agreement shall be deemed to be fully earned when due and non-refundable when paid.

Section 2.08. Computation of Interest and Fees. Computations of interest shall be made on the basis of a year of three hundred sixty (360) days, and actual days elapsed. Interest shall accrue on each Revolving Loan and the Term Loans for the day on which such Revolving Loan and such Term Loan is made, and shall not accrue on a Revolving Loan or the Term Loans, or any portion thereof, for the day on which the Revolving Loan or the Term Loans or such portion is paid, provided that any Revolving Loan or Term Loan that is repaid on the same day on which it is made shall, subject to Section 2.10(a), bear interest for one day. Each determination by the Bank of an interest rate hereunder shall be conclusive and binding for all purposes, absent manifest error.
Section 2.09. Evidence of Debt. The Borrowings made by the Bank shall be evidenced by one or more accounts or records maintained by the Bank in the ordinary course of business. The accounts or records maintained by the Bank shall be conclusive absent manifest error of the amount of the Borrowings made by the Bank to the Authority and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Authority hereunder to pay any amount owing with respect to the Obligations. The Tax-Exempt Revolving Loans and the Tax-Exempt Term Loan shall be evidenced by the Tax-Exempt Note to be issued on the Closing Date, initially registered in the name of, and payable to, the Bank and otherwise duly completed and the Taxable Revolving Loans and the Taxable Term Loan shall be evidenced the Taxable Note to be issued on the Closing Date, initially registered in the name of, and payable to, the Bank and otherwise duly completed. The Bank may attach schedules to the Notes and endorse thereon the date, amount and maturity of Revolving Loans and the Term Loans and payments with respect thereto.

Section 2.10. Payments.

(a) General. All payments to be made by the Authority shall be made in Dollars and immediately available funds by debit to a deposit account, as described in this Agreement or as authorized by the Authority and without condition or deduction for any counterclaim, defense, recoupment or setoff. If any payment to be made by the Authority shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be. For payments not made by direct debit, payments will be made to the Bank at the Lending Office not later than 4:30 p.m. on the date specified herein. All payments received by the Bank after 4:30 p.m. shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue.

(b) Payments by the Authority. For any payment under this Agreement made by debit to a deposit account, the Authority will maintain sufficient immediately available funds in the deposit account to cover each debit. If there are insufficient immediately available funds in the deposit account on the date the Bank enters any such debit authorized by this Agreement, the Bank may reverse the debit.

Section 2.11. Extension of Commitment Termination Date. At least sixty (60) days prior to the Commitment Termination Date, the Authority may make a request to the Bank, upon written notice, to extend the Commitment Termination Date for a period of one (1) year. Not more than thirty (30) days from the date on which the Bank shall have received any such notice from the Authority pursuant to the preceding sentence, the Bank shall notify the Authority of the initial consent or non-consent of the Bank to such extension request, which consent shall be given at the sole and absolute discretion of the Bank. The consent of the Bank, if granted, shall be conditioned upon the preparation, execution and delivery of documentation in form and substance satisfactory to the Bank which shall include, but not be limited to, the delivery of an Approving Opinion. Failure of the Bank to respond to a request for extension of the Commitment Termination Date shall constitute denial of such extension.
Section 2.12. Highest Lawful Rate. Any interest payable pursuant to this Agreement, the Fee Letter or the Notes shall not exceed the Highest Lawful Rate, and for such purpose all interest and other charges, fees, goods, things in action or any other sums, things of value and reimbursable costs that the Authority is or may become obligated to pay or reimburse in connection with this Agreement, the Fee Letter or the Notes, shall be deemed to constitute items of interest in addition to the rate(s) of interest specified herein, which the Authority hereby contracts in writing to pay. In the event any interest required to be paid hereunder at any time exceeds the Highest Lawful Rate, the portion of such interest required to be paid on a current basis shall equal such Highest Lawful Rate; provided, however, that the differential between the amount of interest payable assuming no Highest Lawful Rate was then in effect and the amount paid on a current basis after giving effect to the Highest Lawful Rate shall be carried forward and shall be payable on any subsequent date of calculation so as to result in a recovery of interest previously unrealized (because of the limitation dictated by such Highest Lawful Rate) at a rate of interest, and as part of the interest payable, that, after giving effect to the recovery of such excess and all other interest paid and accrued hereunder to the date of calculation, does not exceed such Highest Lawful Rate. Notwithstanding the foregoing, on the date on which no Obligation remains unpaid, to the extent permitted by law, the Authority shall pay to the Bank a fee equal to any accrued and unpaid excess interest.

Section 2.13. Taxability. (a) In the event a Determination of Taxability occurs, (i) the Authority hereby agrees to pay to the Bank or any Participant on demand therefor (A) an amount equal to the difference between (x) the amount of interest that would have been paid to the Bank or such Participant, as applicable, on any Tax-Exempt Revolving Loans and/or the Tax-Exempt Term Loan during the period for which interest on such Tax-Exempt Revolving Loans and/or Tax-Exempt Term Loan, as applicable, is includable in the gross income of the Bank or such Participant, if such Tax-Exempt Revolving Loans and/or Tax-Exempt Term Loan had borne interest at the Taxable Rate, beginning on the Taxable Date (the “Taxable Period”), and (y) the amount of interest actually paid to the Bank or such Participant, as applicable, during the Taxable Period, and (B) any interest, penalties or charges owed by the Bank or the Participant, as applicable, as a result of interest on the Tax-Exempt Revolving Loans and/or the Tax-Exempt Term Loan, as applicable, becoming includable in the gross income of the Bank or such Participant, as applicable, together with any and all reasonable attorneys’ fees, court costs, or other out of pocket costs incurred by the Bank or such Participant, as applicable, in connection therewith and pursuant to Section 3.06 hereof and (ii) any Tax-Exempt Revolving Loans affected thereby shall automatically convert to Taxable Revolving Loans, and the outstanding Tax-Exempt Term Loan shall automatically convert to the Taxable Term Loan.

(b) The obligations of the Authority under this Section 2.13 shall survive the termination of the Revolving Commitment and this Agreement.
ARTICLE 3

TAXES, YIELD PROTECTION AND ILLEGALITY

Section 3.01. Taxes. (a) Any and all payments by or on account of any obligation of the Authority under any Related Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the amount so payable by the Authority shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional amounts payable under this Section) the Bank receives an amount equal to the amount it would have received had no such deduction or withholding been made.

(b) Payment of Other Taxes by the Authority. Without duplication of any obligation under Section 3.01(a), the Authority shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Bank timely reimburse it for the payment of, any Other Taxes.

(c) Indemnification by the Authority. The Authority shall indemnify the Bank, within fifteen (15) Business Days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section payable or paid by the Bank or required to be withheld or deducted from a payment to the Bank and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate describing in a reasonable level of detail the imposition of the Indemnified Tax and as to the amount of such payment or liability delivered to the Authority by the Bank shall be conclusive absent manifest error.

(d) Evidence of Payments. As soon as practicable after any payment of Taxes by the Authority to a Governmental Authority pursuant to this Section, the Authority shall deliver to the Bank the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Bank.

(e) Treatment of Certain Refunds. If the Bank determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 3.01 or Section 3.02 (including by the payment of additional amounts pursuant to this Section 3.01 or Section 3.02, it shall pay to the Authority an amount equal to such refund (but only to the extent of indemnity payments made under this Section 3.01 or Section 3.02 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of the Bank and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). The Bank, upon the request of the Authority, shall repay
to the Authority the amount paid over pursuant to this subsection (e) (plus any penalties, interest 
or other charges imposed by the relevant Governmental Authority) in the event that the Bank is 
required to repay such refund to such Governmental Authority. Notwithstanding anything to the 
contrary in this subsection (e), in no event will the Bank be required to pay any amount to 
Authority pursuant to this subsection (e) the payment of which would place the Bank in a less 
favorable net after-Tax position than the Bank would have been in if the Tax subject to 
indemnification and giving rise to such refund had not been deducted, withheld or otherwise 
imposed and the indemnification payments or additional amounts with respect to such Tax had 
never been paid. This subsection shall not be construed to require the Bank to make available its 
Tax returns (or any other information relating to its Taxes that it deems confidential) to the 
Authority or any other Person.

(f) **Survival.** Each party’s obligations under this Section shall survive the resignation or 
replacement of the Bank, the termination of the Commitments and the repayment, satisfaction or 
discharge of all obligations under any Related Document.

(g) As used in this Section, the term “Bank” shall include each Participant; provided, 
however, that no Participant shall be entitled to recover amounts under this Section greater than 
those that the Bank would be entitled to recover. The obligations of the Authority under this 
Section 3.01 shall survive the termination of this Agreement.

**Section 3.02. Increased Costs.** (a) If, after the date hereof, any Change in Law shall:

(i) subject the Bank to any tax, duty, deduction, withholding or other charge 
with respect to the Revolving Loans, any Term Loans, the Notes or any other Obligation, 
or shall change the basis of taxation of payments to the Bank with respect to the Notes or 
any Obligation, other than changes in the rate of tax on the overall net income of the Bank; or

(ii) impose, modify or deem applicable any reserve, capital or liquidity ratio, 
special deposit, compulsory loan, insurance charge or similar requirement against assets 
of, deposits with or for the account of, or advances, loans or other credit extended or 
participated in by, or other acquisitions of funds by, the Bank;

(iii) change the basis of taxation of payments due the Bank under this Agreement or 
the Notes (other than a change in taxation of the overall net income of the Bank); or

(iv) impose on the Bank or the London interbank market any other condition 
with respect to such amount paid or payable to or by the Bank or with respect to this 
Agreement or any Revolving Loan or Term Loan;

and the result of any event referred to in subsection (i), (ii), (iii) or (iv) above shall be to increase 
the cost to the Bank of maintaining the Revolving Loans, any Term Loan or any other credit 
facilities hereunder (such increase in cost to be reasonably allocated to the Authority hereunder or 
the basis of the amount of the Revolving Commitment and the nature of this facility) or to reduce 
the amount of any payment received by the Bank, or to require the Bank to make any payment or:
or calculated by reference to the gross amount of any sum received by it, then, upon demand by
the Bank, the Authority shall pay, or cause to be paid, to the Bank, from time to time as specified
the Bank, additional amounts which shall be sufficient to compensate the Bank for such increased
cost. A certificate setting forth such increased cost incurred by the Bank as a result of any event
mentioned in subsection (i), (ii), (iii) or (iv) above, and giving a reasonable explanation of the basis
and computation thereof, shall constitute such demand and shall, in the absence of manifest error,
be conclusive and binding for purposes of payment of such amount. In making the determinations
contemplated by such certificate, the Bank may make such reasonable estimates, assumptions,
allocations and the like as the Bank in good faith determines to be appropriate. Payment shall be
made by the Authority within 30 days to the Authority’s receipt of the above-mentioned certificate,
and, to the extent that continuing payments are required under this Section, payments shall be
made quarterly on the dates that the Commitment Fee is due. In determining the amount or
amounts payable under this Section, the Bank may use any reasonable averaging and attribution
methods. The initial payment will include payment for the period from the date the Bank was first
affected to the date of such payment.

(b) In addition to the foregoing, if after the date hereof the Bank shall have determined
that a Change in Law has or would have the effect of reducing the rate of return on the capital of
the Bank, as applicable, to a level below that which the Bank could have achieved but for such
adoption, change or compliance (taking into consideration the policies of the Bank with respect to
capital adequacy) by an amount deemed by the Bank to be material, or affects or would affect the
amount of capital required or expected to be maintained by the Bank or any corporation controlling
the Bank by an amount deemed by the Bank to be material, as a consequence of its obligations
hereunder then, upon demand from the Bank, from time to time the Authority shall be obligated
to pay or cause to be paid to the Bank such additional amount or amounts as will compensate the
Bank for such reduction or capital increase, as incurred in a manner consistent with that in which
such increased costs are passed along to other borrowers of the Bank in general. A certificate
setting forth in reasonable detail such reduction in the rate of return on capital, or such capital
increase, of the Bank as a result of any event mentioned in this paragraph shall be submitted to the
Authority and such certificate shall, in the absence of manifest error, be conclusive as to the amount
thereof. Payment shall be made by the Authority within 30 days of the Authority’s receipt of the
above mentioned certificate together with interest on such amount for each day from the 30th day
after such demand is received by the Authority until payment in full at the Default Rate.

(c) The protections of this Section shall be available to the Bank regardless of any
possible contention of invalidity or inapplicability of the law, regulation or condition which has
been imposed; provided, however, that if it shall be later determined that any amount so paid by
the Authority pursuant to this Section is in excess of the amount payable under the provisions
hereof, the Bank shall refund such excess amount to the Authority. As used in this Section, the
term “Bank” shall include each Participant; provided, however, that no Participant shall be entitled
to recover amounts under this Section greater than those that the Bank would be entitled to recover.

(d) Failure or delay on the part of the Bank to demand compensation pursuant to the
foregoing provisions of this Section 3.02 shall not constitute a waiver of the Bank’s right to
demand such compensation.
Section 3.03. Obligations Absolute. The Obligations of the Authority to pay money under this Agreement, the Fee Letter and the Notes shall be unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement and the Notes under all circumstances, including, without limitation, the following:

(a) any lack of validity or enforceability of this Agreement, the Fee Letter, the Notes or any of the other Related Documents;

(b) any amendment or waiver of or any consent to departure from all or any of the Related Documents;

(c) the existence of any claim, set off, defense or other right which the Authority may have at any time against the Bank or any Participant, or any other Person, whether in connection with this Agreement, the Fee Letter, the Notes, the other Related Documents, the transactions contemplated herein or therein or any unrelated transaction;

(d) any statement or any other document presented under Loan Notification proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;

(e) any other circumstances or happening whatsoever, whether or not similar to any of the foregoing.

Section 3.04. Illegality. Notwithstanding any other provisions of this Agreement or any other Related Document, if at any time any Change in Law makes it unlawful for the Bank to make or continue to maintain any LIBOR Rate Revolving Loans or to perform its obligations as contemplated hereby, the Bank shall promptly give notice thereof to the Authority and (i) the Bank’s obligations to make or maintain LIBOR Rate Revolving Loans under this Agreement shall be suspended until it is no longer unlawful for the Bank to make or maintain LIBOR Rate Revolving Loans, and (ii) the LIBOR Rate Revolving Loans then outstanding, if any, shall be converted automatically to Base Rate Loans on the respective last days of the then current Interest Periods with respect to such Loans or within such earlier period as required by law. If any such conversion of a LIBOR Rate Revolving Loan occurs on a day that is not the last day of the then current Interest Period with respect thereto, the Authority shall pay to the Bank such amounts, if any, as may be required pursuant to Section 3.06 hereof.

Section 3.05. Inability to Determine Rates. If on or prior to the first day of any Interest Period for any Borrowing of LIBOR Rate Revolving Loans, the Bank determines that (i) LIBOR (as defined herein) will not adequately and fairly reflect the cost to the Bank of funding the LIBOR Rate Revolving Loans for such Interest Period, (ii) deposits in the amount of any LIBOR Rate Revolving Loan scheduled to be outstanding during such Interest Period are not being offered to banks in the relevant market or, by reason of circumstances affecting the relevant market, adequate and reasonable means do not exist for ascertaining LIBOR, or (iii) reasonable and adequate means do not exist for ascertaining any interest rate specified herein based on LIBOR for any requested Interest Period, including because LIBOR is not available or published on a current basis, then the Bank shall forthwith give notice thereof to the Authority, whereupon until the Bank notifies the
Authority that the circumstances giving rise to such suspension no longer exist (which it shall do promptly following the cessation of the event necessitating such suspension), the obligations of the Bank to make LIBOR Rate Revolving Loans shall be suspended. Upon receipt of such notice, the Authority may revoke any pending request for Borrowing of any LIBOR Rate Revolving Loan. Notwithstanding anything to the contrary in this Agreement or any other Related Document, if at any time the Bank determines (which determination shall be conclusive absent manifest error) that the circumstances set forth in the foregoing clause (ii) or (iii) of this Section 3.05 have not arisen and such circumstances are unlikely to be temporary or the circumstances set forth in such clause (ii) or (iii) have not arisen but either (x) the supervisor for the administrator of the LIBOR Index Rate has made a public statement that the administrator of the LIBOR Index Rate is insolvent (and there is no successor administrator that will continue publication of the LIBOR Index Rate), (y) (i) the administrator or the supervisor for the administrator of the LIBOR Index Rate has made a public statement identifying a specific date after which the LIBOR Index Rate will permanently or indefinitely cease to be published or (ii) the supervisor for the administrator of the LIBOR Index Rate or a governmental authority having jurisdiction over the Bank has made a public statement identifying a specific date after which the LIBOR Index Rate may no longer be used for determining interest rates for loans (such specific date, in either case, the “Scheduled Unavailability Date”), or (z) the LIBOR Index Rate is no longer a widely recognized benchmark rate for newly originated loans in Dollars in the U.S. market and syndicated loans currently being executed, or that include language similar to that contained in this Section, are being executed or amended (as applicable) to incorporate a new benchmark interest rate to replace LIBOR, then, reasonably promptly after such determination by the Bank, the Bank and the Authority may amend this Agreement to replace LIBOR hereunder with an alternate benchmark rate (including any mathematical or other adjustments to the benchmark (if any) incorporated therein) giving due consideration to any evolving or then existing convention for similar U.S. dollar denominated commercial credit facilities for such alternative benchmarks (any such proposed rate, a “LIBOR Successor Rate”), together with any LIBOR Successor Rate Conforming Changes (as defined below); provided that if no LIBOR Successor Rate has been determined and the circumstances under clause (iii) of the first sentence of this Section 3.05 exist or the Scheduled Unavailability Date has occurred (as applicable), the Bank shall promptly so notify the Authority. Thereafter, (i) the obligation of the Bank to make or maintain LIBOR Rate Revolving Loans shall be suspended (to the extent of the affected LIBOR Rate Revolving Loans or Interest Periods) and (ii) the LIBOR Quoted Rate component shall no longer be utilized in determining the Base Rate. Upon receipt of such notice, the Authority may revoke any pending request for a Borrowing of LIBOR Rate Revolving Loans to be advanced or continued or for a conversion of a Borrowing to LIBOR Rate Revolving Loans (to the extent of the affected LIBOR Rate Revolving Loans or Interest Periods) or, failing that, will be deemed to have converted each such LIBOR Rate Revolving Loan to a Base Rate Loan pursuant to Section 2.02 (subject to clause (ii) of the immediately preceding sentence). Notwithstanding any other provision of this Agreement, any LIBOR Successor Rate shall not at any time be less than zero percent (0%).

For purposes hereof, “LIBOR Successor Rate Conforming Changes” means, with respect to any proposed LIBOR Successor Rate, any conforming changes to any applicable defined terms herein and administrative matters as may be appropriate, in the discretion of the Bank, to reflect the adoption of such LIBOR Successor Rate and to permit the administration thereof by the Bank in a manner substantially consistent with market practice (or, if the Bank determines that adoption
of any portion of such market practice is not administratively feasible or that no market practice for the administration of such LIBOR Successor Rate exists, in such other manner of administration as the Bank determines).

Section 3.06. Compensation for Losses. Upon written demand of the Bank from time to time, the Authority shall promptly compensate the Bank for and hold the Bank harmless from any loss, cost or expense incurred by it as a result of:

(a) any continuation, conversion, payment or prepayment of any LIBOR Rate Revolving Loan, the interest on which is determined by reference to the LIBOR Index, on a day other than the last day of the Interest Period for such LIBOR Rate Revolving Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise) other than (i) prepayment of any LIBOR Rate Revolving Loan on any date if the Bank has chosen a comparable or successor rate for purposes of the LIBOR Index which the Authority reasonably believes is substantially different from the prior rate, and (ii) prepayment of any LIBOR Rate Revolving Loan on any date if the Authority is then obligated to pay increased costs pursuant to Section 3.02 hereof; or

(b) any failure by the Authority (for a reason other than the failure of the Bank to make a Revolving Loan) to prepay, borrow, continue or convert any LIBOR Rate Revolving Loan other than to a Base Rate Revolving Loan on the date or in the amount notified by the Authority; including any loss of anticipated profits and any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such LIBOR Rate Revolving Loan or from fees payable to terminate the deposits from which such funds were obtained. The Authority shall also pay any customary administrative fees charged by the Bank in connection with the foregoing.

For purposes of calculating amounts payable by the Authority to the Bank under this Section 3.06, the Bank shall be deemed to have funded each LIBOR Rate Revolving Loan made by it at the LIBOR Index for such Revolving Loan by a matching deposit or other borrowing in the London interbank Eurodollar market for a comparable amount and for a comparable period, whether or not such LIBOR Rate Revolving Loan was in fact so funded.

Section 3.07. Survival. All of the Authority's obligations under this Article 3 shall survive termination of the Revolving Commitment and repayment of all other Obligations hereunder.

ARTICLE 4

CONDITIONS PRECEDENT TO BORROWINGS

Section 4.01. Conditions of Initial Borrowing; Authority; Enforceability. This Agreement shall become binding on the parties hereto upon the satisfaction of the following conditions precedent (all Related Documents and other documents to be delivered to the Bank pursuant to this Section 4.01 shall be subject to prior approval as to form and substance by the Bank, with delivery by the Bank of its signature page to this Agreement evidencing such Person's
acknowledgement that the conditions set forth in this Section 4.01 have been satisfied, unless otherwise waived in writing):

The Bank's receipt of the following, each of shall be originals or telecopies (followed promptly by originals) unless otherwise specified, each properly executed by an Authorized Officer of the Authority, each dated the Closing Date (or, in the case of certificates of governmental officials, a recent date before the Closing Date) and each in form and substance satisfactory to the Bank:

(a) executed original counterparts of this Agreement, the Fee Letter, the original Notes and certified copies of all of the other Related Documents;

(i) the Bank shall have received the following opinions, dated the Closing Date and addressed to the Bank or on which the Bank is otherwise expressly authorized to rely;

(A) from Bond Counsel to the Authority, opinions as to the due authorization, execution, delivery and enforceability of this Agreement, the Fee Letter, the Notes and the other Related Documents to which the Authority is a party, and such other customary matters as the Bank may reasonably request;

(B) from counsel to the Authority as to the authorization, execution and delivery of this Agreement, the Fee Letter and the Notes and such other customary matters as the Bank may reasonable request; and

(C) from Bond Counsel, opinions to the effect that the interest on the Initial Tax-Exempt Revolving Loan, the Tax-Exempt Term Loan and the Tax-Exempt Note, when issued and/or incurred in accordance with this Agreement, and any continuations thereof, will be excludable from gross income for federal and California income tax purposes.

(ii) a certificate signed by an Authorized Officer of the Authority certifying that:

(1) the representations and warranties contained in Article 5 of this Agreement are true and correct on and as of the Closing Date as though made on such date;

(2) no petition by or against the Authority has at any time been filed under the United States Bankruptcy Code or under any similar act;

(3) all conditions precedent to the execution and delivery of this Agreement, the Fee Letter, the Notes and the other Related Documents have been satisfied and the Authority has duly executed and delivered this
Agreement, the Fee Letter, the Notes and the other Related Documents to which it is a party;

(4) (x) no event that could reasonably be expected to have a Material Adverse Effect shall have occurred and (y) no material adverse change shall have occurred in the ability of the Authority to perform its obligations under the Related Documents to which it is a party, in each case subsequent to the date of the most recent CAFR (except as may otherwise have been disclosed in writing to the Bank prior to the Closing Date); and

(5) no Default or Event of Default has occurred and is continuing, or would result from, the execution and delivery of this Agreement, the Fee Letter, the Notes or any other Related Document.

(iii) recent evidence that the unenhanced long-term rating assigned to general obligation indebtedness of the Authority is at least "A" by S&P;

(iv) completed and signed Loan Notice for the Initial Tax-Exempt Revolving Loan;

(v) evidence of due authorization, execution and delivery by the Authority of the Related Documents, which Related Documents shall be in form and substance satisfactory to the Bank and its special counsel;

(vi) true and correct copies of all Governmental Approvals necessary for the Authority to enter into this Agreement, the Fee Letter and the Notes and the transactions contemplated by this Agreement;

(vii) a certificate of an authorized officer of the Authority certifying the name, title, office and true signatures of the officers of the Authority authorized to execute this Agreement, the Fee Letter and the Notes;

(viii) the Bank shall have received a copy of the IRS Form 8038-G filed in connection with the Initial Tax-Exempt Revolving Loan, in form and substance satisfactory to the Bank;

(ix) arrangements satisfactory to the Bank have been made for the payment of the fees and expenses and all other amounts (including the fees and expenses of Bank's counsel) payable pursuant to this Agreement and the Fee Letter; and

(xii) such other documents, certificates and opinions as the Bank or its special counsel may reasonably request.

(b) No law, regulation, ruling or other action of the United States, or the State of California or any political subdivision or authority therein or thereof shall be in effect
or shall have occurred, the effect of which would be to prevent the Bank from fulfilling its obligations under this Agreement or the Notes.

(c) All legal requirements provided herein incident to the execution, delivery and performance of this Agreement, the Fee Letter, the Notes, the Resolution and the other Related Documents, and the transactions contemplated hereby and thereby, shall have been complied with to the reasonable satisfaction of the Bank and Bank's counsel.

Section 4.02. Conditions to All Borrowings. The obligation of the Bank to honor any Loan Notice with respect to a Borrowing is subject to the following conditions precedent:

(a) The representations and warranties of the Authority contained in Article 5 hereof, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct on and as of the date of such Borrowing, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct as of such earlier date, and except that for purposes of this Section 4.02, the representations and warranties contained in Section 5.12 shall be deemed to refer to the most recent statements furnished pursuant to clause (a) of Section 6.01.

(b) No Default or Event of Default shall exist, or would result from such proposed Borrowing or from the application of the proceeds thereof.

(c) If not covered by the opinion delivered pursuant to Section 4.01(a)(i)(C) hereof, an opinion of Bond Counsel to the effect that interest with respect to any Tax-Exempt Revolving Loan or the Tax-Exempt Term Loan evidenced by the Tax-Exempt Note, and any conversions or continuations thereof, will be excludable from gross income for federal and California income tax purposes. Such opinion may address future Tax-Exempt Revolving Loans issued within a specified time frame as part of a single issue for federal tax purposes.

(d) If not previously delivered pursuant to Section 4.01(a)(viii) hereof, the Bank shall have received a copy of the IRS Form 8038 or 8038-G, as filed in connection with any Tax-Exempt Revolving Loan or Tax-Exempt Term Loan, in form and substance satisfactory to the Bank.

(e) The Bank shall have received a Loan Notice in accordance with the requirements hereof.

(f) After giving effect to any Revolving Loan, the aggregate principal amount of all Revolving Loans outstanding hereunder shall not exceed the Commitment.

(g) Such Borrowing shall not violate any order, judgment or decree of any court or authority of competent jurisdiction or any provision of law as then in effect.
(h) The Bank shall not have received notice (either verbal or written) from the Authority, or Bond Counsel that any opinion delivered pursuant to Section 4.01(a)(ii) hereof may no longer be relied upon.

(i) The Bank shall have received, in form and substance satisfactory to it, such other assurances, certificates, documents or consents related to the foregoing as the Bank reasonably may require.

Each Loan Notice submitted by the Authority shall be deemed to be a representation and warranty that the conditions specified in Sections 4.02(a) and (b) have been satisfied on and as of the date of the applicable Borrowing.

Section 4.03. Conditions to Term Loans. (a) The obligation of the Bank to make any Term Loan is subject to (i) the representations and warranties contained in Article 5 hereof and in each certificate or other writing delivered to the Bank pursuant hereto on or prior to the Commitment Termination Date shall be true and correct on and as of the Commitment Termination Date as though made on and as of such date, except to the extent a representation or warranty relates specifically to an earlier date (in which case such representation or warranty shall be true and correct as of such date); (ii) no Default or Event of Default shall have occurred and be continuing on the Commitment Termination Date; and (iii) the Bank shall have received a certificate, signed by an Authorized Officer and dated the Commitment Termination Date, requesting an extension of the Term Loan and confirming that all of the foregoing conditions have been satisfied, substantially in the form of Exhibit D hereto.

(b) In the case of the conversion to the Tax-Exempt Term Loan, (i) the Bank shall be satisfied that the opinions of Bond Counsel delivered pursuant to Section 4.01(a)(i)(C) and Section 4.02(c) hereof remain in full force and effect with respect to such Tax-Exempt Term Loan or (ii) the Bank shall have received an opinion from Bond Counsel dated the date of such Tax-Exempt Term Loan as to the exclusion of interest on the Tax-Exempt Term Loan from gross income for federal income tax purposes, in form and substance satisfactory to the Bank.

ARTICLE 5

REPRESENTATIONS AND WARRANTIES

The Authority makes the following representations and warranties to the Bank:

Section 5.01. Organization and Powers. The Authority (a) is duly established and validly existing as a public body, corporate and politic under the laws of the State; (b) has all powers and all material governmental licenses, authorizations, consents, and approvals required to carry on its business as now conducted; (c) has full power and authority to own and operate its properties; and (d) has full power and authority to adopt, execute, deliver and perform its obligations under this Agreement, the Notes and the other Related Documents and to borrow hereunder.

Section 5.02. Authorization; Contravention. The execution, delivery and performance by the Authority of this Agreement, the Fee Letter, the Notes and the other Related Documents to
which it is a party, and the making of the payments required hereby or thereunder, have been duly
authorized by all necessary action by the Authority and do not contravene, or result in the violation
of, or constitute a default under, any provision of Applicable Law or regulation, or any order, rule,
or regulation of any Governmental Authority located in the United States or any agreement,
resolution or instrument to which the Authority is a party or by which it or any of its property is
bound.

Section 5.03. Governmental Consent or Approval. No authorization, consent, approval,
permit, license, or exemption of, or filing or registration with, any court or Governmental
Authority that has not been obtained or issued is or will be necessary for the valid adoption,
execution, delivery or performance by the Authority of the Related Documents to which it is a
party and, in particular, this Agreement, the Fee Letter and the Notes.

Section 5.04. Valid and Binding Obligations. This Agreement, the Fee Letter, the Notes
and the other Related Documents are valid and binding obligations of the Authority, enforceable
against the Authority in accordance with their respective terms, except as such enforceability may
be limited by the Authority's bankruptcy, insolvency, reorganization, moratorium or other laws or
equitable principles relating to or limiting creditors' rights generally.

Section 5.05. Pending Litigation and Other Proceedings. There is no pending action,
proceeding or investigation before any Governmental Authority, against or directly involving the
Authority and, to the best of the Authority's knowledge, there is no threatened action, proceeding
or investigation affecting the Authority before any Governmental Authority which, in any case,
may materially and adversely affect the financial condition or operations of the Authority or the
validity or enforceability of any of this Agreement, the Fee Letter, the Notes or the other Related
Documents.

Section 5.06. No Conflict. The execution, delivery and performance by the Authority of
this Agreement, the Fee Letter, the Notes and the other Related Documents to which it is a party,
the consummation of the transactions contemplated hereby and thereby, and the fulfillment of
the terms and conditions hereof and thereof did not at any relevant time, does not now and will not
violate any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on it,
its organizational documents or the provisions of any indenture, instrument or agreement to which
it is a party or is subject, or by which it or its property is bound, or conflict with or constitute a
default under or result in the creation or imposition of any lien pursuant to the terms of any such
indenture, instrument or agreement.

Section 5.07. Environmental Laws. Except as disclosed to the Bank in writing prior to the
Closing Date, the operations of the Authority and its properties are in material compliance with all
of the requirements of applicable Environmental Laws and are not the subject of any governmental
investigation evaluating whether any remedial action is needed to respond a release of any toxic
or hazardous waste or substance into the environment, where a failure to comply with any such
requirement or the need for any such remedial action could reasonably be expected to result in a
Material Adverse Effect.
Section 5.08. **No Defaults.** No Event of Default and no Default has occurred and is continuing, or exists under this Agreement or the Related Documents.

Section 5.09. **Sovereign Immunity.** The defense of immunity on the grounds of sovereignty or otherwise is not available to the Authority in any proceeding by the Bank to enforce the Obligations or the performance of any obligations of the Authority under this Agreement, the Fee Letter, the Notes or the other Related Documents.

Section 5.10. **General Obligation.** The Obligations are general obligations of the Authority payable by the Authority from any and all funds of the Authority legally available therefor.

Section 5.11. **Incorporation by Reference.** The Authority hereby makes to the Bank the same representations and warranties as are set forth by it in each other Related Document to which it is a party, which representations and warranties, as well as the related defined terms contained therein, are hereby incorporated herein by reference for the benefit of the Bank with the same effect as if each and every such representation and warranty and defined term were set forth herein in its entirety and were made as of the date hereof. No amendment to such representations and warranties or defined terms made pursuant to any such Related Document shall be effective to amend such representations and warranties and defined terms as incorporated by reference herein without the prior written consent of the Bank.

Section 5.12. **Accuracy of Information.** All information, reports and other documents and data with respect to the Authority and its properties furnished to the Bank are complete and correct in all material respects, to the extent necessary to give the Bank true and accurate knowledge of the subject matter. No fact is known to the Authority which may have a Material Adverse Effect which has not been set forth in the financial statements of the Authority or in such information, reports, papers and data or otherwise disclosed in writing to the Bank prior to the Closing Date. No document furnished or statement made by the Authority in connection with the negotiation, preparation or execution of this Agreement contains any untrue statement of a fact material to its creditworthiness or omits to state a material fact necessary in order to make the statements contained therein not misleading in any adverse respect.

Section 5.13. **Reliance by the Bank and the Participants.** All representations and warranties made herein to the Bank are made with the understanding that the Bank and the Participants are relying upon the accuracy of such representations and warranties. Notwithstanding that the Bank and the Participants may conduct their own investigation as to some or all of the matters covered by the representations and warranties in the Related Documents, and any certificates, information, opinions or documents delivered in connection therewith, the Bank and the Participants are entitled to rely on all representations and warranties as a material inducement to the Bank’s extension of the credit evidenced hereby and by the Notes.

Section 5.14. **No Proposed Legal Changes.** There is no amendment or, to the knowledge of the Authority, proposed amendment certified for placement on a statewide ballot to the Constitution of the State or any published administrative interpretation of the Constitution of the State or any law of the State, or any legislation that has passed either house of the legislature of the State or the United States Congress, or any published judicial decision interpreting any of the
foregoing, the effect of which could reasonably be expected to have a Material Adverse Effect with respect to its ability to repay when due its obligations under this Agreement and the other Related Documents.

Section 5.15. Tax Exempt Status. With respect to the Initial Tax-Exempt Revolving Loan, the Authority has not taken any action or omitted to take any action, and knows of no action taken or omitted to be taken by any other person or entity, which action, if taken or omitted, would cause interest on the Initial Tax-Exempt Revolving Loans to be subject to Federal income taxes or to personal income taxes levied by the State or such Initial Tax-Exempt Revolving Loan to be subject to local personal property taxes levied by any political subdivision thereof. With respect to subsequent Tax-Exempt Revolving Loans and the Tax-Exempt Term Loan, the Authority agrees that it will not take any action or omit to take any action, which action, if taken or omitted, would cause interest on the such Tax-Exempt Revolving Loans to be subject to the federal income taxes or to personal income taxes levied by the State or such Tax-Exempt Revolving Loans to be subject to local personal property taxes levied by any political subdivision thereof.

Section 5.16. Federal Reserve Board Regulations. The Authority shall use the proceeds of the Revolving Loans solely in connection with the Project and will not use any part of the proceeds of the Revolving Loans and has not incurred any indebtedness to be reduced, retired or purchased by the Authority out of such proceeds, for the purpose of purchasing or carrying any Margin Stock, and the Authority does not own and will not acquire any such Margin Stock.

Section 5.17. Investment Company Act. The Authority is not an “investment company” or a company “controlled” by an “investment company,” as such terms are defined in the Investment Company Act of 1940, as amended.

Section 5.18. Anti-Corruption Laws. (a) The Authority is in compliance in all material respects with the requirements of all OFAC Sanctions Programs applicable to it, and (b) the Authority, and to the best of the Authority’s knowledge, each officer of the Authority, is not, as of the date hereof, named on the current OFAC SDN List or otherwise in violation of any OFAC Sanctions Programs, or located, organized, or resident in a country or territory that is, or whose government is, the subject of any OFAC Sanctions Program (other than to the extent dealings with such Person are licensed, approved, exempted or permitted pursuant to OFAC Sanctions Programs or are not otherwise prohibited or restricted thereunder).

Section 5.19. Derivative Product. The Authority has not entered into any Derivative Product relating to Debt wherein any termination payment thereunder is senior to or on a parity with the payment of the Revolving Loans, the Term Loans or the other Obligations.

Section 5.20. Insurance. The Authority currently maintains a system of self-insurance or insurance coverage with insurance companies believed by the Authority to be capable of performing their obligations under the respective insurance policies issued by such insurance companies to the Authority (as determined in its reasonable discretion) and in full compliance with Section 6.03 hereof.
Section 5.21. Title to Assets. The Authority has good and marketable title to its assets except where the failure to have good and marketable title to any of its assets would not have a Material Adverse Effect. No assets of the Authority are subject to any Lien other than [__________].

Section 5.22. Correct Information. All information, reports and other papers and data with respect to the Authority furnished by the Authority to the Bank were, at the time the same were so furnished, correct in all material respects. Any financial, budget and other projections furnished by the Authority to the Bank were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair and reasonable in light of conditions existing at the time of delivery of such financial, budget or other projections, and represented, and as of the date of this representation, represent (subject to the updating or supplementation of any such financial, budget or other projections by any additional information provided to the Bank in writing, the representations contained in this Agreement being limited to financial, budget or other projections as so updated or supplemented), in the judgment of the Authority, a reasonable, good faith estimate of the information purported to be set forth, it being understood that uncertainty is inherent in any projections and that no assurance can be given that the results set forth in the projections will actually be obtained. Other than as disclosed to the Bank in writing prior to the Closing Date, no fact is known to the Authority that materially and adversely affects or in the future may (as far as it can reasonably foresee) materially and adversely affect the security for any of the Revolving Loans or the Term Loans, or the ability of the Authority to repay when due the Obligations, that has not been set forth in the financial statements and other documents referred to in this Section 5.12 or in such information, reports, papers and data or otherwise disclosed in writing to the Bank. The documents furnished and statements made by the Authority in connection with the negotiation, preparation or execution of this Agreement and the Related Documents do not contain untrue statements of material facts or omit to state material facts necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

Section 5.23. Usury. Neither this Agreement nor the Note provide for any payments that would violate any applicable law regarding permissible maximum rates of interest.

Section 5.24. Pending Legislation and Decisions. There is no amendment, or to the knowledge of the Authority, proposed amendment to the Constitution of the State or any State law or any administrative interpretation of the Constitution of the State or any State law, or any legislation that has passed either house of the legislature of the State, or any judicial decision interpreting any of the foregoing, the effect of which could reasonably be expected to result in a Material Adverse Effect.
ARTICLE 6

COVENANTS

The Authority covenants and agrees, until the full and final payment and satisfaction of all of the Obligations, unless the Bank shall otherwise consent in writing, that:

Section 6.01. Reporting Requirements. The Authority shall keep proper books of record and account in which full, true and correct entries will be made of all dealings or transactions of or in relation to the business and affairs of the Authority and its properties in accordance with Generally Accepted Accounting Principles consistently applied, and will furnish to the Bank each of the following:

(a) Annual Financial Statements. As soon as available, and in any event within three hundred (300) days after the close of each Fiscal Year of the Authority, the Audited Financial Statements of the Authority, including the balance sheet as of the end of such Fiscal Year and the related statements of revenues, expenses and changes in retained earnings and cash flows for such Fiscal Year, setting forth in each case in comparative form the corresponding figures for the preceding Fiscal Year, all in reasonable detail, certified by an independent certified public accountant in accordance with Generally Accepted Accounting Principles and fairly presenting the financial condition of the Authority as of the end of such Fiscal Year.

(b) Certificate of Compliance. Simultaneously with the delivery of each set of financial statements referred to in Section 6.01(a) hereof, a certificate signed by an Authorized Officer of the Authority (i) stating that, to the best of his or her knowledge, the Authority has kept, observed, performed and fulfilled each and every covenant, provision and condition of this Agreement on the Authority's part to be performed and is not in default in the performance or observance of any of the terms, covenants, provisions or conditions hereof, (ii) if the Authority shall be in default, specifying all such defaults, the nature and status thereof and any remedial steps taken or proposed to correct such default and (iii) certifying compliance with the financial covenants set forth in Section 6.08 hereof.

(c) Offering Circulars. Simultaneously with the delivery of each set of financial statements referred to in Section 6.01(a) hereof, (i) copies of any prospectus, official statement, offering circular, placement memorandum, or similar or corresponding document, and any supplements thereto and updates and amendments thereof not previously supplied to the Bank, that the Authority makes available in connection with the offering for sale of any securities, or, in the case of any indenture, contract or agreement by the Authority involving the creation of any Debt on a parity with or senior to the Obligations hereunder, but not involving the offering for sale of any securities related thereto, a copy of such ordinance, indenture, contract or agreement creating the related Debt, together with, in either case, (ii) a certificate of an Authorized Officer providing the Bank with assurance of compliance with the covenants, terms and other provisions of this Agreement, the Fee Letter and the other Related Documents at the time such securities were issued or such Debt was incurred.
(d) **Budget.** As soon as available after adoption and no later than ninety (90) days after the end of the preceding Fiscal Year, a copy of the Authority’s budget for each Fiscal Year.

(e) **Continuing Disclosure Documents.** Simultaneously with the filing thereof, all continuing disclosure documents filed by the Authority in compliance with Securities and Exchange Commission rules codified at 17 C.F.R. Section 240.15c2-12 or notice that such filing is available through the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system.

(f) **Other Information.** Such other information respecting the business, properties or the condition or operations, financial or otherwise, of the Authority, the Authority or its properties as the Bank may from time to time reasonably request.

(g) **EMMA.** For purposes of this Section 6.01, delivery to the Bank of any of the information required under this Section 6.01 shall be satisfied if the Authority causes such information to be filed with EMMA within the timeframes set forth in this Section 6.01, notice of such posting has been provided to the Bank and such information is publicly available.

**Section 6.02. Notices.** The Authority shall provide to the Bank:

(a) **Notice of Default.** Immediate notice by telephone, promptly confirmed in writing, of any event, action or failure to take any action which constitutes an (i) Event of Default or Default or (ii) an “event of default” under any Related Document to which the Authority is a party.

(b) **Other Events.** Prompt written notice of any event which is likely to have a Material Adverse Effect with respect to its ability to repay when due its obligations under this Agreement, the Notes and the other Related Documents.

**Section 6.03. Insurance.** The Authority shall maintain insurance with reputable insurance companies or associations believed by the Authority at the time of purchase of such insurance to be financially sound and in such amounts and covering such risks as are usually carried by organizations engaged in the same or a similar business and similarly situated, which insurance may provide for customary deductibles from coverage. The Authority shall upon request of the Bank furnish a certificate setting forth in summary form the nature and extent of the insurance maintained pursuant to this Section 6.03.

**Section 6.04. Access to Records.** The Authority will permit any officers, employees, or agents of the Bank to visit and inspect any of the properties of the Authority and to discuss matters reasonably pertinent to an evaluation of the credit of the Authority, all at such reasonable times as the Bank may reasonably request and upon reasonable advance notice. All information received by or provided to the Bank pursuant to this Agreement, unless otherwise made public by the Authority, will be held as confidential information by the Bank.
Section 6.05. Limitations on Additional Debt. The Authority shall not incur additional [Debt payable from the General Fund] unless the Bank shall have received a certificate from an Authorized Officer, in form reasonably satisfactory to the Bank, evidencing that the ratio of (i) EBITDA, determined on a pro forma basis, for such Fiscal Year, to (ii) [projected Debt Service for such Fiscal Year], including such additional Debt, is not less than 1.50 to 1.00.

Section 6.06. Proceeds of Revolving Loans. (a) The proceeds of the Revolving Loans will be used by the Authority solely for the purposes of financing the Project, provided that (i) the aggregate amount of the proceeds of all outstanding Revolving Loans used for Site Acquisition may not at any time exceed thirty percent (30%) of the Revolving Loan Commitment, (ii) the aggregate amount of proceeds of Revolving Loans used for rehabilitation may not exceed $1,000,000, and (iii) no proceeds of any Revolving Loans may be used for the Parking Lot Project without the prior written consent of the Bank.

(b) The Authority shall not use any portion of the proceeds of a Revolving Loan or the Term Loans for the purpose of carrying or purchasing any Margin Stock and shall not incur any Debt which is to be reduced, retired or purchased by the Authority out of such proceeds.

Section 6.07. Amendment of Certain Contracts. The Authority will not effect any amendment to or modification of any Related Document without the prior written consent of the Bank. The Authority will give the Bank notice as promptly as practicable (but in no event less than ten (10) Business Days) of any proposed amendments to or modifications of the Related Documents and of any meeting of the Authority at which any of the foregoing will be discussed or considered.

Section 6.08. Financial Covenants.

(a) Debt Service Coverage Ratio. On each Measurement Date, commencing [__________], and measured in each case as of the end of such fiscal quarter for the most-recently completed four consecutive fiscal quarters, the Authority will not permit the ratio of (i) [EBITDA] for such period, to (ii) [Debt Service] for such period, to be less than 1.50 to 1.00.

(b) Liquidity Covenant. On each Measurement Date, commencing [__________], the Authority shall cause Unrestricted Cash and Investments to be not less than 3 times the Uses of Liquidity for the immediately succeeding twelve-month period.

Section 6.09. Performance and Compliance with Other Covenants. The Authority shall fully and faithfully perform each of the covenants required of it, pursuant to the provisions of the Related Documents.

Section 6.10. Taxes and Liabilities. The Authority will pay all Debt of the Authority promptly and in accordance with the terms thereof and to pay and discharge promptly all taxes, assessments, and governmental charges or levies imposed upon it or upon the Authority's income and profits, or upon any of their respective property, real, personal, or mixed, or upon any part thereof, before the same shall become in default, except for those matters which are reasonably
being contested in good faith by appropriate action or proceedings or for which the Authority has established adequate reserves in accordance with Generally Accepted Accounting Principles.

Section 6.11. Further Assurances. The Authority agrees that it will from time to time, at its expense, promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that the Bank may reasonably request, in order to (a) perfect and protect any lien, pledge, or security interest or other right or interest given, or purported to be given, to the Bank under or in connection with this Agreement or any other Related Document or (b) enable the Bank to exercise or enforce its rights or remedies under or in connection with this Agreement and the Notes.

Section 6.12. No Impairment. The Authority will not take any action hereunder or any other Related Document which would materially adversely affect the rights, interests, remedies or security of the Bank under this Agreement or any other Related Document or which could reasonably be expected to result in a Material Adverse Effect.

Section 6.13. Maintenance of Properties. The Authority will maintain and keep, or cause to be maintained and kept, its properties in good repair, working order and condition (other than ordinary wear and tear), provided that this Section 6.13 shall not prevent the Authority from discontinuing the operation and the maintenance of any of its properties if such discontinuance is desirable in the conduct of its business and the Authority has concluded that such discontinuance could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Without limiting the generality of this Section 6.13, the Authority: (i) shall maintain its Properties in compliance in all material respects with any applicable Laws; (ii) shall obtain and maintain in full force and effect all governmental approvals required for its operations at or on its properties by any; (iii) shall cure as soon as practicable any material violation of applicable Laws with respect to any of its properties; (iv) shall not use, generate, treat, store, release or dispose of Hazardous Materials at or on any of its properties (including without limitation, any underground storage tanks) except in the ordinary course of its business and in material compliance with all Environmental Laws; and (v) shall notify the in writing, and within a reasonable period of time, and provide any reasonably requested documents, upon learning of any material environmental claim or material violation of any Environmental Laws, or any release of a reportable quantity (as determined under any Environmental Law) of a Hazardous Material, or any claim arising out of or in connection with a release of a Hazardous Material, which arises in connection with any of its properties, and any other environmental or health and safety condition which would reasonably be expected to result in any material interference with the use or operation of any of its properties or could reasonably be expected to have a Material Adverse Effect.

Section 6.14. Compliance with Rules and Regulations. (a) The Authority shall comply with all Applicable Laws, including, without limitation, Environmental Laws which, if not complied with, could reasonably be expected to result in a Material Adverse Effect.

(b) The Authority shall comply with all applicable Environmental Laws and cure any defect (or cause other Persons to cure any such defect) to the extent necessary to bring such real property owned, leased, occupied or operated by the Authority back into compliance with Environmental Laws and to comply with any cleanup orders issued by a Governmental Authority
having jurisdiction thereover to the extent that any failure to do so, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. The Authority shall at all times use commercially reasonable efforts to render or maintain any real property owned, leased, occupied or operated by the Authority safe and fit for its intended uses. The Authority shall also immediately notify the Bank of any actual or alleged material failure to so comply with or perform, or any material breach, violation or default under any Environmental Law.

Section 6.15. Use of Bank's Name. The Authority shall not include any information concerning the Bank in any offering document with respect to any Debt of the Authority that is not supplied in writing, or otherwise approved, by the Bank expressly for inclusion therein.

Section 6.16. Budget. The Authority covenants to include any Obligations (including, without limitation, the principal of and interest on all Revolving Loans and Term Loans) within the Authority’s then current budget for the relevant Fiscal Year.

Section 6.17. Incorporation of Covenants by Reference. The Authority agrees that it will perform and comply with each and every covenant and agreement required to be performed or observed by it in the Related Documents, which provisions, as well as related defined terms contained therein, are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety all of which shall be deemed to be made for the benefit of the Bank and shall be enforceable by the Bank against the Authority, which covenants, agreements, definitions and provisions shall continue in effect with regard to the Bank without regard or giving effect to any amendment or modification of such provisions or any waiver of compliance therewith unless consented to in writing by the Bank.

Section 6.18. Accounting Methods and Fiscal Year. The Authority will notify the Bank of any change in the Authority's Fiscal Year.

Section 6.19. Sovereign Immunity. To the extent that the Authority has or hereafter may acquire under any Applicable Law any right to immunity from set off or legal proceedings on the grounds of sovereignty or otherwise, the Authority hereby irrevocably waives, to the extent permitted by law, such rights to immunity for itself in respect of its obligations arising under or related to this Agreement, the Fee Letter, the Notes or the other Related Documents to which it is a party.

Section 6.20. Reserved.

Section 6.21. Disclosure to Participants, Bank Transferees and Non-Bank Transferees. The Authority shall permit the Bank to disclose the financial information received by it pursuant to this Agreement to each Participant of the Bank, subject to confidentiality restrictions and use restrictions customary for financial institutions.

Section 6.22. Bank Agreements. In the event that the Authority shall, directly or indirectly, enter into or otherwise consent to any Bank Agreement which provides different or more restrictive covenants, different or additional events of default and/or greater rights and remedies than are provided to the Bank in this Agreement, the Authority shall provide the Bank with a copy of each
such Bank Agreement and such different or more restrictive covenants, different or additional events of default and/or greater rights and remedies shall automatically be deemed to be incorporated into this Agreement and the Bank shall have the benefits of such different or more restrictive covenants, different or additional events of default and/or greater rights and remedies as if specifically set forth herein. The Authority shall promptly enter into an amendment to this Agreement to include different or more restrictive covenants, different or additional events of default and/or greater rights and remedies; provided that the Bank shall have and maintain the benefit of such different or more restrictive covenants, different or additional events of default and/or greater rights and remedies even if the Authority fails to provide such amendment. The release, termination or other discharge of any Bank Agreement that provides for such different or more restrictive covenants, different or additional events of default and/or greater rights and remedies shall be effective to mend, release, terminate or discharge (as applicable) such provisions as incorporated by reference herein without the consent of the Authority.

Section 6.23. Maintenance of Tax-Exempt Status. The Authority shall not take any action or omit to take any action which, if taken or omitted, would adversely affect the tax exempt status of the Tax-Exempt Revolving Loans and the Tax-Exempt Term Loan.

Section 6.24. Derivative Products. The Authority shall not enter into any Derivative Products wherein any termination payments thereunder are senior to or on parity with the payment of the Loans or the other Obligations.

Section 6.25. Compliance with OFAC Sanctions Programs and Anti-Corruption Laws. (a) The Authority shall at all times comply with the requirements of all OFAC Sanctions Programs applicable to the Authority.

(b) The Authority shall provide the Bank any information reasonably requested by the Bank regarding Authority necessary to ensure the Bank does not violate applicable OFAC Sanctions Programs.

(c) If the Authority obtains actual knowledge or receives any written notice that the Authority or any director or officer of the Authority is named on the then current OFAC SDN List or otherwise is in violation of, or has caused the Bank to be in violation of, any OFAC Sanctions Programs (including without limitation, the impact of being located, organized, or resident in a country or territory that is, or whose government is, the subject or target of any OFAC Sanctions Programs (other than to the extent dealings with the Authority is licensed, approved, exempted or permitted pursuant to OFAC Sanctions Programs or are not otherwise prohibited or restricted thereunder)) (such occurrence, an "OFAC Event"), the Authority shall promptly (i) give written notice to the Bank of such OFAC Event, and (ii) comply in all material respects with requirements of the OFAC Sanctions Programs applicable to the Authority with respect to such OFAC Event (regardless of whether the party included on the OFAC SDN List is located within the jurisdiction of the United States of America).

(d) The Authority will not, directly or, to Authority's knowledge, indirectly, use the proceeds of the Loans, or lend, contribute or otherwise make available such proceeds to any other Person, (i) to fund any activities or business of or with any Person or in any country or territory,
that, at the time of such funding, is, or whose government is, the subject of any OFAC Sanctions Programs, or (ii) in any other manner that would result in a violation of OFAC Sanctions Programs or Anti-Corruption Laws by the Authority.

(e) The Authority will not violate any Anti-Corruption Law in any material respect.

(f) The Authority will maintain in effect policies and procedures reasonably designed to ensure compliance by the Authority, and its directors, officers, employees, and agents with applicable Anti-Corruption Laws.

**ARTICLE 7**

**DEFAULTS**

**Section 7.01. Events of Default.** The occurrence of any of the following events (whatever the reason for such event and whether voluntary, involuntary, or effected by operation of Law) shall be an “Event of Default” hereunder, unless waived in writing by Bank:

(a) the Authority fails to pay, or cause to be paid, when due, any amount or principal or interest of any Revolving Loan or any Term Loan when due;

(b) the Authority shall fail to pay any Obligation (other than the obligation to pay the principal of or interest on any Revolving Loan or Term Loan) when due and such failure shall continue for five (5) Business Days;

(c) failure of the Authority to observe or perform any of the covenants or conditions contained in Sections 6.02(a), 6.04, 6.05, 6.06, 6.07, 6.08, 6.12, 6.15, 6.16, 6.19, 6.23, 6.24 or 6.25 hereof;

(d) failure of the Authority to observe or perform any of the covenants, conditions or provisions of this Agreement or the Notes (other than as described in any other Event of Default hereunder) and to remedy such default within thirty (30) calendar days;

(e) any representation or warranty made by the Authority herein or in any certificate, financial or other statement furnished by the Authority to the Bank pursuant to this Agreement or the Related Documents shall prove to have been untrue or incomplete in any material adverse respect when made;

(f) the Authority shall apply for or consent to the appointment of, or the taking of possession by, a receiver, trustee, liquidator or custodian or the like of itself, admit in writing its inability, or be generally unable, to pay its debts as they become due, make a general assignment for the benefit of creditors, or commence a voluntary case as a debtor under the federal bankruptcy laws of the United States of America or file a voluntary petition or answer seeking reorganization, an arrangement with creditors or an order for relief as a debtor or seeking to take advantage of any insolvency law or file an answer
admitting the material allegations of a petition filed against it in any bankruptcy, reorganization or insolvency proceeding, or action shall be taken by it for the purpose of effecting any of the foregoing;

(g) if a proceeding shall be instituted, without the application or consent of the Authority, in any court of competent jurisdiction under any law relating to bankruptcy, insolvency, reorganization, dissolution, winding up, liquidation, seeking a composition or arrangement with creditors, a readjustment of debts, the appointment of a trustee, receiver, liquidator or custodian or the like of the Authority, or other like relief in respect thereof under any bankruptcy or insolvency law, and the same shall result in the entry of an order for relief or any such adjudication or appointment, or continue undismissed, or pending and unstayed for any period of sixty (60) consecutive calendar days;

(h) any material provision of this Agreement, the Fee Letter, the Notes or any Related Document shall at any time for any reason cease to be the legal, valid and binding obligation of the Authority or shall cease to be in full force and effect, or shall be declared to be not valid or binding in accordance with the terms thereof, or the validity or enforceability thereof shall be contested by the Authority or any Governmental Authority, as the case may be, shall renounce the same or deny that it has any further liability hereunder or thereunder;

(i) the Authority shall (i) fail to make any payment or payments of any Debt when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Debt, or (ii) fail to perform or observe any term, covenant or condition on its part to be performed or observed under any such agreement or instrument (other than any failure to perform any term contemplated by subclause (i) hereof) if, in either case, the effect of such failure to perform or observe is to accelerate, or to permit the acceleration of the maturity of, or mandatory redemption of any Debt of the Authority;

(k) (i) a final, non-appealable judgment or order for the payment of money constituting Debt in excess of $1,000,000 shall be rendered against the Authority or (ii) any litigation or administrative proceeding ensues resulting in a judgment, which judgment is not dismissed or appealed within sixty (60) days, involving the Authority or any instrument, contract or document delivered to the Bank in compliance herewith, and the adverse result of such litigation or proceeding could have, in the Bank’s reasonable judgment, a Material Adverse Effect;

(l) the occurrence of an “event of default” as defined in any other loan or credit agreement under which the Authority is now or hereafter obligated to the Bank or an “event of default” shall have occurred under any Related Document;

(m) the unenhanced ratings assigned to any general obligation long-term, indebtedness of the Authority by S&P shall be reduced below “BBB-” or if another rating agency is then maintaining a rating by agreement with the Authority, said rating shall be
reduced below a level comparable to the foregoing, or either or both of said unenhanced ratings (or a comparable rating as contemplated above) shall be withdrawn or suspended;

(n) there shall be appointed or designated with respect to the Authority, an entity such as an organization, board, commission, authority, agency or body to monitor or declare a financial emergency or similar state of financial distress with respect to it or there shall be declared by it or by any legislative or regulatory body with competent jurisdiction over it, the existence of a state of financial emergency or similar state of financial distress in respect of it; or

(o) a debt moratorium, debt restructuring, debt adjustment or comparable restriction is imposed on the repayment when due and payable of the principal of or interest on any Debt of the Authority by the Authority or any Governmental Authority with appropriate jurisdiction.

Section 7.02. Consequences of an Event of Default. If an Event of Default specified in Section 7.01 hereof shall occur and be continuing, the Bank may take one or more of the following actions at any time and from time to time (regardless of whether the actions are taken at the same or different times):

(a) declare the Revolving Commitment of the Bank to make Revolving Loans to be terminated by written notice to the Authority, whereupon such Revolving Commitment and obligation shall be terminated; provided, that if any Event of Default described in Section 7.01(f), (g) or (o) hereof shall occur, the Revolving Commitment shall be automatically terminated on the date of the occurrence of such Event of Default without presentment, demand, protest, notice of intention to accelerate, notice of acceleration or other notice of any kind to the Authority or any other Person, all of which are hereby expressly waived;

(b) by written notice to the Authority, declare the Outstanding Amount of the Obligations (including any Revolving Loans and Term Loans) to be immediately due and payable without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived, and an action therefor shall immediately accrue; provided, that if any Event of Default described in Section 7.01(f), (g) or (o) hereof shall occur, the Obligations shall be automatically accelerated on the date of the occurrence of such Event of Default without presentment, demand, protest, notice of intention to accelerate, notice of acceleration or other notice of any kind to the Authority or any other Person, all of which are hereby expressly waived;

(c) either personally or by attorney or agent without bringing any action or proceeding, or by a receiver to be appointed by a court in any appropriate action or proceeding, may take whatever action at law or in equity may appear necessary or desirable to collect the amounts due and payable under this Agreement and the Notes or to enforce performance or observance of any obligation, agreement or covenant of the Authority under this Agreement and the Notes, whether for specific performance of any agreement
or covenant of the Authority or in aid of the execution of any power granted to the Bank in this Agreement or the Notes or the other Related Documents; and

(d) exercise, or cause to be exercised, any and all remedies as it may have under this Agreement, the Notes and the other Related Documents.

In each case, the Obligations of the Authority shall, from and after the occurrence of an Event of Default, bear interest at the Default Rate until such time as the Bank shall have waived same or said Event of Default shall have been cured.

Section 7.03. Remedies Cumulative; Solely for the Benefit of the Bank. (a) To the extent permitted by Applicable Law, each and every right, power and remedy herein specifically given to the Bank in this Agreement, the Notes and the other Related Documents shall be cumulative, concurrent and nonexclusive and shall be in addition to every other right, power and remedy herein specifically given or now or hereafter existing at law, in equity or by statute, and each and every right, power and remedy (whether specifically herein given or otherwise existing) may be exercised from time to time and as often and in such order as may be deemed expedient by the Bank, and the exercise or the beginning of the exercise of any power or remedy shall not be construed to be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy.

(b) The rights and remedies of the Bank specified herein are for the sole and exclusive benefit, use and protection of the Bank, and the Bank is entitled, but shall have no duty or obligation to the Authority or any other Person or otherwise, to exercise or to refrain from exercising any right or remedy reserved to the Bank hereunder or under any of the other Related Documents.

Section 7.04. Waivers or Omissions. No delay or omission by the Bank in the exercise of any right, remedy or power or in the pursuit of any remedy shall impair any such right, remedy or power or be construed to be a waiver of any default on the part of the Bank or to be acquiescence therein. No express or implied waiver by the Bank of any Event of Default shall in any way be, or be construed to be, a waiver of any future or subsequent Event of Default.

Section 7.05. Discontinuance of Proceedings. In case the Bank shall proceed to invoke any right, remedy or recourse permitted under this Agreement, the Notes or the other Related Documents and shall thereafter elect to discontinue abandon the same for any reason, the Bank shall have the unqualified right so to do and, in such event, the Authority and the Bank shall be restored to their former positions with respect to the Obligations, this Agreement, the Notes and the other Related Documents and otherwise, and the rights, remedies, recourse and powers of the Bank hereunder shall continue as if the same had never been invoked.

Section 7.06. Injunctive Relief. The Authority recognizes that in the event the Authority fails to perform, observe or discharge any of its obligations or liabilities under this Agreement or the Notes, any remedy of law may prove to be inadequate relief to the Bank; therefore, the Authority agrees that the Bank, if the Bank so requests, shall be entitled to temporary and permanent injunctive relief in any such case.
ARTICLE 8

MISCELLANEOUS

Section 8.01. Amendments, Etc.; Amendments and Waivers. The Bank and the Authority may from time to time enter into agreements amending, modifying or supplementing this Agreement, the Bank Note or the other Related Documents or changing the rights of the Bank or the Authority hereunder or thereunder, and the Bank may from time to time grant waivers or consents to a departure from the due performance of the obligations of the Authority hereunder or thereunder. Any such agreement, waiver or consent must be in writing and shall be effective only to the extent specifically set forth in such writing. In the case of any such waiver or consent relating to any provision hereof, any Default or Event of Default so waived or consented to shall be deemed to be cured and not continuing, but no such waiver or consent shall extend to any other or subsequent Default or Event of Default or impair any right consequent thereto; provided that no amendment to the terms “Amortization End Date,” “Amortization Payment Date,” and “Commitment Termination Date” shall be permitted without the delivery of an Approving Opinion to the Bank.

Section 8.02. Notices; Effectiveness; Electronic Communication.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by fax transmission or e-mail transmission as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, to the address, fax number, e-mail address or telephone number specified for the Authority or the Bank on Schedule 8.02.

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by fax transmission shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in subsection (b) below shall be effective as provided in such subsection (b).

(b) Electronic Communications. Notices and other communications to the Bank hereunder may be delivered or furnished by electronic communication (including e-mail, FPML messaging and Internet or intranet websites) pursuant to procedures approved by the Bank. The Bank or the Authority may each, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.
Unless the Bank otherwise prescribes, (i) notices and other communications sent to an
email address shall be deemed received upon the sender’s receipt of an acknowledgement from
the intended recipient (such as by the “return receipt requested” function, as available, return
e-mail or other written acknowledgement), and (ii) notices and other communications posted to an
Internet or intranet website shall be deemed received by the intended recipient upon the sender’s
receipt of an acknowledgement by the intended recipient (such as by the “return receipt requested”
function, as available, return email address or other written acknowledgement) indicating that such
notice or communication is available and identifying the website address therefor; provided that,
for both clauses (i) and (ii), if such notice, email or other communication is not sent during the
normal business hours of the recipient, such notice, email or communication shall be deemed to
have been sent at the opening of business on the next Business Day for the recipient.

(c) Change of Address, Etc. Each of the Authority and the Bank may change its address,
fax number or telephone number or email address for notices and other communications
hereunder by notice to the other parties hereto.

(d) Reliance by Bank. The Bank shall be entitled to rely and act upon any notices
(including, without limitation, telephonic or electronic notices, Loan Notices and Notice of Loan
Prepayment) purportedly given by or on behalf of the Authority even if (i) such notices were not
made in a manner specified herein, were incomplete or were not preceded or followed by any other
form of notice specified herein, or (ii) the terms thereof, as reasonably understood by the recipient,
varied from any confirmation thereof. The Authority shall, to the extent permitted by law,
indemnify the Bank and the Related Parties of each of them from all losses, costs, expenses and
liabilities resulting from the reliance by such Person on each notice purportedly given by or on
behalf of the Authority. All telephonic notices to and other telephonic communications with the
Bank may be recorded by the Bank, and each of the parties hereto hereby consents to such
recording.

Section 8.03. No Waiver; Cumulative Remedies; Enforcement. No failure by the Bank to
exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege
hereunder or under any other Related Document shall operate as a waiver thereof; nor shall any
single or partial exercise of any right, remedy, power or privilege hereunder or under any other
Related Document preclude any other or further exercise thereof or the exercise of any other right,
remedy, power or privilege. The rights, remedies, powers and privileges herein provided, and
provided under each other Related Document, are cumulative and not exclusive of any rights,
remedies, powers and privileges provided by law.

Section 8.04. Costs and Expenses; Damage Waiver.

(a) Costs and Expenses. The Authority shall pay (i) all reasonable out-of-pocket
expenses incurred by the Bank and its Affiliates (including the reasonable fees, charges and
disbursements of counsel for the Bank), in connection with the preparation, negotiation, execution,
delivery and administration of this Agreement and the other Related Documents or any
amendments, modifications or waivers of the provisions hereof or thereof (whether or not the
transactions contemplated hereby or thereby shall be consummated), and (ii) all out-of-pocket
expenses incurred by the Bank (including the fees, charges and disbursements of any counsel for
the Bank), and shall pay all fees and time charges for attorneys who may be employees of the
Bank, in connection the enforcement or protection of its rights (A) in connection with this
Agreement and the other Related Documents, including its rights under this Section, or (B) in
connection with Revolving Loans or the Term Loans made hereunder, including all such
out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of
such Revolving Loans or the Term Loans.

(b) **Indemnification by the Authority.** In addition to any and all rights of reimbursement,
indemnification, subrogation or any other rights pursuant hereto or under law or equity, the
Authority hereby agrees, to the extent permitted by law, to indemnify and hold harmless the Bank
and its officers, directors and agents and each Participant (the "Indemnitees") from and against
any and all claims, damages, losses, liabilities, costs or expenses whatsoever (including reasonable
attorneys' fees) which the Bank and each Participant may incur (or which may be claimed against
the Bank and each Participant by any Person or entity whatsoever) by reason of or in connection
with the transactions contemplated by this Agreement, including, without limitation (a) the
execution and delivery or transfer of, or failure to pay the Notes; (b) the use of the proceeds of the
Revolving Loans; or (c) the use or occupancy of the properties of the Authority by any Person;
provided, however, that the Authority shall not be required to indemnify the Bank for any claims,
damages, losses, liabilities, costs or expenses to the extent, but only to the extent, that any such
claim, damage, loss, liability, cost or expense shall be caused by the Bank's gross negligence or
willful misconduct in connection with the Revolving Loans or the Term Loans. If any proceeding
shall be brought or threatened against an Indemnitee by reason of or in connection with the events
described in clause (a), (b) or (c), the Bank shall promptly notify the Authority in writing. The
Bank shall have the right to employ its own counsel and to determine its own defense of such
action in any such case, and the fees and expenses of such counsel shall be at the expense of the
Authority.

(c) **Waiver of Consequential Damages, Etc.** To the fullest extent permitted by Applicable
Law, the Authority shall not assert, and hereby waives, and acknowledges that no other Person
shall have, any claim against any Indemnitee, on any theory of liability, for special, indirect,
consequential or punitive damages (as opposed to direct or actual damages) arising out of, in
connection with, or as a result of, this Agreement, any other Related Document or any agreement
or instrument contemplated hereby, the transactions contemplated hereby or thereby, any
Revolving Loan, Term Loans or Letters of Credit or the use of the proceeds thereof. No
Indemnitee referred to in subsection (b) above shall be liable for any damages arising from the use
by unintended recipients of any information or other materials distributed to such unintended
recipients by such Indemnitee through telecommunications, electronic or other information
transmission systems in connection with this Agreement or the other Related Documents or the
transactions contemplated hereby or thereby.

(d) **Payments.** All amounts due under this Section shall be payable not later than ten (10)
Business Days after demand therefor.

(e) **Survival.** The agreements in this Section and the indemnity provisions of
Section 8.02(d) shall survive the termination of the Revolving Commitment and the repayment,
satisfaction or discharge of all the other Obligations.
Section 8.05. Payments Set Aside. To the extent that any payment by or on behalf of the Authority is made to the Bank, or the Bank exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Bank in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred.

Section 8.06. Successors and Assigns; Participations. (a) Participations. The Bank may grant participations herein or in any of its rights and security hereunder, provided that any such participation shall grant to the Authority the right to continue dealing solely with the Bank. Any such participant is referred to in this agreement as a “Participant”; provided, however, that (i) no such participation by any such participant shall in any way affect the obligations of the Bank hereunder; (ii) the Bank shall provide the Authority with written notice of such participation five (5) Business Days before the effectiveness thereof if such Participant shall have any of the rights of set-off against the Authority; and (iii) the Authority shall be required to deal only with the Bank, with respect to any matters under this Agreement and the other Related Documents and no such participant shall be entitled to enforce any provision hereunder against the Authority. The Authority agrees that each participant shall be entitled to the benefits of Sections 3.01, 3.02 and 8.04 hereof to the same extent as if it were a Bank hereunder; provided, however, that a participant shall not be entitled to receive any greater payment under Sections 3.01 and 3.02 than the Bank would have been entitled to receive with respect to the participation sold to such participant, unless the sale of the participation to such participant is made with the Authority’s prior written consent. In connection with any proposed participation, the Bank may disclose to the proposed Participant any information that the Authority is required to deliver to the Bank pursuant to this Agreement.

(b) Successors and Assigns Generally. This Agreement is a continuing obligation and shall be binding upon the Authority, its successors, transferees and assigns and shall inure to the benefit of the holders of the Notes and their respective permitted successors, transferees and assigns. The Authority may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Bank. Notwithstanding anything to the contrary set forth herein, so long as no Event of Default shall have occurred and be continuing hereunder, City National Bank may not assign its obligations to fund Revolving Loans pursuant to the terms of this Agreement without the prior written consent of the Authority (such consent not to be unreasonably withheld). Each holder of a Note may, in its sole discretion and in accordance with applicable law, from time to time assign, sell or transfer in whole or in part, its interest in a Note and the Loans evidenced thereby in accordance with the provisions of paragraph (c) or (d) of this Section. Each holder of a Note and the Loans evidenced thereby may at any time and from time to time enter into participation agreements in accordance with the provisions of paragraph (a) of this Section. Each holder of a Note and the Loans evidenced thereby may at any time pledge or assign a security interest subject to the restrictions of paragraph (e) of this Section.

(c) Sales and Transfers by Noteholder to a Bank Transferee. Without limitation of the foregoing generality, the Bank may at any time sell or otherwise transfer to one or more transferees all or a portion of a Note to a Person that is (i) an Affiliate of the Bank or (ii) a trust or other
custodial arrangement established by the Bank or an Affiliate of the Bank, the owners of any beneficial interest in which are limited to “qualified institutional buyers” as defined in Rule 144A promulgated under the 1933 Act (each, a “Bank Transferee”). From and after the date of such sale or transfer, City National Bank (and its successors) shall continue to have all of the rights of the Bank hereunder and under the other Related Documents as if no such transfer or sale had occurred; provided, however, that (A) no such sale or transfer referred to in clause (c)(i) or (c)(ii) hereof shall in any way affect the obligations of the Bank hereunder, (B) any such sale or transfer referred to in clause (e)(i) or (e)(ii) hereof shall be in a minimum amount of $250,000, (C) the Authority shall be required to deal only with the Bank with respect to any matters under this Agreement and (D) in the case of a sale or transfer referred to in clause (c)(i) or (c)(ii) hereof, only the Bank shall be entitled to enforce the provisions of this Agreement, the Note and the Related Documents against the Authority. Upon the request of the Authority, the Bank shall provide the addresses and related information with respect to the Bank Transferee to the Authority.

Anything herein to the contrary notwithstanding, if any Bank Transferee shall incur increased costs or capital adequacy requirements as contemplated by Section 3.02 hereof, and such increased costs or capital adequacy requirements are greater than those that the Bank would have incurred had it not sold or otherwise transferred all or a portion of a Note to such Bank Transferee provided for in this Section 8.06(c), then the Authority shall not be obligated to pay to such Bank Transferee any portion of the cost greater than that which the Authority would have paid under the provisions of Section 3.02 hereof had the Bank not sold or otherwise transferred all or a portion of such Note to a Bank Transferee.

(d) Sales and Transfers by Noteholder to a Non-Bank Transferee. Without limitation of the foregoing generality, a holder of a Note may at any time sell or otherwise transfer all or a portion of a Note to one or more transferees which are not Bank Transferees but each of which constitutes a “qualified institutional buyer” as defined in Rule 144A promulgated under the 1933 Act (each a “Non-Bank Transferee”), if written notice of such sale or transfer, including that such sale or transfer is to a Non-Bank Transferee, together with addresses and related information with respect to the Non-Bank Transferee, shall have been given to the Authority and the Bank (if different than the Noteholder) by such selling holder of a Note and Non-Bank Transferee; provided, however, that any such sale or transfer shall be in a minimum amount of $250,000.

From and after the date the Authority has received written notice, (A) the Non-Bank Transferee thereunder shall be a party hereto and shall have the rights and obligations of a Noteholder (other than its obligation to fund Revolving Loans) hereunder and under the other Related Documents, and this Agreement shall be deemed to be amended to the extent, but only to the extent, necessary to effect the addition of the Non-Bank Transferee, and any reference to the assigning holder of a Note hereunder and under the other Related Documents shall thereafter refer to such transferring holder of a Note and to the Non-Bank Transferee to the extent of their respective interests, and (B) if the transferring holder of a Note no longer owns any portion of the Note, then it shall relinquish its rights and be released from its obligations hereunder and under the other Related Documents (other than its obligation to fund Revolving Loans).

Anything herein to the contrary notwithstanding, if any Non-Bank Transferee shall incur increased costs or capital adequacy requirements as contemplated by Section 3.02 hereof, and such
increased costs or capital adequacy requirements are greater than those that the Bank would have incurred had all or a portion of the Note not been sold or otherwise transferred to such Non-Bank Transferee provided for in this Section 8.06(d), then the Authority shall not be obligated to pay to such Non-Bank Transferee any portion of the cost greater than that which the Authority would have paid under the provisions of Section 3.02 hereof had all or a portion of the Note(s) not been sold or otherwise transferred to such Bank Transferee.

(e) Certain Pledges. The Bank may at any time pledge or grant a security interest in all or any portion of its rights under the Notes, this Agreement and the other Related Documents to secure obligations of the Bank, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release the Bank from any of its obligations hereunder or substitute any such pledgee or assignee for the Bank as a party hereto.

Section 8.07. Counterparts; Integration; Effectiveness. This Agreement and each of the other Related Documents may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Related Documents, and any separate letter agreements with respect to fees payable to the Bank, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Bank and when the Bank shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement or any other Related Document, or any certificate delivered thereunder, by fax transmission or e-mail transmission (e.g., “pdf” or “tif”) shall be effective as delivery of a manually executed counterpart of this Agreement or such other Related Document or certificate. Without limiting the foregoing, to the extent a manually executed counterpart is not specifically required to be delivered under the terms of any Related Document, upon the request of any party, such fax transmission or e-mail transmission shall be promptly followed by such manually executed counterpart.

Section 8.08. Survival of Representations and Warranties. All representations and warranties made hereunder and in any other Related Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Bank, regardless of any investigation made by the Bank or on its behalf and notwithstanding that the Bank may have had notice or knowledge of any Default or Event of Default at the time of funding any Revolving Loan or the making of the Term Loans, and shall continue in full force until the Commitment Termination Date or Amortization End Date.

Section 8.09. Severability. If any provision of this Agreement or the other Related Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Related Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the
economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 8.10. Governing Law; Jurisdiction Etc. (a) This Agreement and any other documents to which the Bank shall become a party shall be governed by, and construed in accordance with, the laws of the State of California.

(b) To the extent permitted by Applicable Law, the Authority and the Bank agree to waive their respective rights to a jury trial of any and all claim or causes of action based upon or arising out of this Agreement and the Related Documents. If and to the extent that the foregoing waiver of the right to a jury trial is unenforceable for any reason in such forum, each of the parties hereto hereby consents to the adjudication of all claims pursuant to judicial reference as provided in California Code of Civil Procedure Section 638, and the judicial referee shall be empowered to hear and determine all issues in such reference, whether fact or law. Each of the parties hereto represents that each has reviewed this waiver and consent and each knowingly and voluntarily waives its jury trial rights and consents to judicial reference following consultation with legal counsel on such matters. In the event of litigation, a copy of this Agreement may be filed as a written consent to a trial by the court or to judicial reference under California Code of Civil Procedure Section 638 as provided herein.

(c) Each party hereto consents to and submits to in personam jurisdiction and venue in the State of California and in the federal district courts which are located in the State of California. Each party asserts that it has purposefully availed itself of the benefits of the laws of the State of California and waives any objection to in personam jurisdiction on the grounds of minimum contacts, waives any objection to venue, and waives any plea of forum non conveniens. This consent to and submission to jurisdiction is with regard to any action related to this Agreement. Regardless of whether the party's actions took place in the State of California or elsewhere in the United States, this submission to jurisdiction is nonexclusive, and does not preclude either party from obtaining jurisdiction over the other in any court otherwise having jurisdiction.

Section 8.11. No Advisory or Fiduciary Relationship. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or the Notes), the Authority acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (a) (i) the services regarding this Agreement provided by the Bank and any Affiliate thereof are arm's-length commercial transactions between the Authority, on the one hand, and the Bank and its Affiliates, on the other hand, (ii) the Authority has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) the Authority is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the Notes; (b) (i) the Bank and its Affiliates each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor.
(municipal, financial or otherwise), agent or fiduciary, for the Authority, or any other Person and (ii) neither the Bank nor any of its Affiliates has any obligation to the Authority with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the Notes; and (c) the Bank and its Affiliates may be engaged in a broad range of transactions that involve interests that differ: from those of the Authority, and neither the Bank nor any of its Affiliates has any obligation to disclose any of such interests to the Authority. To the fullest extent permitted by law, the Authority, hereby waives and releases any claims that it may have against the Bank or any of its Affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transactions contemplated hereby.

Section 8.12. Electronic Execution of Certain Documents. The words “delivery,” “execute,” “execution,” “signed,” “signature,” and words of like import in any Related Document or any other document executed in connection herewith shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Bank, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided in any Applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

Section 8.13. USA Patriot Act. The Bank hereby notifies the Authority that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the “USA Patriot Act”), it is required to obtain, verify and record information that identifies the Authority, which information includes the name and dress of the Authority and other information that will allow the Bank to identify the Authority in accordance with the USA Patriot Act. The Authority agrees to, promptly following a request by the Bank, provide all such other documentation and information that the Bank requests in order to comply with its ongoing obligations under applicable “know your customer” and anti-money laundering rules and regulations, including the USA Patriot Act.


Section 8.15. Right of Set-Off. (a) Upon the occurrence of an Event of Default, the Bank may, at any time and from time to time, without notice to the Authority or any other person (any such notice being expressly waived), set off and appropriate and apply against and on account of any Obligations under this Agreement, without regard to whether or not the Bank shall have made any demand therefor, and although such Obligations may be contingent or unmatured, any and all deposits (general or special, including but not limited to deposits made pursuant to this Agreement and Debt evidenced by certificates of deposit, whether matured or unmatured, but not including trust accounts, such as restricted donor accounts) and any other Debt at any time held or owing by such Bondholder to or for the credit or account of any or all of the Authority.

(b) The Bank agrees promptly to notify the Authority after any such set-off and application referred to in subsection (a) above, provided that the failure to give such notice shall not affect the validity of such set-off and application. Subject to the provisions of subsection (a)
above, the rights of the Bank under this Section 8.15 are in addition to other rights and remedies (including, without limitation, other rights of set-off) which the Bank may have.

Section 8.16. EMMA Postings. The Authority shall not file or submit or permit the filing or submission, of all or any portion of any document (or any summary thereof) entered into in connection with this Agreement or the other Related Documents (or any default, event of acceleration, termination event, modification of terms or other similar events relating to this Agreement) with the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system (or any successor continuing disclosure vehicle) unless such document or portion thereof (or summary thereof), as applicable, to be so filed or submitted (i) has been provided to the Bank for review in advance of such filing or submission, and (ii) shall have been redacted to the extent reasonably required by the Bank with respect to notice addresses, signatories, wiring information and similar confidential information, provided that such redaction may be no greater than permitted under applicable federal securities law guidance, if any. The Authority acknowledges and agrees that although the Bank may request review, edits or redactions of such materials prior to filing, the Bank is not responsible for the Authority’s or any other entity’s (including, but not limited to, any broker-dealer’s) compliance or noncompliance (or any claims, losses or liabilities arising therefrom) with any continuing disclosure undertaking, similar agreement or applicable securities or other laws, including but not limited to those relating to SEC Rule 15c2-12.

[Signature Pages to Follow]
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

HOUSING AUTHORITY OF THE CITY OF LOS ANGELES

By: _____________________________
    Name: __________________________
    Title: ___________________________

CITY NATIONAL BANK

By: _____________________________
    Name: __________________________
    Title: ___________________________
SCHEDULE 8.02

BANK'S LENDING OFFICE,
CERTAIN ADDRESSES FOR NOTICES

AUTHORITY:

Housing Authority of the City of Los Angeles
2600 Wilshire Boulevard
Los Angeles, California 90057
Attention: Chief Administrative Officer
Telephone: (213) 252-1814
Teletype:

With copies to:

Housing Authority of the City of Los Angeles
2600 Wilshire Boulevard
Los Angeles, California 90057
Attention: Bond Manager
Telephone: (213) 252-3167
Teletype:

BANK:

City National Bank

Attention:
Telephone:
Teletype:
E-mail:

With Copies to:

City National Bank

Attention:
Telephone:
Teletype:
E-mail:
EXHIBIT A

[FORM OF REVOLVING LOAN NOTICE]

City National Bank

Telephone:
Facsimile:
Attention:
Email:

Ladies and Gentlemen:

The undersigned, an Authorized Officer, refers to the Revolving Credit Agreement dated as of ____________ 20__, (together with any amendments or supplements thereto, the “Agreement”), by and between the Housing Authority of the City of Los Angeles (the “Authority”) and City National Bank (the “Bank”) (the terms defined therein being used herein as herein defined) and hereby requests, pursuant to Section 2.02 of the Agreement, [a Borrowing] [a conversion of a Revolving Loan from one Type to the other] [a continuation of a LIBOR Rate Revolving Loan], and in that connection sets forth below the following information relating to such proposed Revolving Loan (the “Proposed Revolving Loan”):

1. The Business Day of the Proposed Revolving Loan is ____________ 20__ (the “Loan Date”), which is at least three (3) London Business Days after the date hereof if the Proposed Revolving Loan is a LIBOR Rate Revolving Loan.

2. The principal amount of the Proposed Revolving Loan is $[__________], which is not greater than the Available Commitment as of the Loan Date set forth in 1 above, unless such Proposed Revolving Loan is a continuation of an existing Revolving Loan or a conversion of an existing LIBOR Rate Revolving Loan maturing on the Loan Date.

3. Of the aggregate amount of the Proposed Revolving Loan:

$______ shall be used for acquisition, equipping and development of housing properties and mixed-used properties in accordance with the Agreement.

$______ shall be used for rehabilitation and renovation, provided such amount together with the proceeds of all prior Revolving Loans used for rehabilitation and renovation does not exceed $1,000,000 in the aggregate.

$______ shall be used for the Parking Lot Project, provided that the consent of the Bank shall be required of the Proposed Revolving Loan,
$_____ shall be used for Site Acquisition, provided that such amount together with the aggregate amount of the proceeds of all outstanding Revolving Loans used for Site Acquisition does not exceed thirty percent (30%) of the Revolving Loan Commitment.

4. The Proposed Revolving Loan shall be a [Tax-Exempt Revolving Loan] [Taxable Revolving Loan] and the interest rate with respect to the Proposed Revolving Loan shall be [the Tax-Exempt LIBOR Rate] [the Tax-Exempt Base Rate] [the Taxable LIBOR Rate] [the Taxable Base Rate].

5. The duration of the Interest Period for the Proposed Revolving Loan constituting a LIBOR Rate Revolving Loan shall be one month.

[Because the Proposed Revolving Loan is being converted to/from a Tax-Exempt Revolving Loan, an Approving Opinion is included herewith.]

6. After giving effect to the Proposed Revolving Loan, the aggregate principal amount of all Loans outstanding under the Agreement will not exceed the Revolving Commitment. With respect to a Borrowing, the amount of such Loan is not in excess of the Tax-Exempt Revolving Loan Commitment or the Taxable Revolving Loan Commitment, as applicable, as of the Loan Date set forth in 1 above.

Solely with respect to a Borrowing, the undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the Loan Date, before and after giving effect thereto:

(a) the undersigned is an Authorized Representative;

(b) the representations and warranties of the Authority set forth in Article V of the Agreement, or which are contained in any document furnished at any time under or in connection with the Agreement, shall be true and correct on the date hereof and on such Loan Date as though made on the date hereof and on such Loan Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct as of such earlier date, and except that for purposes of Section 4.02 of the Agreement, the representations and warranties contained in Section 5.12 of the Agreement shall be deemed to refer to the most recent statements furnished pursuant to clause (a) of Section 6.01 of the Agreement;

(c) no Default or Event of Default shall have occurred and be continuing on such Loan Date or would result from the proposed Borrowing or from the application of the proceeds thereof; and

(d) all conditions precedent to the Borrowing in Section 4.02 of the Agreement have been satisfied.

The Proposed Revolving Loan shall be made by the Bank by wire transfer of immediately available funds to the undersigned in accordance with the instructions set forth below:
HOUSING AUTHORITY OF THE CITY OF LOS ANGELES

By: ____________________________
   Name: __________________________
   Title: __________________________
EXHIBIT B-1

THE TRANSFERABILITY OF THIS NOTE IS SUBJECT TO THE LIMITATIONS ON TRANSFER SET FORTH IN SECTION 8.06 OF THE HEREINAFTER DEFINED AGREEMENT

FORM OF TAX-EXEMPT NOTE

Not to exceed $30,000,000

FOR VALUE RECEIVED, the undersigned the Housing Authority of the City of Los Angeles (the “Authority”), hereby promises to pay to City National Bank, or registered assigns (the “Bank”), in accordance with the provisions of the Agreement (as hereinafter defined), the principal outstanding amount of each Tax-Exempt Revolving Loan and the Tax-Exempt Term Loan from time to time made by the Bank to the Authority under that certain Revolving Credit Agreement, dated as of ________________ , 20__ (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the “Agreement”; the terms defined therein being used herein as therein defined), between the Authority and the Bank, in accordance with the terms of the Agreement.

The Authority promises to pay interest on the unpaid principal amount of each Tax-Exempt Revolving Loan and the Tax-Exempt Term Loan from the date of such Tax-Exempt Revolving Loan and the Tax-Exempt Term Loan until such principal amount is paid in full, at such interest rates and at such times as provided in the Agreement. All payments of principal and interest shall be made to the Bank in Dollars in immediately available funds at the Bank’s Lending Office. If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment) computed at the per annum rate set forth in the Agreement.

This Tax-Exempt Note is the Tax-Exempt Note referred to in the Agreement, is entitled to the benefits thereof and may be prepaid in whole or in part subject to the terms and conditions provided therein. Upon the occurrence and continuation of one or more of the Events of Default specified in the Agreement, all amounts then remaining unpaid on this Tax-Exempt Note shall become, or may be declared to be, immediately due and payable all as provided in the Agreement. The Tax-Exempt Revolving Loans and the Tax-Exempt Term Loan made by the Bank shall be evidenced by one or more loan accounts or records maintained by the Bank in the ordinary course of business. The Bank may also attach schedules to this Tax-Exempt Note and endorse thereon the date, amount and maturity of its Tax-Exempt Revolving Loans and the Tax-Exempt Term Loan and payments with respect thereto.

The Authority, for itself, its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this Tax-Exempt Note.
Delivery of an executed counterpart of a signature page of this Tax-Exempt Note by fax transmission or other electronic mail transmission (e.g., "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Tax-Exempt Note.

HOUSING AUTHORITY OF THE CITY OF LOS ANGELES

By: ________________________________
   Name: ________________________________
   Title: ________________________________
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<th>Amount of Loan Made</th>
<th>Amount of Principal or Interest Paid This Date</th>
<th>Outstanding Principal Balance This Date</th>
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EXHIBIT B-2

THE TRANSFERABILITY OF THIS NOTE IS SUBJECT TO THE LIMITATIONS ON TRANSFER SET FORTH IN SECTION 8.06 OF THE HEREINAFTER DEFINED AGREEMENT

FORM OF TAXABLE NOTE

Not to exceed $30,000,000

FOR VALUE RECEIVED, the undersigned the Housing Authority of the City of Los Angeles (the "Authority"), hereby promises to pay to City National Bank, or registered assigns (the "Bank"), in accordance with the provisions of the Agreement (as hereinafter defined), the principal outstanding amount of each Taxable Revolving Loan and the Taxable Term Loan from time to time made by the Bank to the Authority under that certain Revolving Credit Agreement, dated as of ________________ 20__ (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Agreement"; the terms defined therein being used herein as therein defined), between the Authority and the Bank, in accordance with the terms of the Agreement.

The Authority promises to pay interest on the unpaid principal amount of each Taxable Revolving Loan and the Taxable Term Loan from the date of such Taxable Revolving Loan and the Taxable Term Loan until such principal amount is paid in full, at such interest rates and at such times as provided in the Agreement. All payments of principal and interest shall be made to the Bank in Dollars in immediately available funds at the Bank’s Lending Office. If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment) computed at the per annum rate set forth in the Agreement.

This Taxable Note is the Taxable Note referred to in the Agreement, is entitled to the benefits thereof and may be prepaid in whole or in part subject to the terms and conditions provided therein. Upon the occurrence and continuation of one or more of the Events of Default specified in the Agreement, all amounts then remaining unpaid on this Taxable Note shall become, or may be declared to be, immediately due and payable all as provided in the Agreement. The Taxable Revolving Loans and the Taxable Term Loan made by the Bank shall be evidenced by one or more loan accounts or records maintained by the Bank in the ordinary course of business. The Bank may also attach schedules to this Taxable Note and endorse thereon the date, amount and maturity of its Taxable Revolving Loans and the Taxable Term Loan and payments with respect thereto.

The Authority, for itself, its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this Taxable Note.
Delivery of an executed counterpart of a signature page of this Taxable Note by fax transmission or other electronic mail transmission (e.g., “pdf” or “tif”) shall be effective as delivery of a manually executed counterpart of this Taxable Note.

HOUSING AUTHORITY OF THE CITY OF LOS ANGELES

By: __________________________________________
    Name: ______________________________________
    Title: ________________________________________
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EXHIBIT C

FORM OF NOTICE OF LOAN PREPAYMENT

[Date]

City National Bank

Telephone:  
Facsimile:  
Attention:  
Email:

The undersigned, an Authorized Officer, refers to the Revolving Credit Agreement dated as of __________, 20__ (together with any amendments or supplements thereto, the “Agreement”), by and between the Housing Authority of the City of Los Angeles (the “Authority”) and City National Bank (the “Bank”) (the terms defined therein being used herein as therein defined) and hereby notifies the Bank that on __________ pursuant to the terms of Section 2.03(a) Agreement, the Authority intends to prepay/repay the following Revolving Loans and the Term Loan as more specifically set forth below:

1. The Business Day of the prepayment is __________, 20__ (the “Prepayment Date”), which is at least three (3) London Business Days after the date hereof if the Revolving Loan to be prepaid is a LIBOR Rate Revolving Loan.

2. The principal amount of the prepayment is $[______________], which is a principal amount of $[100,000] and a whole multiple of $[5,000] in excess thereof, or the entire Outstanding Amount.

3. The Revolving Loan to be prepaid is a:

   [LIBOR Rate Revolving Loan bearing interest at a [Tax-Exempt LIBOR Rate][Taxable LIBOR Rate], with an Interest Period ending on [__________]]

   [Base Rate Revolving Loan bearing interest at a [Tax-Exempt Base Rate][Taxable Base Rate]]

   [Term, Loan].

Delivery of an executed counterpart of a signature page of this notice by fax transmission or other electronic mail transmission (e.g. “pdf” or “tif”) shall be effective as delivery of a manually executed counterpart of this notice.
Very truly yours,

HOUSING AUTHORITY OF THE CITY OF LOS ANGELES

By: ________________________________
   Name: ________________________________
   Title: ________________________________
EXHIBIT D

FORM OF REQUEST FOR EXTENSION OF TERM LOAN

[Date]

City National Bank

Telephone:  
Facsimile:  
Attention:  
Email:  

The undersigned, an Authorized Officer, refers to the Revolving Credit Agreement dated as of ________________, 20__ (together with any amendments or supplements thereto, the "Agreement"), by and between the Housing Authority of the City of Los Angeles (the "Authority") and City National Bank (the "Bank") (the terms defined therein being used herein as therein defined). All capitalized terms contained herein which are not specifically defined shall have the meanings assigned to such terms in the Agreement.

The Authority hereby requests, pursuant to Section 4.03 of the Agreement, that on the date hereof (the "Commitment Termination Date"), the Bank convert (i) [the Outstanding Amount of the Tax-Exempt Revolving Loans into the Tax-Exempt Term Loan] and [the Outstanding Amount of the Taxable Revolving Loans into the Taxable Term Loan] in accordance with Section 2.05(a) of the Agreement. The [Tax-Exempt Term Loan] and [the Taxable Term Loan] shall be payable in accordance with Section 2.05 of the Agreement.

In connection with such request, the Authority hereby represents and warrants that:

(a) no Default or Event of Default has occurred and is continuing under the Agreement on the Commitment Termination Date;

(b) all representations and warranties of the Company in Article 5 of the Agreement and in each certificate or other writing delivered to the Bank pursuant to the Agreement on or prior to the Commitment Termination Date are true and correct on and as of the Commitment Termination Date as though made on as of such date, except in each case to the extent that such representations and warranties relates specifically to an earlier date, in which case they were true and correct as of such earlier date, and except that for purposes of this Request, the representations and warranties contained in Section 5.12 of the Agreement shall be deemed to refer to the most recent statements furnished pursuant to clause (a) of Section 6.01; and

(c) all conditions precedent to the funding of the Term Loan in Section 4.03 of the Agreement have been satisfied.
We have enclosed along with this request the following information:

1. Any opinions required by the Bank under Section 4.03(b);

2. The nature of any and all Defaults and Events of Default; and

3. Any other pertinent information previously requested by the Bank.

Very truly yours,

HOUSING AUTHORITY OF THE CITY OF LOS ANGELES

By: ________________________________
Name: ________________________________
Title: ________________________________