RESOLUTION AUTHORIZING AND APPROVING THE ESTABLISHMENT OF A REVOLVING LINE OF CREDIT WITH TWO COMMITMENTS, A TAXABLE COMMITMENT WITH CITY NATIONAL BANK AND A TAX-EXEMPT COMMITMENT WITH CN FINANCING, INC., WITH AN AGGREGATE REVOLVING LINE OF CREDIT NOT TO EXCEED $100,000,000 AND AUTHORIZING THE PRESIDENT & CEO, OR DESIGNEE, TO EXECUTE AND DELIVER 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, SUBJECT TO CREDIT APPROVAL FROM CITY NATIONAL BANK AND CN FINANCING, INC., TERMS AND CONDITIONS ACCEPTABLE TO ALL PARTIES, TERMINATION OF THE EXISTING $25,000,000 REVOLVING LINE OF CREDIT FACILITY WITH CN FINANCING, INC., PREPAYMENT IN FULL AND TERMINATION OF AN EXISTING LOAN WITH CITIBANK IN AN AMOUNT NOT EXCEED $4,000,000, AND THE UNDERTAKING OF VARIOUS OTHER ACTIONS IN CONNECTION THEREWITH

Douglas Guthrie
President & Chief Executive Officer

Geoffrey Moen
Director of Development

Purpose: Authorize the President and CEO, or designee, to take all actions necessary to establish a revolving line of credit facility with two revolving commitments, one with City National Bank (the “Taxable Revolving Commitment”) and one with CN Financing, Inc. (the “Tax-Exempt Revolving Commitment”). The Taxable Revolving Commitment and the Tax-Exempt Revolving Commitment, together, are the “Revolving Commitments”. CN Financing, Inc., is a subsidiary of City National Bank. Together, City National Bank (the “Taxable Lender”) and CN Financing, Inc. (the “Tax-Exempt Lender”) are the “Lenders”.

The maximum cumulative commitment amount of the Revolving Commitments is not to exceed $100,000,000 whether HACLA borrows money exclusively under the Taxable Revolving Commitment or the Tax-Exempt Revolving Commitment, or simultaneously under both.

The purpose of establishing the Revolving Commitments is to proactively arrange a cost effective and efficient funding mechanism to support several of HACLA’s strategic initiatives including, but not limited to, the acquisition and rehabilitation of multifamily properties, the pre-development of future building sites, the development of an employee parking garage, and other capital improvements and initiatives. Revolving Commitments are anticipated to be taken out by bonds, long-term commercial loans, cash payments by HACLA and/or outside grants.

Regarding: On August 27, 2020, the BOC, by Resolution No. 9625, approved amending the City National Bank (CN Financing) revolving line of credit facility previously authorized under Resolution No. 9589 to reflect material changes in terms,
authorized the execution and delivery of a credit agreement for an initial revolving commitment amount not-to-exceed $50,000,000, as well as a fee letter, promissory notes, and all other related documents and agreement reflecting such revisions, and authorized the use of available and unrestricted funds, including grant funding, as a source of repayment of outstanding loans under the revolving line of credit facility.

On April 23, 2020, the BOC, by Resolution No. 9589, approved establishing a Revolving Commitment with City National Bank.

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

**Issues:**

On October 29, 2020, HACLA executed a $25,000,000 revolving line of credit with CN Financing, Inc., and, within weeks, borrowed approximately $23,000,000 from the facility to successfully finance its match funding obligation necessary to acquire four residential properties under the initial HomeKey program. In addition to meeting escrow closing dates, HACLA also turned to the revolving line to fund much of the rehabilitation work performed to date. The property acquisitions included Canoga Park Place, NoHo Apartments, Parthenia Place and Martel Apartments. Parthenia and Martel were permanently financed through the issuance of $11,200,000 of Multifamily Mortgage Revenue Bonds (Union Portfolio Project), 2021 Series A, in February 2021. Net proceeds of the bond sale were used to repay and replenish approximately half of what HACLA had initially borrowed from the revolving line. For the decade preceding the establishment of the $25,000,000 revolving line of credit with CN Financing, HACLA did not have a revolving line in place.

In Spring 2021, a decision was made to seek a new revolving line of credit. The reasons were two-fold: (1) HACLA needed a much larger revolving line to expand the housing supply through capitalizing on the upcoming HomeKey Round 2 program and launching additional strategic initiatives that require immediate access to reliable funding; and (2) The desire to negotiate significantly lower pricing charged on the revolver itself. The $25,000,000 revolving line was sourced, structured and priced during the first six-months of the COVID-19 pandemic. As a result, banks hiked pricing for credit facilities relative to the real and unknown risks the pandemic posed to the economy as a whole.

On June 9, 2021, staff solicited proposals from twelve financial institutions to consider providing HACLA with one or more Revolving Commitment(s) for an aggregate commitment amount of at least $75 million. Five of the twelve financial institutions responded to the solicitation. The other four respondents were Bank of America, Bank of the West, JPMorgan Chase and MUFG Union Bank.

Data collected under the solicitation evidences that the covenants and use of funds offered by City National Bank and CN Financing, Inc. are the most favorable of the five term sheets received by HACLA. Terms and conditions will largely reflect the terms and conditions contained in the loan documents that pertain to the existing $25,000,000 revolving line of credit.

The proceeds of the borrowings may be used by HACLA solely for the purposes of (i) financing (A) the acquisition, rehabilitation, renovation, equipping and development of housing properties and mixed-use properties, (B) vacant or non-housing developed site acquisitions, and (C) the Parking Lot Project and to (ii) pay costs in connection with this Agreement (the “Project”); provided, however, that
(i) the aggregate amount of the proceeds of all outstanding borrowings used for capital improvement projects (including the Parking Lot Project) may not exceed $16,000,000, excluding proceeds used for HomeKey Round 2 projects, for which there is no limitation, and (ii) the aggregate amount of the proceeds of all outstanding borrowings used for the Orchid Project (a Homekey Round 1 Project) may not exceed $8,200,000; provided, further, however, that the proceeds of borrowings may be used for other corporate purposes with the prior written consent of the Lenders. Funding available under the Revolving Commitments may be borrowed, repaid and then re-borrowed, provided that the aggregate of all loans outstanding at any time does not exceed the $100,000,000 maximum commitment amount. Borrowings under the Revolving Commitments may not be used to finance the routine operating expenditures of HACLA. Pricing and several key terms of the Revolving Commitments include:

- **Tax-Exempt Borrowings.** Most, if not all of the borrowing HACLA intends to do with the Revolving Line of Credit will be considered tax-exempt. The Lenders are offering a borrowing rate that is approximately 40% lower in cost than the other bids received. The rate quoted is the SIFMA index value (“SIFMA”) plus a margin of 0.475% for a term of five years. Four other financial institutions submitted term sheets, but the Lenders stood alone in offering the more favorable SIFMA index for borrowings. On September 13, 2021, the SIFMA index was 0.02%. For tax-exempt borrowings, pricing increases by 0.10% should HACLA’s “A+” general obligation rating decline to “A“, increase by an additional 0.15% if the rating further declines to “A-“ and so forth. Estimated annual costs are illustrated in the table below.

### Revolving Commitments – Interest and Fees, Adjusted for Increases in SIFMA Index

<table>
<thead>
<tr>
<th>Assumed SIFMA Rate</th>
<th>Scenario A</th>
<th>Scenario B</th>
<th>Scenario C</th>
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#### Assuming 40% Utilization:
- **Annual Cost, Year 1:** $395,000
- **Annual Cost, Years 2 to 5:** $348,000

#### Assuming 60% Utilization:
- **Annual Cost, Year 1:** $444,000
- **Annual Cost, Years 2 to 5:** $397,000

#### Assuming 80% Utilization:
- **Annual Cost, Year 1:** $493,000
- **Annual Cost, Years 2 to 5:** $446,000

### Note:
Scenario A is the current market condition, as of September 14, 2021. The SIFMA index is a variable rate. All fees expressed here are estimates only.

- **Taxable Borrowings.** If HACLA undertakes an acquisition where more than 10% of the value of the borrowing will be used for commercial, for-profit purposes, the Authority would be required to utilize a taxable borrowing. Staff does not believe this will be utilized but has negotiated the terms in case it is desired in the future in transactions taken to further HACLA’s mission. The Lenders are offering a borrowing rate that is approximately 25% lower in cost than the four competing bids received. For taxable borrowings, the Lenders have quoted a SOFR index rate (“SOFR”) plus a
margin of 0.71% for the five-year term. The term sheets submitted by the other respondents use LIBOR as the lending index and add a margin of approximately 0.95%, on average. For taxable borrowings, pricing increases by 0.13% should HACLA’s “A+” general obligation rating decline to “A”, increase by an additional 0.19% if the rating further declines to “A-“ and so forth.

- **Commitment Fee.** The Lenders are offering a Commitment Fee of 0.25% for the five-year term. The Commitment Fee is applied to that portion of the maximum commitment amount that’s available for borrowing but is not being used.

- **Term of Revolving Commitment.** The Lenders are offering an initial term of five years. HACLA may borrow money at the above rates at any time during the five years. Only one other financial institution offered a five-year term, and the remaining respondents offered no longer than a three-year term.

- **No Prepayment Penalty.** HACLA may reduce the maximum commitment amount, or exit the Revolving Commitments entirely, without paying a reduction or early termination penalty.

- **Renewal/Extension.** The legal documentation will feature renewal options, whereby HACLA may request one-year extensions to the expiration date of the Revolving Commitments. Renewals are permissible where mutually agreed to by the Lenders and HACLA. Terms and pricing may be adjusted, accordingly, at time of renewal/extension.

- **Lengthy Term-Out Option.** Borrowings outstanding at the term expiration date will convert to a term-out loan, provided no event of default has occurred. The term-out loan period is expected to be five years. From a borrower’s perspective, a longer period is better. In comparison to the other institutions responding to our solicitation, the duration of the term-out option was a much shorter.

- **Closing Costs.** The Lenders estimated closing costs are approximately $20,000. These costs will cover the cost of their bank counsel (Chapman & Cutler) and in-house administrative costs. HACLA will be required to pay Lenders costs when the transaction closes, likely in November 2021. HACLA has tasked Kutak Rock as external bond counsel, and legal services are estimated at $15,000. Municipal advisory costs to Ross Financial for assistance with the solicitation are estimated at $12,000. All of these figures are estimates.

The initial use of the $100,000,000 Revolving Line of Credit is expected to assist in purchasing approximately five multifamily properties with 350 units of housing under Homekey Round 2 and to absorb borrowings currently outstanding under the previously established revolving line of credit amounting to approximately $12,375,772 (August 20, 2021). Activation of the Revolving Commitments will also require the prepayment of an existing loan at a cost of approximately $3.9 million (described below).

Interest payments 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 HACLA were to default on the payment of its scheduled debt obligations, principal and accrued interest owed the Lenders would be due and payable in full on the facility expiration date.

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

Over the term of the Revolving Commitment the largest proportion of borrowings expected to be used to execute the acquisition of multifamily residential properties. Through this approach, HACLA acquires residential properties using its general obligation pledge (currently rated “A+” by S&P) on an interim basis and only to a limited extent while it is rehabilitating the property, leasing or completing its permanent financing.

**Citibank**

In July 2021, Staff reached out to Citibank to discuss prepayment of the 2012 Citibank Loan. In August 2021, following further discussions, Citibank agreed to HACLA prepaying the loan. This prepayment will require HACLA to make a one-time payment to Citibank in the amount of approximately $3.88 million. The loan will be prepaid in full. Prepayment of the Citibank loan should be executed in late-October 2021.

Termination of the 2012 Citibank Loan serves to eliminate the financial covenants contained within the associated loan documentation. Removal of those financial covenants is necessary for HACLA to establish a larger revolving line of credit with City National Bank and CN Financing, Inc.

Normally, the 2012 Citibank Loan would not be eligible for optional prepayment until after the first optional prepayment date of October 1, 2022. That date is one year from now. Citibank was made aware of our initiatives pertaining to upcoming multifamily property acquisitions, and the need for a larger sized revolving line of credit. Thus, Citibank agreed to waive the prepayment date limitation. If the Board of Commissioners approves this prepayment, HACLA will be required to pay Citibank the outstanding principal amount of the loan, plus the equivalent of three-months of interest at 8.47%. In the loan documents, the 8.47% rate is identified as the interest rate for “extraordinary” scenarios. HACLA has been paying a 4.47% annual interest rate on the 2012 Citibank Loan for the past nine years. See the table below for additional details. The dollar figures are estimates.
Interest Rate Risk and Variable Rate Indexes
A transaction of this type is designed to provide the borrower with interim financing. It is not long-term financing and it 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 HACLA’s available fund balances. 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, HACLA may be forced to delay the sale of the bonds or notes until market conditions improve. If delayed in arranging take-out financing, HACLA will incur higher than anticipated annual interest expenses and possibly a prolonged period of limited remaining borrowing capacity under the Revolving Commitments. 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. HACLA 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.

Compliance with the Debt Management Policy
The structure, terms and conditions of the Revolving Commitments are in compliance with the Debt Management Policy (MPP 107.7, adopted December 19, 2017), specifically, section IV.4. Fixed Interest Rate vs. Variable Interest Rate and section IV.8. Bank Loans.

Legal Counsel
HACLA’s in-house counsel and Kutak Rock (external counsel) are serving as joint legal counsel for this transaction.

Vision Plan: Pathways Strategy 1. Build and enhance HACLA’s internal real estate development team into a capable, adequately staffed “community revitalizer and public developer” and business line comparable to other large, regionally oriented development/redevelopment authorities.

Soliciting innovative partnerships will allow HACLA’s development team to grow HACLA’s real estate business line in a way that is comparable to and competitive with other large regional developers. HACLA has invested in additional staffing this year within Development Services to engage in additional acquisition and development activities in support of this strategy.
Place Strategy 2. Increase functionality and effectiveness of Asset Management portfolio.

This strategy will expand HACLA’s property portfolio and increase revenues through the application of acquisition and infill strategies that serve to increase the total number of affordable housing units HACLA offers, while simultaneously diversifying the range of housing options HACLA is able to offer in response to changes in market demands.

**Funding:**

The Chief Administrative Officer confirms the following:

**Source of Funds:**

Unencumbered and legally available fund reserves of HACLA, are available to cover the fees and expenses associated with establishing and operating this interim financing mechanism, and to fund the approximately $3.88 million prepayment of the 2012 Citibank Notes. Under most circumstances, take-out financing in the form of long-term debt obligations will be the intended permanent source of financing for the borrowings conducted under the Revolving Commitments.

**Budget and Program Impact:**

- Based on current market conditions, total annual fees and expenses are estimated to be $444,000 in year one, assuming a five-year term, a 0.25% commitment fee, a 0.475% interest rate on borrowings, and a dollar amount of borrowings outstanding averaging $60,000,000 throughout the year.

- Assuming a 1.00% increase in the SIFMA index, total annual fees and expenses are estimated to be $1,044,000 in year one, assuming a five-year term, a 0.25% commitment fee, a 1.52% interest rate on borrowings, and a dollar amount of borrowings outstanding averaging $60,000,000 throughout the year.

Current market conditions provide a relatively low interest rate environment for a revolving line of credit, making the Revolving Commitments a suitable and economically viable interim financing mechanism for HACLA. Should market interest rates trend significantly higher during the term of the Revolving Commitments, HACLA has the option to terminate the revolvers without having to pay an early termination penalty.

**Environmental Review:** Not Applicable

**Section 3:** Not Applicable

**Attachments:**

1. Resolution
2. Amended and Restated Fee Agreement
3. Amended and Restated Revolving Credit Agreement
Attachment 1

Resolution
RESOLUTION AUTHORIZING AND APPROVING THE ESTABLISHMENT OF A REVOLVING LINE OF CREDIT WITH TWO COMMITMENTS, A TAXABLE COMMITMENT WITH CITY NATIONAL BANK AND A TAX-EXEMPT COMMITMENT WITH CN FINANCING, INC., WITH AN AGGREGATE REVOLVING LINE OF CREDIT NOT TO EXCEED $100,000,000 AND AUTHORIZING THE PRESIDENT & CEO, OR DESIGNEE, TO EXECUTE AND DELIVER 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, SUBJECT TO CREDIT APPROVAL FROM CITY NATIONAL BANK AND CN FINANCING, INC., TERMS AND CONDITIONS ACCEPTABLE TO ALL PARTIES, TERMINATION OF THE EXISTING $25,000,000 REVOLVING LINE OF CREDIT FACILITY WITH CN FINANCING, INC., PREPAYMENT IN FULL AND TERMINATION OF AN EXISTING LOAN WITH CITIBANK IN AN AMOUNT NOT EXCEED $4,000,000, AND THE UNDERTAKING OF VARIOUS OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Housing Authority of the City of Los Angeles ("HACLA") 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;

WHEREAS, HACLA 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;

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

WHEREAS, on April 23, 2020, the HACLA Board of Commissioners ("Board") adopted Resolution No. 9589 authorizing and approving the establishment of a Revolving Commitment with City National Bank specifying an initial revolving commitment amount not-to-exceed $30,000,000, and also authorizing the President and CEO to obtain subsequent increases to the Revolving Commitment for a total amount not to exceed $50,000,000;

WHEREAS, on August 27, 2020, the Board adopted Resolution No. 9625, approving changes to the revolving line of credit facility previously authorized under Resolution No. 9589, including authorizing the execution of a credit agreement for an initial revolving commitment amount not-to-exceed $50,000,000;

WHEREAS, in October 2020, pursuant to the Board’s authorizations via Resolutions 9589 and 9625, HACLA established a $25,000,000 revolving line of credit with CN Financing, Inc., an affiliate of City National Bank (the “$25,000,000 Revolving Commitment”);
WHEREAS, HACLA subsequently used the $25,000,000 Revolving Commitment to facilitate various HACLA initiatives, including acquisition and rehabilitation of properties partially funded through and acquired in conjunction with the State of California’s HomeKey Program;

WHEREAS, borrowings outstanding under the $25,000,000 Revolving Commitment total approximately $12,375,722 as of August 20, 2021;

WHEREAS, on September 9, 2021, the State of California released its Notice of Funding Availability for Round Two of the HomeKey Program (“HomeKey R2”);

WHEREAS, HACLA anticipates that HomeKey R2, along with various other initiatives, including borrowings for other property acquisitions, site acquisitions, and capital projects that potentially include the construction of a parking garage adjacent to HACLA’s 2600 Wilshire office (the “Parking Lot Project”), will significantly increase its need for short-term borrowing facilitated by a revolving line of credit facility;

WHEREAS, in June 2021, HACLA Staff solicited twelve financial institutions to submit term sheets for a revolving line of credit facilities and five institutions provided term sheets responsive to this solicitation;

WHEREAS, HACLA Staff identified the covenants and use of funds offered by City National Bank and its affiliate CN Financing, Inc. in their term sheets as the most favorable among the revolving line of credit facilities presented in response to HACLA’s solicitation;

WHEREAS, City National Bank and CN Financing, Inc. have proposed a revolving line of credit facility with two revolving commitments, one with City National Bank (the “Taxable Revolving Commitment”) and one with CN Financing, Inc. (the “Tax-Exempt Revolving Commitment”). The Taxable Revolving Commitment and the Tax-Exempt Revolving Commitment, together, are the “Revolving Commitments”. The maximum cumulative borrowing authorization between the Revolving Commitments is One Hundred Million dollars (the “Maximum Commitment Amount”). CN Financing, Inc., is a subsidiary of City National Bank. Together, City National Bank (the “Taxable Lender”) and CN Financing, Inc. (the “Tax-Exempt Lender”) are the “Lenders”.

WHEREAS, the terms of the Revolving Commitments would require that HACLA’s borrowings outstanding under the $25,000,000 Revolving Commitment be transitioned to the Revolving Commitments via amendment and restatement of the agreements underlying the $25,000,000 Revolving Commitment;

WHEREAS, in 2012, HACLA entered into a loan with Citibank to fund capital improvements and renovation to HACLA’s 2600 Wilshire property and structure, which has an outstanding principal balance of approximately $3.8 million (the “2012 Citibank Loan”);

WHEREAS, the Lenders have made prepayment of the 2012 Citibank Loan a pre-condition for activating the Revolving Commitments;

WHEREAS, under the terms of its agreement with Citibank, HACLA cannot fully repay the principal outstanding on the 2012 Citibank Loan until the first optional prepayment date of October 1, 2022;

WHEREAS, HACLA Staff have negotiated an early prepayment of the 2012 Citibank Loan, which would require HACLA to make a one-time payment to Citibank of approximately $3.88 million, which includes approximately $85,000 in interest owed Citibank, to be paid when the loan is terminated;
WHEREAS, HACLA will pay the approximately $3.88 million to Citibank using unencumbered and legally available reserve funds;

WHEREAS, the Revolving Commitments will be provided to HACLA by the Lenders pursuant to a revolving credit agreement (the “Amended and Restated Credit Agreement”) by and between HACLA and the Lenders, whereby HACLA may request Borrowings (as defined in the Amended and Restated Credit Agreement) from time to time, to finance (i) the acquisition, construction, rehabilitation, renovation, equipping, and refinancing of multifamily rental housing, other housing properties, and permissible mixed use properties, (ii) site acquisitions, (iii) capital improvement projects, including the Parking Lot Project, and (iv) costs in connection with the Amended and Restated Credit Agreement;

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

WHEREAS, the interest rate on the Notes for tax exempt borrowing will be a variable rate substantially equivalent to the SIFMA index value (“SIFMA”) plus a margin of 0.475% for a five-year term;

WHEREAS, the interest rate on the Notes for taxable borrowing will be a variable rate substantially equivalent to the SOFR index rate (“SOFR”) plus a margin of 0.71% for a five-year loan period;

WHEREAS, HACLA and the Lenders will enter into an Amended and Restated Fee and Interest Rate Agreement (the “Fee Agreement”) to confirm the interest rates and other fees payable by HACLA to the Lenders with respect to the Revolving Commitments;

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

(a) form of the Amended and Restated Fee Agreement; and

(b) form of the Amended and Restated Revolving Credit Agreement.

WHEREAS, the structure of the HomeKey Program and HomeKey R2, and partnerships HACLA has entered, or will be entering, in relation to that program, create a reasonable likelihood that HACLA will have access to grant funds and other unencumbered assets to repay certain borrowings under the Revolving Commitments.

NOW, THEREFORE, BE IT RESOLVED, the Board does hereby authorize and approve the establishment of Revolving Commitments with City National Bank and its affiliate CN Financing, Inc. with an initial maximum cumulative borrowing amount between the two Revolving Commitments of $100,000,000, under terms for tax-exempt borrowing that include a variable rate substantially equivalent to the SIFMA index value (“SIFMA”) plus a margin of 0.475% for a five-year loan period, and under terms for taxable borrowing that include a variable rate substantially equivalent to the SOFR index rate (“SOFR”) plus a margin of 0.71% for a five-year loan period. The Board further authorizes prepayment of the 2012 Citibank Loan using unencumbered and legally available reserve funds and repayment of borrowings under the Revolving Commitments with grant funds and other unencumbered and legally available assets of HACLA, including, but not limited to, repayment via take-out financing in the form of long-term debt obligations; and authorizes the President and CEO or his/her designee to execute the Fee Agreement, Revolving Credit Agreement, Promissory Notes, and all other related documents contemplated by these revisions, along with any and all related documents and agreements to effectuate the intent of this Resolution, all with the approval of legal counsel.
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: __________________
AMENDED AND RESTATED FEE AND INTEREST RATE AGREEMENT
DATED ______________, 2021

Reference is hereby made to the Amended and Restated Revolving Credit Agreement dated as of ______________, 2021 (as amended, supplemented, restated or otherwise modified from time to time, the “Agreement”), among the Housing Authority of the City of Los Angeles (the “Authority”), City National Bank (the “Taxable Lender”) and CN Financing, Inc. (the “Tax-Exempt Lender” and together with the Taxable Lender, the “Lender”), pursuant to which the Lender has agreed to make Loans to the Authority. Further reference is made to the Fee and Interest Rate Agreement dated October 28, 2020 (the “Existing Fee Agreement”), between the Authority and the Tax-Exempt Lender. Capitalized terms used herein and not otherwise defined herein have the meanings set forth in the Agreement.

The Authority, the Tax-Exempt Lender and the Taxable Lender wish to amend and restate the Existing Fee Letter in its entirety. The purpose of this Amended and Restated Fee and Interest Rate Agreement (this “Fee Agreement”) is to amend and restate the Existing Fee Agreement in its entirety and confirm the agreement between the Lender and the Authority with respect to the Commitment Fee and certain other fees payable by the Authority to the Lender and to define the terms relating to interest rates as used in the Agreement. This Fee Agreement is the Fee Agreement referenced in the Agreement, and the terms hereof are incorporated by reference into the Agreement. This Fee Agreement and the Agreement are to be construed as one agreement between the Authority and the Lender, and all obligations hereunder are to be construed as obligations thereunder. All references to amounts due and payable under the Agreement will be deemed to include all amounts, fees and expenses payable under this Fee Agreement.

Notwithstanding anything set forth herein to the contrary, at all times prior to September [___], 2021, the Commitment Fee and the interest rates on the Loans shall be calculated and paid in accordance with the Existing Fee Agreement and the existing Revolving Credit Agreement dated as of October 1, 2020 without regard to this Fee Agreement.

ARTICLE I. FEES.

Section 1.1. Commitment Fee. The Authority agrees to pay to the Lender on January 3, 2022, for the period commencing on the Effective Date and ending on December 31, 2021, and in arrears on the first Business Day of each April, July, October and January occurring thereafter to and including the Commitment Termination Date, and on the Commitment Termination Date, a non-refundable commitment fee (the “Commitment Fee”) with respect to the Available Commitment for each day in the related fee period, in an amount equal to the applicable rate per annum specified below (the “Commitment Fee Rate”). To the extent any Commitment Fee is not paid when due, such Commitment Fee shall, to the extent permitted by law, accrue interest from the date payment is due until payment in full at the Default Rate, such interest to be payable on demand. Upon the occurrence and during the continuance of an Event of Default under the Agreement, the Commitment Fee Rate shall equal the Default Rate automatically and without notice to the Authority. Commitment Fees shall be payable in immediately available funds and computed on the basis of a year of 360 days and the actual number of days elapsed.
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<td>BBB</td>
<td>0.95%</td>
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<tr>
<td>BBB-</td>
<td>1.45%</td>
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<tr>
<td>Below BBB-</td>
<td>Default Rate</td>
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The term “Rating” as used above shall mean the long-term unenhanced general obligation debt rating assigned by S&P to any debt of the Authority (the “Parity Debt”). Any change in the Commitment Fee Rate resulting from a change in the Rating shall be and become effective as of and on the date of the announcement of the change in such Rating. References to ratings above are references to rating categories as determined by S&P on the Effective Date, and, in the event of adoption of any new or changed rating system by S&P, including, without limitation, any recalibration or realignment of the long-term unenhanced rating assigned to any Parity Debt of the Authority in connection with the adoption of a “global” rating scale, each of the Ratings referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. The Authority represents that, as of the Effective Date, the Commitment Fee Rate is 0.25%. In the event that the Rating is suspended, withdrawn or otherwise unavailable from S&P, the Commitment Fee Rate shall equal the Default Rate.

Section 1.2. Amendment, Consent or Waiver Fee. The Authority agrees to pay to the Lender on the date of each amendment, supplement, or modification to the Agreement or this Fee Agreement (or any Related Document, the amendment, supplement or modification of which requires the consent of, or waiver from, the Lender), a non-refundable fee equal to $2,500, plus the reasonable fees and expenses of any legal counsel retained by the Lender in connection therewith.

Section 1.3. Borrowing Fee. The Authority hereby agrees to pay to the Lender a borrowing fee of $250 for each Borrowing, payable on the date such Borrowing is made.

Section 1.4. Definitions. For purposes of the Agreement, the following defined terms have the meaning set forth below:
“Applicable Spread” means a rate per annum corresponding to the Ratings, as specified below. The Applicable Spread shall be calculated on a cumulative basis.

<table>
<thead>
<tr>
<th>S&amp;P RATING</th>
<th>TAX-EXEMPT APPLICABLE SPREAD</th>
<th>TAXABLE APPLICABLE SPREAD</th>
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<tr>
<td>A+ or above</td>
<td>0.00%</td>
<td>0.00%</td>
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<tr>
<td>A</td>
<td>+0.10%</td>
<td>+0.13%</td>
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<td>A-</td>
<td>+0.15%</td>
<td>+0.19%</td>
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<tr>
<td>BBB-</td>
<td>+0.50%</td>
<td>+0.64%</td>
</tr>
</tbody>
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The term “Rating” as used above shall mean the long-term unenhanced general obligation debt rating assigned by S&P to any debt of the Authority (the “Parity Debt”). Any change in the Applicable Spread resulting from a change in the Rating shall be and become effective as of and on the date of the announcement of the change in such Rating. References to ratings above are references to rating categories as determined by S&P on the Effective Date, and, in the event of adoption of any new or changed rating system by S&P, including, without limitation, any recalibration or realignment of the long-term unenhanced rating assigned to any Parity Debt of the Authority in connection with the adoption of a “global” rating scale, each of the Ratings referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. The Authority represents that, as of the Effective Date, the Applicable Spread is 0.00%. In the event that the Rating falls below BBB- by S&P, or is suspended, withdrawn or otherwise unavailable from S&P, the Taxable Rate and the Tax-Exempt Rate shall equal the Default Rate.

“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 City National Bank (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) 5.00%.

“Computation Date” means at all times with respect to the SIFMA Index, Wednesday of each week or, if Wednesday is not a Business Day, the next succeeding Business Day.

“Daily Simple SOFR” means, for any day (a “SOFR Interest Day”), a rate per annum (rounded upward to the next one-sixteenth (1/16th) of one percentage (0.0625%), if necessary) equal to the greater of (a) SOFR for the day that is two (2) Business Days prior to (i) if such SOFR Interest Day is a Business Day, such SOFR Interest Day or (ii) if such SOFR Interest Day is not a Business Day, the Business Day immediately preceding such SOFR Interest Day and (b) zero percent (0%). Any change in Daily Simple SOFR due to a change in SOFR shall be effective from and including the effective date of such change in SOFR without notice to the Authority.
Notwithstanding anything herein to the contrary, if Daily Simple SOFR determined as provided above would be less than zero percent (0.0%), then Daily Simple SOFR shall be deemed to be zero percent (0.0%).

“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 the Bank on such day on such transactions as determined by the Bank.

“SIFMA Index” means for any day the SIFMA Municipal Swap Index (a weekly, high-grade market index comprised of seven (7) day tax-exempt, variable rate demand notes produced by Municipal Market Data) in effect on each Computation Date and effective on each Rate Reset Date. If at any time the SIFMA Municipal Swap Index is not available, the “SIFMA Index” means instead the most recently effective index that the Bank determines most closely approximates the SIFMA Index. Notwithstanding anything herein to the contrary, if the SIFMA Index determined as provided above would be less than zero percent (0.0%), then the SIFMA Index shall be deemed to be zero percent (0.0%).

“SOFR” means, with respect to any Business Day, a rate per annum equal to the secured overnight financing rate for such Business Day published by the SOFR Administrator on the SOFR Administrator’s Website on the immediately succeeding Business Day, plus ten (10) basis points.

“SOFR Administrator’s Website” means the website of the Federal Reserve Bank of New York, currently at http://www.newyorkfed.org, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

“Tax-Exempt Base Rate” means a fluctuating rate of interest per annum equal to the Base Rate; 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.

“Tax-Exempt Rate” means, for any day, the SIFMA Index plus 47.5 basis points plus the Tax-Exempt Applicable Spread.

“Tax-Exempt Term Loan Rate” means, for any day, the Base Rate plus two percent (2.00%).

“Taxable Base Rate” means a fluctuating rate of interest per annum equal to the Base Rate; 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 Rate” means, for any day, Daily Simple SOFR plus 61 basis points plus the Taxable Applicable Spread.

“Taxable Term Loan Rate” means, for any day, the Base Rate plus two percent (2.00%).

ARTICLE II. MISCELLANEOUS.

Section 2.1. Amendments. No amendment to this Fee Agreement shall become effective without the prior written consent of the Authority and the Lender.

Section 2.2. Governing Law; Jurisdiction Etc. (a) This Fee Agreement 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 Lender 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 Fee Agreement. 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 Fee 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 Fee 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 2.3. Counterparts. This Fee Agreement may be executed in multiple counterparts, each of which shall constitute an original but both or all of which, when taken together, shall constitute but one instrument. This Fee Agreement may be delivered by the exchange of signed signature pages by facsimile transmission or by e-mail with a pdf copy or other replicating image attached, and any printed or copied version of any signature page so delivered shall have the same force and effect as an originally signed version of such signature page.
Section 2.4. Severability. Any provision of this Fee Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

Section 2.5. Confidentiality. This Fee Agreement and the terms hereof are for the Authority’s confidential use only. The Authority shall not deliver or permit (with knowledge), authorize or consent to the delivery of this Fee Agreement to any person for delivery to the Municipal Securities Rulemaking Board and shall use its best efforts to not disclose this Fee Agreement or the terms hereof to any person, other than its trustees, officers, employees, attorneys, accountants and financial advisors (but not commercial lenders), and then only on a confidential basis, except where (in the Authority’s judgment, as applicable) disclosure is required by law or where the Lender consents to the proposed disclosure; provided, that any party to the transactions contemplated by this Fee Agreement (and each employee, representative, or other agent of such party) may disclose to any and all persons, without limitation of any kind, the federal, state or local tax treatment of the transaction contemplated herein, and all materials of any kind (including opinions or other tax analyses) relating to such federal, state or local tax treatment, other than the name of the parties or any other person named herein, or information that would permit identification of the parties or such other persons, and any pricing terms or other nonpublic business or financial information that is unrelated to the federal, state or local tax treatment of the transaction contemplated herein to the taxpayer and is not relevant to understanding the federal, state or local tax treatment of the transaction contemplated herein to the taxpayer. This authorization of tax disclosure is retroactively effective to the commencement of the first discussions between the parties regarding the transaction contemplated herein. These provisions are meant to be interpreted so as to prevent the transaction contemplated herein from being treated as offered under “conditions of confidentiality” within the meaning of the Code and the Treasury Regulations thereunder.

Section 2.6. Representation by Legal Counsel; Joint Preparation. The parties hereto have participated jointly in the negotiation and drafting of this Fee Agreement, and each of the parties was represented by its respective legal counsel during the negotiation and execution of this Fee Agreement. In the event an ambiguity or question of intent or interpretation arises, this Fee Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Fee Agreement.

Section 2.7. Amendment and Restatement. This Fee Agreement amends and restates in its entirety the Existing Fee Agreement but is not intended to be or operate as a novation or an accord and satisfaction of the Existing Fee Agreement or the obligations and liabilities of the Authority evidenced or provided for thereunder. The parties hereto agree that this Fee Agreement does not extinguish or discharge the obligations of the Authority or the Lender under the Existing Fee Agreement. Reference to this specific Fee Agreement need not be made in any agreement, document, instrument, letter, certificate, the Existing Fee Agreement itself, or any communication issued or made pursuant to or with respect to the Existing Fee Agreement, any reference to the Fee Agreement being sufficient to refer to the Existing Fee Agreement as amended and restated hereby,
and more specifically, any and all references to the Fee Agreement in the Agreement shall mean this Fee Agreement.

[Signature Page Follows]
IN WITNESS WHEREOF, the parties hereto have caused this Fee Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of date first written above.

HOUSING AUTHORITY OF THE CITY OF
LOS ANGELES

By: _________________________________
   Name: _______________________________
   Title: President & CEO
CN FINANCING, INC.

By: ___________________________________
   Name:  Ken Haber
   Title:  Senior Vice President

CITY NATIONAL BANK

By: ___________________________________
   Name:  Ken Haber
   Title:  Senior Vice President
Attachment 3

Amended and Restated Revolving Credit Agreement
AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT

dated as of __________________ 1, 2021

among

HOUSING AUTHORITY OF THE CITY OF LOS ANGELES,

CITY NATIONAL BANK

and

CN FINANCING, INC.
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AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT

This AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT (as amended, modified or supplemented from time to time, this “Agreement”) is entered into as of ______________ 1, 2021, among the HOUSING AUTHORITY OF THE CITY OF LOS ANGELES, a public body, corporate and politic (the “Authority”), CITY NATIONAL BANK (the “Taxable Lender”) and CN FINANCING, INC. (the “Tax-Exempt Lender” and together with the Taxable Lender, the “Lender”).

PRELIMINARY STATEMENTS

WHEREAS, the Authority wishes to obtain loans from the Lender hereunder and the Lender 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) pay costs in connection with this Agreement (the “Project”);

WHEREAS, the Authority wishes to obtain loans from the Lender hereunder and the Lender 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) pay costs in connection with this Agreement (the “Project”);

WHEREAS, all obligations of the Authority to repay the Lender for Borrowings (as defined herein) made by the Lender under the Revolving Commitment (as defined herein) and to pay all other amounts payable to the Lender arising under or pursuant to this Agreement or the Notes (as defined herein) to be issued to the Lender 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;

WHEREAS, the Tax-Exempt Lender and the Authority have previously entered into the Revolving Credit Agreement dated as of October 1, 2020 (the “Original Agreement”) and the Fee and Interest Rate Agreement, dated October 28, 2020 (the “Original Fee Letter”); and

WHEREAS, the Tax-Exempt Lender, the Taxable Lender and the Authority desire to amend and restate the Original Agreement in its entirety pursuant to the terms hereof;

NOW, THEREFORE, in consideration of the foregoing recitals and other consideration, the receipt and sufficiency of which is hereby acknowledged, and to induce the Tax-Exempt Lender to amend and restate the Original Agreement, the Authority, the Tax-Exempt Lender and the Taxable Lender 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:

“Act” means the Housing Authorities Law, consisting of Chapter 1 of Part 2 of Division 24 of the California Health and Safe Code.
“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 fifth (5th) 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 Tax-Exempt Lender or any Participant of the Tax-Exempt Lender 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 hereto.

“Authorized Officer” when used with reference to the Authority means the President & CEO, the Chief Administrative Officer or any other person at any time designated to act on behalf of the Authority by written certificate furnished to the Lender, 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 $100,000,000 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 $100,000,000 at any one time.

“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” has the meaning set forth in the Fee Letter.

“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 Lender pursuant to Section 2.01 hereof.

“Budget” has meaning specified in Section 6.01(d) 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 City National Bank is closed or (ii) the office of the Lender 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.

“Cash and Investments” means, with respect to any Person, the sum of all cash, cash equivalents 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.

“Cash for Continuing Operations” means, for any period, the amount (if negative) set forth in the line item “Net cash provided (used) by operating activities” in the “Statement of Cash Flows” in the most recent audited financial statements of the Authority.

“Cash from Continuing Operations” means, for any period, the amount (if positive) set forth in the line item “Net cash provided (used) by operating activities” in the “Statement of Cash Flows” in the most recent audited financial statements of the Authority.

“Cash for Working Capital” means, for any period, as set forth in the “Statement of Net Position” in the most recent audited financial statements of the Authority, the amount (if negative) of the difference of: (a) total current assets, less (i) cash and equivalents (both restricted and unrestricted) and (ii) investments (both restricted and unrestricted); less (b) total current liabilities less Debt Service.

“Cash from Working Capital” means, for any period, as set forth in the “Statement of Net Position” in the most recent audited financial statements of the Authority, the amount (if positive) of the difference of: (a) total current assets, less (i) cash and equivalents (both restricted and unrestricted) and (ii) investments (both restricted and unrestricted); less (b) total current liabilities, less (i) the sum of the current portion of long term debt payable, and (ii) other long-term liabilities due within one year.

“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 ____________, 2021, subject to the satisfaction or waiver by the Lender 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) ____________, 2026, 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.

“Daily Simple SOFR” has the meaning set forth in the Fee Letter.

“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.  For purposes of calculating Debt Service on the date of any determination, the Revolving Commitment without regard to any Loans outstanding hereunder on the applicable Measurement Date shall be assumed to amortize over a period of twenty (20) years assuming annual level debt service on such Loans and the assumed interest rate on such Loans shall be the MMD Index plus three percent (3.00%) per annum.

“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%).

“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 Tax-Exempt Lender 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 Tax-Exempt Lender, the Authority shall deliver to the Tax-Exempt Lender, 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 Tax-Exempt Lender 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 Tax-Exempt Lender or any Participants of the Tax-Exempt Lender 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 Tax-Exempt Lender, the Authority shall promptly reimburse the Tax-Exempt Lender for any payments, including any taxes, interest, penalties or other charges, the Tax-Exempt Lender 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.

“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.

“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 Tax-Exempt Lender or any Participant of the Tax-Exempt Lender 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 Tax-Exempt Lender or any Participant of the Tax-Exempt Lender 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 Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes.


“Fee Letter” means the Amended and Restated Fee and Interest Rate Agreement, dated ____________, 2021, providing for payment of the Commitment Fee and other fees to be payable to the Lender related to the Revolving Loans, the Term Loans and this Agreement and for the determination of the Base Rate, the Tax-Exempt Rate and the Taxable Rate.

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

“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.

“Homekey II Project” means Round 2 of the project financed with proceeds from the California Department of Housing and Community Development’s Homekey II program.

“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.

“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) with respect to any Revolving Loan, the first Business Day of every calendar month (commencing ___________ __, 2021) and on the Commitment Termination Date, and (b) with respect to any Term Loan, the first Business Day of each third calendar month, and on the Amortization End Date.

“Interest Period” means with respect to any Revolving Loan, the period (a) from (and including) the date such Revolving Loan is made to (but excluding) the next succeeding Rate Reset Date, and thereafter shall mean the period from (and including) such Rate Reset Date to (but excluding) the next succeeding Rate Reset Date (or, if sooner, to but excluding 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.

“Lender” has the meaning specified in the introductory paragraph hereof. As the context requires, the term “Lender” may refer to the Tax-Exempt Lender and/or the Taxable Lender, collectively or individually.

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

“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 or (b) a conversion of Revolving Loans from one Type to the other, which, if in writing, shall be substantially in the form of Exhibit A-1 or Exhibit A-2, as applicable or, in either case, such other form as may be approved by the Lender (including any form on an electronic platform or electronic transmission system as be approved the Lender), appropriately completed and signed by an Authorized Officer of the Authority.

“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 Lender, the maximum statutory rate of federal income taxation which could apply to the Lender). As of the Closing Date, the Maximum Federal Corporate Tax Rate is 21%.
“Measurement Date” means each December 31 of each Fiscal Year.

“MMD Index” means the interest rate released by Municipal Market Data for its "Aaa" General Obligation Yield for uninsured bonds for a term equal to twenty (20) years, rounded up to the nearest full year in the event of a partial year.

“Net Income” means, with respect to the Authority and with reference to any period, the net 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-1 or Exhibit C-2, as applicable, or such other form as may be approved by the Lender (including any form on an electronic platform or electronic transmission system as shall be approved by the Lender), appropriately completed and signed by an Authorized Officer.

“Obligations” means the obligations of the Authority under this Agreement and the Fee Letter 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 Lender (including, without limitation, any amounts to reimburse the Lender for any advances or expenditures by it under any of such documents) and all other payment obligations of the Authority to the Lender 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.

“Orchid Project” means ________________.
“Original Agreement” has the meaning set forth in the recitals hereof.

“Original Fee Letter” has the meaning set forth in the recitals hereof.

“Other Connection Taxes” means, with respect to the Lender, Taxes imposed as a result of a present or former connection between the Lender and the jurisdiction imposing such Tax (other than connections arising from the Lender 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 Related 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 the development of a multi-level parking garage on land owned by the Authority, located within ¼ mile of the Authority’s central office at 2600 Wilshire Boulevard, Los Angeles, California, 90057.

“Participant” means any person to whom the Lender has assigned its rights under this Agreement or to which the Lender 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.

“Rate Reset Date” means (i) with respect to the SIFMA Index, Thursday of each week or, if Thursday is not a Business Day, the next succeeding Business Day, and (ii) with respect to Daily Simple SOFR, means each SOFR Interest Day (as defined in the Fee Letter).

“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.

“Reserve Fund Policy” means the Reserve Fund Policy approved by the Authority on May 23, 2013, which may be amended from time to time at the discretion of the Authority.

“Revolving Commitment” means the Lender’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 $100,000,000.

“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, or within ¼ mile of, improved real property owned by the Authority.

“SIFMA Index” has the meaning set forth in the Fee Letter.

“Sources of Liquidity” means, as of any Measurement Date, the sum of (i) Cash and Investments as of such Measurement Date, (ii) Cash from Continuing Operations and (iii) Cash from Working Capital.

“State” means the State of California.

“Taxable Base Rate” has the meaning set 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 Tax-Exempt Lender) as a result of an Event of Taxability as such a date is established pursuant to a Determination of Taxability.

“Taxable Lender” has the meaning specified in the introductory paragraph hereof.

“Taxable Note” means the Note dated ______________, 2021, of the Authority in favor of the Taxable Lender evidencing the outstanding Taxable Revolving Loans and the Taxable Term Loan made by the Taxable Lender and substantially in the form of Exhibit B-2 hereto.

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

“Taxable Rate” has the meaning set forth in the Fee Letter.

“Taxable Revolving Loan” means any Loan bearing interest at the Taxable Rate.
“Taxable Revolving Loan Commitment” means, on any date, an initial amount equal to $100,000,000 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 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 effectuated 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 together with the Tax-Exempt Revolving Loan Commitment shall never exceed $100,000,000 at any one time.

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

“Taxable Term Loan Rate” has the meaning set forth in the Fee Letter.

“Tax-Exempt Base Rate” has the meaning set forth in the Fee Letter.

“Tax-Exempt Lender” has the meaning specified in the introductory paragraph hereof.

“Tax-Exempt Note” means the Note dated ___________ ___, 2021, of the Authority in favor of the Tax-Exempt Lender evidencing the outstanding Tax-Exempt Revolving Loans and the Tax-Exempt Term Loans made by the Tax-Exempt Lender and substantially in the form of Exhibit B-1 hereto.

“Tax-Exempt Rate” has the meaning set forth in the Fee Letter.

“Tax-Exempt Revolving Loan” means any Loan bearing interest at the Tax-Exempt Rate.

“Tax-Exempt Revolving Loan Commitment” means, on any date, an initial amount equal to $100,000,000 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 effectuated 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 together with the Taxable Revolving Loan Commitment shall never exceed $100,000,000 at any one time.

“Tax-Exempt Term Loan” means the Tax-Exempt Term Loan advanced hereunder pursuant to the terms of Section 2.05 hereof.
“Tax-Exempt Term Loan Rate” has the meaning set forth in the Fee Letter.

“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.

“Tax Certificate” means the Tax Certificate as to Arbitrage and the Provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986 dated the Closing Date, of the Authority.

“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, a Tax-Exempt Revolving Loan or a Taxable Revolving Loan.

“United States” and “U.S.” mean the United States of America.

“Withholding Agent” means the Authority and the Lender.

“Written” or “in writing” means any form of written communication or a communication by means of telex, telexcopier 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 as referring to such Person’s successors and assigns, (iii) the words “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 Lender shall so request, the Lender 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 Lender 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. (a) Subject to the terms and conditions set forth herein, the Lender 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 Rate or the Tax-Exempt Base Rate. A Taxable Revolving Loan will bear interest at the Taxable Rate or the Taxable Base Rate. In the event the Lender shall specify an alternate rate index pursuant to Section 3.05 hereof, 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 Rate or Taxable Base Rate, as applicable, as of the effective date of such alternate rate index. The Tax-Exempt Revolving Loan in the amount of $12,375,772 under the Original Agreement shall be deemed to be a Tax-Exempt Revolving Loan outstanding hereunder as of the Closing Date.

(b) Notwithstanding anything set forth herein to the contrary, at all times prior to ____________, 2021, the interest rates on the Loans shall be calculated and paid in accordance with the Original Agreement and the Original Fee Letter without regard to this Agreement and the Fee Letter.

Section 2.02. Borrowings and Conversions. (a) Each Borrowing and each conversion of Revolving Loans from one Type to the other shall be made upon the Authority’s irrevocable notice to the Lender, which may be given by a Loan Notice. Each such notice must be received by the Lender not later than 11:00 a.m. (i) three (3) Business Days prior to the requested date of any Borrowing of or conversion to any other Type of Revolving Loans, and (ii) on the requested date of any Borrowing of Base Rate Revolving Loans. Each Borrowing of or conversion to any other Type of Revolving Loans shall be, unless otherwise agreed by the Lender, 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 or a conversion of Revolving Loans from one Type to the other, (ii) the requested date of the Borrowing or conversion as the case may be (which shall be a Business Day), (iii) the principal amount of Revolving Loans to be borrowed or converted, (iv) the Type of Revolving Loans to be borrowed or to which existing Revolving Loans are to be converted, and (v) whether the interest rate will be the Tax-Exempt Base Rate, the Tax-Exempt Rate, the Taxable Base Rate or the Taxable Rate and, if converting to or from a Tax-Exempt Revolving Loan, shall be accompanied by an Approving Opinion. If the Authority fails to specify a Type of Revolving Loan in a Loan Notice, then such Revolving Loan shall bear interest at the Tax-Exempt Rate if for a tax-exempt purpose or at the Taxable Rate if for a taxable purpose. All such Revolving Loans will bear interest at the Tax-Exempt Rate or the Taxable Rate, as applicable, other than Revolving Loans previously bearing interest at a Taxable Base Rate or Taxable Rate or a new Revolving Loan for which the Loan Notice does not specify a Tax-Exempt Base Rate or Tax-Exempt Rate.

(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 Taxable Lender (in the case of Taxable Revolving Loans) or the Tax-Exempt Lender (in the case of Tax-Exempt Revolving Loans) shall make the requested funds available to the Authority either by (i) crediting the account of the Authority on the books of the applicable Lender 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 applicable Lender by the Authority.
Section 2.03. Prepayments.

(a) Optional. The Authority may, upon notice to the Lender pursuant to delivery to the Lender 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 2.03(c) hereof; provided that, unless otherwise agreed by the Lender (A) such notice must be received by Lender not later than 11:00 a.m. three (3) Business Days prior to any date of prepayment and (B) any prepayment 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 and the Type of Loans to be prepaid. 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 2.03(c). 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.

(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 in direct order of Interest Period maturities. All prepayments under this Section 2.03(b) shall be accompanied by interest on the principal amount prepaid to the date of prepayment, together with any additional amounts required pursuant to Section 2.03(c).

(c) Breakage. In the event the Lender incurs any loss, cost, or expense (including any loss, cost, or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired or contracted to be acquired by the Lender to fund or maintain the Loans or the relending or reinvesting of such deposits or other funds or amounts paid or prepaid to the Lender) as a result of any payment of the Revolving Loans or Term Loans on a date other than an Interest Payment Date for any reason or as a result of a Daily Simple SOFR or SIFMA Index suspension or replacement, whether before or after default, then the Authority shall pay to the Lender upon its demand such amount as will reimburse the Lender for such loss, cost or expense. If the Lender requests compensation under this Section 2.03(c), it shall provide to the Authority a certificate setting forth the computation of the loss, cost or expense giving rise to the request for compensation in reasonable detail and such certificate will be conclusive in the absence of manifest error.

Section 2.04. Termination or Permanent Reduction of Revolving Commitment.

(a) Optional. The Authority may, upon notice to the Lender, 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 Lender 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) Subject to Section 2.05(b) below, the Authority shall repay to the Lender 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 twenty (20) 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 Revolving Loan (other than a Base 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 Rate or the Taxable 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 Taxable Term Loan and Tax-Exempt Term Loan shall bear interest on the outstanding principal amount thereof at a rate per annum equal to the Taxable Term Loan Rate or the Tax-Exempt Term Loan Rate, respectively.

(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 (for the period from and including the first Business Day of the preceding month to but excluding the next succeeding Interest Payment Date) 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 Lender 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 Lender 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 hereunder and under the Fee Letter 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 Lender 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 Lender shall be evidenced by one or more accounts or records maintained by the Lender in the ordinary course of business. The accounts or records maintained by the Lender shall be conclusive absent manifest error of the amount of the Borrowings made by the Lender 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 Tax-Exempt Lender 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 Taxable Lender and otherwise duly completed. The applicable Lender 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 Lender at the Lending Office not later than 4:30 p.m. on the date specified herein. All payments received by the Lender 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 Lender enters any such debit authorized by this Agreement, the Lender 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 Lender, 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 Lender shall have received any such notice from the Authority pursuant to the preceding sentence, the Lender shall notify the Authority of the initial consent or non-consent of the Lender to such extension request, which consent shall be given at the sole and absolute discretion of the Lender. The consent of the Lender, if granted, shall be conditioned upon the preparation, execution and delivery of documentation in form and substance satisfactory to the Lender which shall include, but not be limited to, the delivery of an Approving Opinion. Failure of the Lender 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, including, without limitation, the Default Rate, 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 Lender 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 Tax-Exempt Lender 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 Tax-Exempt Lender 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 Lender or such Participant, if such Tax-Exempt Revolving Loans and/or Tax-Exempt Term Loan had borne interest at the Taxable Rate or the Taxable Term Loan Rate, beginning on the Taxable Date (the “Taxable Period”), and (y) the amount of interest actually paid to the Lender or such Participant, as applicable, during the Taxable Period, and (B) any interest, penalties or charges owed by the Lender 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 Lender or such Participant, as applicable, together with any and all reasonable attorneys’ fees, court costs, or other out of pocket costs incurred by the Lender or such Participant, as applicable, in connection therewith and pursuant to Section 3.06 hereof and 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 Lender 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 Lender timely reimburse it for the payment of, any Other Taxes.

(c) **Indemnification by the Authority.** The Authority shall indemnify the Lender, 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 Lender or required to be withheld or deducted from a payment to the Lender 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 Lender 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 Lender 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 Lender.

(e) **Treatment of Certain Refunds.** If the Lender 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 Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). The Lender, 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 with respect to such refund). The Lender, upon the request of the Authority, shall repay to the Authority the amount paid pursuant to this subsection (e) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that the Lender is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this subsection (e), in no event will the Lender be required to pay any amount to Authority pursuant to this subsection (e) the payment of which would place the Lender in a less favorable net after-Tax position than the Lender 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 Lender 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 Lender, 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 “Lender” shall include each Participant; *provided, however,* that no Participant shall be entitled to recover amounts under this Section greater than those that the Lender 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 Lender 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 Lender with respect to the Notes or any Obligation, other than changes in the rate of tax on the overall net income of the Lender; 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 Lender;

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

(iv) impose on the Lender or the London interbank market any other condition with respect to such amount paid or payable to or by the Lender 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 Lender 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 on 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 Lender, or to require the Lender to make any payment on or calculated by reference to the gross amount of any sum received by it, then, upon demand by the Lender, the Authority shall pay, or cause to be paid, to the Lender, from time to time as specified the Lender, additional amounts which shall be sufficient to compensate the Lender for such increased cost. A certificate setting forth such increased cost incurred by the Lender 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 Lender may make such reasonable estimates, assumptions, allocations and the like as the Lender 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 Lender may use any reasonable
averaging and attribution methods. The initial payment will include payment for the period from
the date the Lender was first affected to the date of such payment.

(b) In addition to the foregoing, if after the date hereof the Lender 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 Lender, as applicable, to a level below that which the Lender could have achieved but for such
adoption, change or compliance (taking into consideration the policies of the Lender with respect
to capital adequacy) by an amount deemed by the Lender to be material, or affects or would affect
the amount of capital required or expected to be maintained by the Lender or any corporation
controlling the Lender by an amount deemed by the Lender to be material, as a consequence of its
obligations hereunder then, upon demand from the Lender, from time to time the Authority shall
be obligated to pay or cause to be paid to the Lender such additional amount or amounts as will
compensate the Lender 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 Lender in
general. A certificate setting forth in reasonable detail such reduction in the rate of return on
capital, or such capital increase, of the Lender 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 Lender 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 Lender shall refund such excess amount to the Authority. As used in this Section, the
term “Lender” shall include each Participant; provided, however, that no Participant shall be
entitled to recover amounts under this Section greater than those that the Lender would be entitled
to recover.

(d) Failure or delay on the part of the Lender to demand compensation pursuant to the
foregoing provisions of this Section 3.02 shall not constitute a waiver of the Lender’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 Lender 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. SOFR or SIFMA Suspension or Replacement. Notwithstanding anything to the contrary contained in this Agreement or in any other Related Document, the Authority agrees as follows:

(a) if the Bank is unable to determine Daily Simple SOFR or the SIFMA Index in respect of any Revolving Loan for any reason, or any Change in Law makes it unlawful for the Lender to make or continue to maintain any Revolving Loans bearing interest at Daily Simple SOFR or the SIFMA Index or to perform its obligations as contemplated hereby, the Bank shall give notice of such changed circumstances to the Authority and (i) all Revolving Loans bearing interest at Daily Simple SOFR or the SIFMA Index shall be immediately converted to bear interest at the most recently effective index that the Bank determines most closely approximates Daily Simple SOFR or the SIFMA Index and (ii) the Authority shall not be entitled to elect any Revolving Loan bearing interest at Daily Simple SOFR or the SIFMA Index (whether at the time when the applicable Revolving Loan was made or otherwise), until the Lender determines that it would no longer be unable, unlawful or impractical to do so; and

(b) if at any time the Lender shall notify the Authority that Daily Simple SOFR or the SIFMA Index in respect any Revolving Loan will not adequately reflect the cost to the Lender of making, maintaining or continuing such Revolving Loan, (i) all Revolving Loans bearing interest at Daily Simple SOFR or the SIFMA Index shall be immediately converted to bear interest at the most recently effective index that the Lender determines most closely approximates Daily Simple SOFR or the SIFMA Index, as applicable, and (ii) the Authority shall not be entitled to elect any Revolving Loan bearing interest at Daily Simple SOFR or the SIFMA Index (whether at the time when the applicable Revolving Loan was made or otherwise), until the Lender determines that the circumstances causing such suspension no longer exist. Upon any such conversion, the Authority shall also pay any additional amounts required pursuant to Section 2.03(c) hereof, if applicable.

Section 3.05. 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 Lender pursuant to this Section 4.01 shall be subject to prior approval as to form and substance by the Lender, with delivery by the Lender 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 Lender’s receipt of the following, each of which 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 Lender:

(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 Lender shall have received the following opinions, dated the Closing Date and addressed to the Lender or on which the Lender 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 Lender 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 Lender may reasonable request; and

(C) from Bond Counsel, opinions to the effect that the interest on 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 Lender 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) 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 Lender and its special counsel;

(v) 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;

(vi) 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;

(vii) the Lender shall have received a copy of the current Reserve Fund Policy;
(viii) arrangements satisfactory to the Lender have been made for the payment of the fees and expenses and all other amounts (including the fees and expenses of Lender’s counsel) payable pursuant to this Agreement and the Fee Letter; and

(ix) such other documents, certificates and opinions as the Lender 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 Lender 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 Lender and Lender’s counsel.

Section 4.02. Conditions to All Borrowings. The obligation of the Lender 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 Lender shall have received a copy of the IRS Form 8038-G, as filed in connection with any Tax-Exempt Revolving Loan or Tax-Exempt Term Loan, in form and substance satisfactory to the Lender.
(e) The Lender 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 Lender 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 Lender shall have received, in form and substance satisfactory to it, such other assurances, certificates, documents or consents related to the foregoing as the Lender 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) hereof 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 Lender 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 Lender 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 Lender 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-1 of Exhibit D-2, as applicable, hereto.

(b) In the case of the conversion to the Tax-Exempt Term Loan, (i) the Lender 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 Lender 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 Lender.
ARTICLE 5

REPRESENTATIONS AND WARRANTIES

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

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, the Act or any other 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 the Act or any other 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 Lender 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 Lender 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 Lender 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 Lender 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 Lender.

**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 Lender are complete and correct in all material respects, to the extent necessary to give the Lender 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 Lender 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 Lender and the Participants. All representations and warranties made herein to the Lender are made with the understanding that the Lender and the Participants are relying upon the accuracy of such representations and warranties. Notwithstanding that the Lender 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 Lender and the Participants are entitled to rely on all representations and warranties as a material inducement to the Lender’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 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.

Section 5.22. Correct Information. All information, reports and other papers and data with respect to the Authority furnished by the Authority to the Lender 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 Lender 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 Lender 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 Lender 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 Lender. 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 Lender 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 Lender 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. (i) 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 (A) 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, (B) 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 (C) certifying compliance with the financial covenants set forth in Section 6.08 hereof and attaching financial data and computations evidencing such compliance.

(ii) Not later than ninety (90) days after June 30th of each Fiscal Year, a certificate signed by an Authorized Officer of the Authority certifying compliance with the financial covenants set forth in Section 6.08 hereof based upon such Authorized Officer’s review of internal financial information.

(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 Lender, 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
Lender 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 (the “Budget”).

(e) **Operating Fund Reserve Policy.** As soon as available after adoption, and
no later than fifteen (15) days after adoption, a copy of any amendment of the Operating
Fund Reserve Policy.

(f) **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.

(g) **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 Lender may from time to time reasonably request.

(h) **EMMA.** For purposes of this Section 6.01, delivery to the Lender 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 Lender and such information is
publicly available.

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

(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 Lender 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 Lender 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 Lender may reasonably request and upon reasonable advance notice. All information received by or provided to the Lender pursuant to this Agreement, unless otherwise made public by the Authority or as otherwise permitted by Section 8.18 hereof, will be held as confidential information by the Lender.

Section 6.05. Limitations on Additional Debt. The Authority shall not incur additional Debt payable from the General Fund unless the Lender shall have received a certificate from an Authorized Officer, in form reasonably satisfactory to the Lender, 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, however, that (i) the aggregate amount of the proceeds of all outstanding Revolving Loans used for capital improvement projects (including the Parking Lot Project) may not exceed $16,000,000, excluding proceeds used for Site Acquisition of Homekey II Projects, for which there is no limitation, (ii) the aggregate amount of the proceeds of all outstanding Revolving Loans used for the Orchid Project may not exceed $8,200,000; provided, further, however, that the proceeds of Revolving Loans may be used for other corporate purposes with the prior written consent of the Lender.

(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 Lender. The Authority will give the Lender 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 December 31, 2021, and measured in each case as of each Measurement Date 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 December 31, 2020, the Authority shall cause Sources of Liquidity to be not less than required by the Authority’s Reserve Fund Policy.

**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 Lender 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 Lender under or in connection with this Agreement or any other Related Document or (b) enable the Lender 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 Lender 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 Lender 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 Lender’s Name. The Authority shall not include any information concerning the Lender in any offering document with respect to any Debt of the Authority that is not supplied in writing, or otherwise approved, by the Lender 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 Lender and shall be enforceable by the Lender against the Authority, which covenants, agreements, definitions and provisions shall continue in effect with regard to the Lender 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 Lender.

Section 6.18. Accounting Methods and Fiscal Year. The Authority will notify the Lender 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. Regarding the Loans. The Loans shall not be (a) rated by any rating agency, (b) initially registered to participate in DTC, (c) assigned a CUSIP number or (d) marketed pursuant to any offering documentation.

Section 6.21. Disclosure to Participants, Lender Transferees and Non-Lender Transferees. The Authority shall permit the Lender to disclose the financial information received by it pursuant to this Agreement to each Participant of the Lender, 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 Lender in this Agreement, the Authority shall provide the Lender 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 Lender 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 Lender 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 Lender any information reasonably requested by the Lender regarding Authority necessary to ensure the Lender 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 Lender 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 Lender 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 Lender:

(a) the Authority fails to pay, or cause to be paid, when due, any amount of 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 6.05, 6.06, 6.07, 6.08, 6.12, 6.15, 6.16, 6.19, 6.20, 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 Lender 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 $10,000,000 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 Lender in compliance herewith, and the adverse result of such litigation or proceeding could have, in the Lender’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 Lender 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 Lender 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 Lender 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

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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 Lender 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 Lender shall have waived same or said Event of Default shall have been cured.

Section 7.03. Remedies Cumulative; Solely for the Benefit of the Lender. (a) To the extent permitted by Applicable Law, each and every right, power and remedy herein specifically given to the Lender 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 Lender, 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 Lender specified herein are for the sole and exclusive benefit, use and protection of the Lender, and the Lender 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 Lender hereunder or under any of the other Related Documents.
Section 7.04. Waivers or Omissions. No delay or omission by the Lender 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 Lender or to be acquiescence therein. No express or implied waiver by the Lender 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 Lender 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 Lender shall have the unqualified right so to do and, in such event, the Authority and the Lender 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 Lender 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 Lender; therefore, the Authority agrees that the Lender, if the Lender 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 Lender and the Authority may from time to time enter into agreements amending, modifying or supplementing this Agreement, the Notes or the other Related Documents or changing the rights of the Lender or the Authority hereunder or thereunder, and the Lender 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 Lender.

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 Lender 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 Lender 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 Lender. The Lender 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 Lender otherwise prescribes, (i) notices and other communications sent to an e-mail 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 Lender may change its address, fax number or telephone number or e-mail address for notices and other communications hereunder by notice to the other parties hereto.

(d) Reliance by Lender. The Lender 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 Lender 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 Lender may be recorded by the Lender, and each of the parties hereto hereby consents to such recording.
Section 8.03. No Waiver; Cumulative Remedies; Enforcement. No failure by the Lender 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 Lender and its Affiliates (including the reasonable fees, charges and disbursements of counsel for the Lender), 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 Lender (including the fees, charges and disbursements of any counsel for the Lender), and shall pay all fees and time charges for attorneys who may be employees of the Lender, 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 Lender 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 Lender and each Participant may incur (or which may be claimed against the Lender 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 Lender 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 Lender’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 Lender shall promptly notify the Authority in writing. The Lender 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 Lender, or the Lender 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 Lender 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 Lender 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 Lender. 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 Lender hereunder; (ii) the Lender 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 Lender, 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 Lender hereunder; provided, however, that a participant shall not be entitled to receive any greater payment under Sections 3.01 and 3.02 than the Lender 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
Lender may disclose to the proposed Participant any information that the Authority is required to deliver to the Lender 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 Lender. Notwithstanding anything to the contrary set forth herein, so long as no Event of Default shall have occurred and be continuing hereunder, CN Financing, Inc. 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 Lender Transferee.** Without limitation of the foregoing generality, the Lender 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 Lender or (ii) a trust or other custodial arrangement established by the Lender or an Affiliate of the Lender, 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 “Lender Transferee”). From and after the date of such sale or transfer, CN Financing, Inc. (and its successors) shall continue to have all of the rights of the Lender 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 Lender hereunder, (B) any such sale or transfer referred to in clause (c)(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 Lender 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 Lender 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 Lender shall provide the addresses and related information with respect to the Lender Transferee to the Authority.

Anything herein to the contrary notwithstanding, if any Lender 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 Lender would have incurred had it not sold or otherwise transferred all or a portion of a Note to such Lender Transferee provided for in this Section 8.06(c), then the Authority shall not be obligated to pay to such Lender 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 Lender not sold or otherwise transferred all or a portion of such Note to a Lender Transferee.
(d) **Sales and Transfers by Noteholder to a Non-Lender 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 Lender Transferees but each of which constitutes a “qualified institutional buyer” as defined in Rule 144A promulgated under the 1933 Act (each a “Non-Lender Transferee”), if written notice of such sale or transfer, including that such sale or transfer is to a Non-Lender Transferee, together with addresses and related information with respect to the Non-Lender Transferee, shall have been given to the Authority and the Lender (if different than the Noteholder) by such selling holder of a Note and Non-Lender 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-Lender 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-Lender 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-Lender 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-Lender 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 Lender would have incurred had all or a portion of the Note not been sold or otherwise transferred to such Non-Lender Transferee provided for in this Section 8.06(d), then the Authority shall not be obligated to pay to such Non-Lender 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 Lender Transferee.

(e) **Certain Pledges.** The Lender 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 Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; *provided* that no such pledge or assignment shall release the Lender from any of its obligations hereunder or substitute any such pledgee or assignee for the Lender 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 Lender, 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 Lender and when the Lender 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 Lender, regardless of any investigation made by the Lender or on its behalf and notwithstanding that the Lender 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 Lender 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 Lender 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.
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 Lender and any Affiliate thereof are arm’s-length commercial transactions between the Authority, on the one hand, and the Lender 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 Lender 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 Lender 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 Lender 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 Lender 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 Lender 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 Lender, 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 for 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 Lender 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,
(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 Lender to identify the Authority in accordance with the USA Patriot Act. The Authority agrees to, promptly following a request by the Lender, provide all such other documentation and information that the Lender 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 Lender 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 Lender 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 the account of any or all of the Authority.

(b) The Lender 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 Lender under this Section 8.15 are in addition to other rights and remedies (including, without limitation, other rights of set-off) which the Lender 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 Lender for review in advance of such filing or submission, and (ii) shall have been redacted to the extent reasonably required by the Lender 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 Lender may request review, edits or redactions of such materials prior to filing, the Lender 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.

Section 8.17. Acknowledgement Regarding Any Supported QFCs. To the extent that this Agreement or any other Related Document provides support, through a guarantee or otherwise,
for Derivative Products or any other agreement or instrument that is a QFC (such support, “QFC Credit Support” and each such QFC a “Supported QFC”), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “U.S. Special Resolution Regimes”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Related Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(a) In the event a Covered Entity that is party to a Supported QFC (each, a “Covered Party”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States.

(b) As used in this Section 8.17, the following terms have the following meanings:

“BHC Act Affiliate” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“Covered Entity” means any of the following:

(i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.
“QFC” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

Section 8.18. Confidentiality. The Lender agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its and its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential); (b) to regulatory officials; (c) to the extent required by Applicable Laws or regulations or by any subpoena or similar legal process; (d) to any other party hereto, (e) in connection with the exercise of any remedies under this Agreement, under any other Related Document, or any action or proceeding relating to this Agreement, any other Related Document, or the enforcement of rights hereunder or thereunder; (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement or (ii) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the Authority and its obligations, this Agreement or payments hereunder; (g) on a confidential basis to (i) any rating agencies if requested or required by such agencies in connection with a rating relating to the Loans hereunder or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the Loans; (h) with the consent of the Authority; or (i) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Lender or any of its respective Affiliates on a nonconfidential basis from a source other than the Authority. For purposes of this Section, “Information” means all information received from the Authority relating to the Authority or any of its businesses, other than any such information that is available to the Lender on a nonconfidential basis prior to disclosure by the Authority provided that, in the case of information received from the Authority after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

[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: Douglas Guthrie
    Title: President & CEO

CN FINANCING, INC.

By: ________________________________
    Name: Ken Haber
    Title: Senior Vice President

CITY NATIONAL BANK

By: ________________________________
    Name: Ken Haber
    Title: Senior Vice President
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
E-mail: marlen.garza@hacla.org

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
E-mail: john.castanon@hacla.org

and

Housing Authority of the City of Los Angeles
2600 Wilshire Boulevard, 4th Floor
Los Angeles, California  90057
Attention: Director of Finance
Telephone: (213) 252-5438
E-mail: patricia.kataura@hacla.org

TAX-EXEMPT LENDER:

CN Financing, Inc.
555 South Flower Street, 21st Floor
Los Angeles, CA  90071
Attention: Ken Haber
Telephone: (213) 220-0626
Email: ken.haber@cnb.com
With copies to:

CN Financing, Inc.
555 South Flower Street, 21st Floor
Los Angeles, CA  90071
Attention:  Diane Ax
Telephone:  (213) 673-9027
Email:  diane.ax@cnb.com

TAXABLE LENDER:

City National Bank
555 South Flower Street, 21st Floor
Los Angeles, CA  90071
Attention:  Ken Haber
Telephone:  (213) 220-0626
Email:  ken.haber@cnb.com

With copies to:

City National Bank
555 South Flower Street, 21st Floor
Los Angeles, CA  90071
Attention:  Diane Ax
Telephone:  (213) 673-9027
Email:  diane.ax@cnb.com
Ladies and Gentlemen:

The undersigned, an Authorized Officer, refers to the Amended and Restated Revolving Credit Agreement dated as of ______________ 1, 2021 (together with any amendments or supplements thereto, the “Agreement”), by and among the Housing Authority of the City of Los Angeles (the “Authority”), City National Bank and CN Financing, Inc. (the “Lender”) (the terms defined therein being used herein as therein defined) and hereby requests, pursuant to Section 2.02 of the Agreement, a Borrowing or a conversion of a Tax-Exempt Revolving Loan from one Type to another, 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”).

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.

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

   $_______ shall be used for capital improvement projects; provided that the aggregate amount of the proceeds of all outstanding Revolving Loans used for capital improvement projects (including the Parking Lot Project) may not
exceed $16,000,000, excluding proceeds used for Site Acquisition of Homekey II Projects, for which there is no limitation.

$_______ shall be used for the Orchid Project; the aggregate amount of the proceeds of all outstanding Revolving Loans used for the Orchid Project may not exceed $8,200,000.]

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

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

5. 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 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 5 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 Lender 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: ______________________________
Ladies and Gentlemen:

The undersigned, an Authorized Officer, refers to the Amended and Restated Revolving Credit Agreement dated as of ______________ 1, 2021 (together with any amendments or supplements thereto, the “Agreement”), by and among the Housing Authority of the City of Los Angeles (the “Authority”), City National Bank (the “Lender”) and CN Financing, Inc. (the terms defined therein being used herein as therein defined) and hereby requests, pursuant to Section 2.02 of the Agreement, a Borrowing][a conversion of a Taxable Revolving Loan from one Type to another], 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”).

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.

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

   $______ shall be used for acquisition, equipping and development of housing properties and mixed use properties in accordance with the Agreement with the prior written consent of the Lender.

   $______ shall be used for capital improvement projects; provided that the aggregate amount of the proceeds of all outstanding Revolving Loans used for capital improvement projects (including the
Parking Lot Project) may not exceed $16,000,000, excluding proceeds used for Site Acquisition of Homekey II Projects, for which there is no limitation.

$_______ shall be used for the Orchid Project; the aggregate amount of the proceeds of all outstanding Revolving Loans used for the Orchid Project may not exceed $8,200,000.]

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

5. 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 Taxable Revolving Loan Commitment, 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 5 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 Lender by wire transfer of immediately available funds to the undersigned in accordance with the instructions set forth below:

____________________

____________________

____________________
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 $100,000,000 __________ ___, 2021

For value received, the undersigned the Housing Authority of the City of Los Angeles (the “Authority”), hereby promises to pay to CN Financing, Inc., or registered assigns (the “Lender”), 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 Lender to the Authority under that certain Amended and Restated Revolving Credit Agreement, dated as of ______________ 1, 2021 (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), among the Authority, City National Bank and the Lender, 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 Lender in Dollars in immediately available funds at the Lender’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 Lender shall be evidenced by one or more loan accounts or records maintained by the Lender in the ordinary course of business. The Lender 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: ______________________________
<table>
<thead>
<tr>
<th>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 $100,000,000

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 “Lender”), 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 Lender to the Authority under that certain Amended and Restated Revolving Credit Agreement, dated as of _____________ 1, 2021 (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), among the Authority, CN Financing, Inc. and the Lender, 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 Lender in Dollars in immediately available funds at the Lender’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 Lender shall be evidenced by one or more loan accounts or records maintained by the Lender in the ordinary course of business. The Lender 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-1

FORM OF NOTICE OF LOAN PREPAYMENT (TAX-EXEMPT)

[Date]

CN Financing, Inc.
555 South Flower Street, 21st Floor
Los Angeles, CA  90071
Attention: Ken Haber
Telephone: (213) 220-0626
Email: ken.haber@cnb.com

CN Financing, Inc.
555 South Flower Street, 21st Floor
Los Angeles, CA 90071
Attention: Diane Ax
Telephone: (213) 673-9027
Email: diane.ax@cnb.com

The undersigned, an Authorized Officer, refers to the Amended and Restated Revolving Credit Agreement dated as of ______________ 1, 2021 (together with any amendments or supplements thereto, the “Agreement”), by and among the Housing Authority of the City of Los Angeles (the “Authority”), City National Bank and CN Financing, Inc. (the “Lender”) (the terms defined therein being used herein as therein defined) and hereby notifies the Lender 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”).

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:

   [Tax-Exempt Revolving Loan bearing interest at a Tax-Exempt Rate with an Interest Period ending on [___________]]

   [Tax-Exempt Revolving Loan bearing interest at a Tax-Exempt Base Rate]
[Tax-Exempt 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 C-2

FORM OF NOTICE OF LOAN PREPAYMENT (TAXABLE)

[Date]

City National Bank
555 South Flower Street, 21st Floor
Los Angeles, CA 90071
Attention: Ken Haber
Telephone: (213) 220-0626
Email: ken.haber@cnb.com

City National Bank
555 South Flower Street, 21st Floor
Los Angeles, CA 90071
Attention: Diane Ax
Telephone: (213) 673-9027
Email: diane.ax@cnb.com

The undersigned, an Authorized Officer, refers to the Amended and Restated Revolving Credit Agreement dated as of _______________ 1, 2021 (together with any amendments or supplements thereto, the “Agreement”), by and between the Housing Authority of the City of Los Angeles (the “Authority”), City National Bank (the “Lender”) and CN Financing, Inc. (the terms defined therein being used herein as therein defined) and hereby notifies the Lender 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”).

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:

   [Taxable Revolving Loan bearing interest at a Taxable Rate, with an Interest Period ending on [___________]]

   [Taxable Revolving Loan bearing interest at a Taxable Base Rate]

   [Taxable 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-1

FORM OF REQUEST FOR EXTENSION OF TERM LOAN (TAX-EXEMPT)

[Date]

CN Financing, Inc.
555 South Flower Street, 21st Floor
Los Angeles, CA  90071
Attention:  Scott Johnson
Telephone:  (213) 673-9013
Email:  scott.johnson@cnb.com

CN Financing, Inc.
555 South Flower Street, 21st Floor
Los Angeles, CA  90071
Attention:  Diane Ax
Telephone:  (213) 673-9027
Email:  diane.ax@cnb.com

The undersigned, an Authorized Officer, refers to the Amended and Restated Revolving Credit Agreement dated as of ______________ 1, 2021 (together with any amendments or supplements thereto, the “Agreement”), by and among the Housing Authority of the City of Los Angeles (the “Authority”), City National Bank and CN Financing, Inc. (the “Lender”) (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 Lender convert the Outstanding Amount of the Tax-Exempt Revolving Loans into the Tax-Exempt Term Loan in accordance with Section 2.05(a) of the Agreement.  The Tax-Exempt 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 Lender 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 Lender 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 Lender.

Very truly yours,

HOUSING AUTHORITY OF THE CITY OF
LOS ANGELES

By: ______________________________
    Name: __________________________
    Title: ___________________________
City National Bank  
555 South Flower Street, 21st Floor  
Los Angeles, CA 90071  
Attention: Scott Johnson  
Telephone: (213) 673-9013  
Email: scott.johnson@cnb.com  

City National Bank  
555 South Flower Street, 21st Floor  
Los Angeles, CA 90071  
Attention: Diane Ax  
Telephone: (213) 673-9027  
Email: diane.ax@cnb.com  

The undersigned, an Authorized Officer, refers to the Amended and Restated Revolving Credit Agreement dated as of ______________ 1, 2021 (together with any amendments or supplements thereto, the “Agreement”), by and among the Housing Authority of the City of Los Angeles (the “Authority”), City National Bank (the “Lender”) and CN Financing, Inc. (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 Lender convert the Outstanding Amount of the Taxable Revolving Loans into the Taxable Term Loan in accordance with Section 2.05(a) of the Agreement. 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 Lender 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 Lender 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 Lender.

Very truly yours,

HOUSING AUTHORITY OF THE CITY OF LOS ANGELES

By: ______________________________
   Name: ______________________________
   Title: ______________________________