
LOAN AGREEMENT

between

CALIFORNIA MUNICIPAL FINANCE AUTHORITY

and

**CAPITAL FACILITIES DEVELOPMENT CORPORATION,
as Corporation**

Dated as of [DATED DATE]

Relating to:

**CALIFORNIA MUNICIPAL FINANCE AUTHORITY
LEASE REVENUE BONDS, SERIES 2018A
(ORANGE COUNTY CIVIC CENTER
INFRASTRUCTURE IMPROVEMENT PROGRAM – PHASE II)**

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THIS LOAN AGREEMENT (this “Loan Agreement”), dated as of [DATED DATE], is by and between the **CALIFORNIA MUNICIPAL FINANCE AUTHORITY** (the “Authority”), a public entity organized under the laws of the State of California, and **CAPITAL FACILITIES DEVELOPMENT CORPORATION**, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California (the “Corporation”).

W I T N E S S E T H:

WHEREAS, the Corporation desires to provide for the financing of certain public improvements described in Exhibit A attached hereto (the “Project”), for lease to the County of Orange (the “County”);

WHEREAS, to facilitate the Project for the Corporation, the County has agreed pursuant to a Ground Lease (Phase II), dated as of [DATED DATE] (the “Ground Lease”), to lease certain real property and any improvements thereon, which upon completion will include the Project (the “Leased Property”), to the Corporation;

WHEREAS, concurrently with the execution of the Ground Lease, the County and the Corporation are entering into a Facility Lease (Phase II) (the “Facility Lease”), dated as of [DATED DATE], whereby the Corporation will lease back the Leased Property to the County;

WHEREAS, pursuant to the provisions of the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California (the “JPA Act”), a number of California cities, counties and special districts, including the County, entered into a joint exercise of powers agreement (the “Agreement”) pursuant to which the Authority was organized;

WHEREAS, the Authority is authorized by its Agreement to issue bonds, notes or other evidences of indebtedness, or certificates of participation in leases or other agreements for all purposes permitted by the JPA Act and described in the Agreement;

WHEREAS, the Authority and ZB, National Association dba Zions Bank, as trustee (the “Trustee”), are entering into an Indenture, dated as of [DATED DATE] (the “Indenture”) pursuant to which the Authority will issue its Lease Revenue Bonds, Series 2018A (Orange County Civic Center Infrastructure Improvement Program – Phase II) in an aggregate principal amount of \$_____ (the “Series 2018A Bonds”) to provide funds for the financing of the Project;

WHEREAS, the Series 2018A Bonds will be secured by Loan Repayments, hereinafter defined, which will be paid from the Base Rental Payments, as defined in the Facility Lease, to be made by the County pursuant to the Facility Lease;

WHEREAS, proceeds of the Series 2018A Bonds will be applied to fund a loan to the Corporation to (i) finance the Project, (ii) pay capitalized interest on the Series 2018A Bonds, and (iii) pay certain expenses incurred in connection with the issuance of the Series 2018A Bonds; and

WHEREAS, the Authority and the Corporation have each duly authorized the execution, delivery and performance of this Loan Agreement; and

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01 Definitions. Unless the context otherwise requires, all capitalized terms used herein but not defined shall have the meanings assigned to such terms in Section 1.01 of the Indenture or in Section 1.01 of the Facility Lease.

SECTION 1.02 Interpretation. In this Loan Agreement, unless the context otherwise requires:

(a) The terms “hereby,” “hereof,” “herein,” “hereunder,” “hereinafter” and any similar terms as used in this Loan Agreement, refer to this Loan Agreement as a whole and not to a particular section or provision of this Loan Agreement, and the term “heretofore” shall mean before, and the term “hereafter” shall mean after, the effective date of this Loan Agreement.

(b) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders, and words importing the singular number shall mean and include the plural number, and vice versa.

(c) Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations, limited liability companies and other legal entities, including public bodies, as well as natural persons.

(d) Any headings or titles preceding the texts of the several Articles and Sections of this Loan Agreement, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall neither constitute a part of this Loan Agreement nor affect its meaning, construction or effect.

(e) Any certificates, letters or opinions required to be given pursuant to this Loan Agreement shall mean a signed document attesting to or acknowledging the circumstances, representations, opinions of law or other matters therein stated or set forth or setting forth matters to be determined pursuant to this Loan Agreement.

(f) Every “request,” “order,” “demand,” “application,” “notice,” “statement,” “certificate,” “consent,” “instruction,” or similar action hereunder shall, unless the form thereof is specifically provided herein, be in writing, and in the case of the Authority or the Corporation, signed by an Authorized Representative of the Authority or the Authorized Corporation Representative, as the case may be.

(g) The parties hereto acknowledge that each such party and their respective counsel have participated in the drafting and revision of this Loan Agreement and the Indenture. Accordingly, the parties agree that any rule of construction that disfavors the drafting party shall not apply in the interpretation of this Loan Agreement or the Indenture or any amendment or supplement or exhibit hereto or thereto.

ARTICLE II

FINDINGS, REPRESENTATIONS, COVENANTS AND WARRANTIES

SECTION 2.01 Representations and Warranties of the Authority. The Authority represents and warrants to the Corporation that, as of the date of execution of this Loan Agreement and as of the date of delivery of the Series 2018A Bonds to the initial purchasers thereof:

(a) The Authority is a joint exercise of powers agency duly organized and existing under the laws of the State and is duly authorized to issue the Series 2018A Bonds and to perform its obligations under this Loan Agreement.

(b) All requirements have been met and procedures have occurred in order to authorize the execution and delivery of this Loan Agreement. The Authority has taken all necessary action and has complied with all provisions of the law required to make this Loan Agreement a valid and binding limited obligation of the Authority, and this Loan Agreement is a valid and binding limited obligation of the Authority, except to the extent limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally, by the application of equitable principles regardless of whether enforcement is sought in a proceeding at law or in equity, or by public policy.

(c) The Series 2018A Bonds have been duly authorized, executed and delivered by the Authority. Nothing in this Loan Agreement shall be construed as requiring the Authority to provide any financing for the Project other than the proceeds of the Series 2018A Bonds or to provide sufficient moneys for all of the cost of financing the Project.

(d) There is no action, suit, proceeding, inquiry or investigation by or before any court, governmental agency or public board or body pending or threatened against the Authority that (i) affects or seeks to prohibit, restrain or enjoin the issuance, execution or delivery of the Series 2018A Bonds, the origination of the loan or the lending of the proceeds of the Series 2018A Bonds to the Corporation, or the execution and delivery of the Indenture or this Loan Agreement, (ii) affects or questions the validity or enforceability of the Series 2018A Bonds or the Indenture or this Loan Agreement or (iii) questions the tax-exempt status of interest on the Series 2018A Bonds.

SECTION 2.02 Representations and Warranties of the Corporation. The Corporation represents and warrants to the Authority that, as of the date of execution of this Loan Agreement and as of the date of delivery of the Series 2018A Bonds to the initial purchasers thereof (such representations and warranties to remain operative and in full force and

effect regardless of the issuance of the Series 2018A Bonds or any investigations by or on behalf of the Authority or the results thereof):

(a) The Corporation is a California nonprofit public benefit corporation duly incorporated and in good standing under the laws of the State, and has full legal right, power and authority to enter into the Ground Lease, the Facility Lease, the Development Agreement and the Loan Agreement (the “Corporation Documents”), and to carry out all of its obligations under and consummate all transactions contemplated hereby and by the Corporation Documents, and by proper corporate action has duly authorized the execution, delivery and performance of the Corporation Documents.

(b) The officers of the Corporation executing the Corporation Documents are duly and properly in office and fully authorized to execute the same.

(c) The Corporation Documents have been duly authorized, executed and delivered by the Corporation.

(d) The Corporation Documents, when assigned to the Trustee pursuant to the Indenture, will constitute the legal, valid and binding agreements of the Corporation enforceable against the Corporation by the Trustee in accordance with their terms for the benefit of the Holders, provided that any obligations of the Corporation not so assigned to the Trustee constitute the legal, valid, and binding agreements of the Corporation enforceable against the Corporation by the Authority in accordance with their terms; except in each case as enforcement may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors’ rights generally, by the application of equitable principles regardless of whether enforcement is sought in a proceeding at law or in equity and by public policy.

(e) The execution and delivery of the Corporation Documents, the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions hereof and thereof, will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under the Articles of Incorporation of the Corporation, its bylaws, any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, loan agreement, lease, contract or other agreement or instrument to which the Corporation is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Corporation, which conflict, violation, breach, default, lien, charge or encumbrance might have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Corporation Documents, or the financial condition, assets, properties or operations of the Corporation.

(f) No consent or approval of any trustee or holder of any indebtedness of the Corporation or any guarantor of indebtedness of or other provider of credit or liquidity of the Corporation, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority (except with respect to any state securities or “blue sky” laws) is necessary in connection with the execution and delivery of the Corporation Documents, or the consummation of any transaction herein or therein contemplated, or the

fulfillment of or compliance with the terms and conditions hereof or thereof, except as have been obtained or made and as are in full force and effect.

(g) There is no action, suit, proceeding, inquiry or investigation, before or by any State or federal court or any State, municipal or other governmental authority, pending, or to the knowledge of the Corporation, after reasonable investigation, threatened, against or affecting the Corporation or the assets, properties or operations of the Corporation which, if determined adversely to the Corporation or its interests, would have a material adverse effect upon the consummation of the transactions contemplated by, or the validity of, the Corporation Documents, or upon the financial condition, assets, properties or operations of the Corporation, and the Corporation is not in default (and no event has occurred and is continuing which with the giving of notice or the passage of time or both could constitute a default) with respect to any order or decree of any court or any order, regulation or demand of any federal, State, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Corporation Documents, or the financial condition, assets, properties or operations of the Corporation. All tax returns (federal, State and local) required to be filed by or on behalf of the Corporation have been filed, and all taxes shown thereon to be due, including interest and penalties, except such, if any, as are being actively contested by the Corporation in good faith, have been paid or adequate reserves have been made for the payment thereof which reserves, if any, are reflected in the audited financial statements described therein. Subject to the Facility Lease, the Corporation enjoys the peaceful and undisturbed possession of all of the premises upon which the Project is to be located.

(h) No written information, exhibit or report furnished to the Authority by the Corporation in connection with the negotiation of the Corporation Documents contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(i) The Corporation has full power and authority to carry on its business as now being conducted and to enter into the Corporation Documents and the transactions contemplated therein.

(j) Except as provided in the Indenture and this Loan Agreement, the Corporation shall not pledge or otherwise encumber, or permit the pledge or encumbrance of, any money, investment, or investment property as security for payment of any amounts due under this Loan Agreement and shall not establish any segregated reserve or similar fund for such purpose and shall not prepay any such amounts in advance of the redemption date of an equal principal amount of the Series 2018A Bonds.

(k) All representations, warranties and certifications made by the Corporation in connection with the delivery of the Series 2018A Bonds on the Closing Date, including, but not limited to, those representations, warranties and certifications contained in any certificate or agreement concerning the exclusion of interest on the Series 2018A Bonds from gross income for purposes of federal income taxation executed by the Corporation, are true, correct, and complete in all material respects as of the Closing Date.

(l) The Corporation has no material financial obligation under any indenture, mortgage, deed of trust, loan agreement, or other agreement or instrument to which the Corporation is a party or by which the Corporation is otherwise bound, other than the obligations under this Loan Agreement, obligations incurred under various financing and development documents entered into in connection with the financing of facilities located in the Orange County Civic Center Plaza known as Building 16 (the “Building 16 Financing Documents”), obligations subordinate to the Corporation’s obligations under this Loan Agreement, and obligations incurred in the ordinary course of its operations.

(m) The Corporation has not borrowed or received other debt financing that has not been heretofore repaid in full other than with respect to the debt financing under this Loan Agreement and under the Building 16 Financing Documents, and any debt financing of the Corporation that is subordinate to the Corporation’s obligations under this Loan Agreement.

(n) The Corporation is in compliance in all material respects with all applicable Environmental Regulations.

(o) Neither the Corporation nor the Project is the subject of a federal, state or local investigation evaluating whether any remedial action is needed to respond to any alleged violation of or condition regulated by Environmental Regulations or to respond to a release of any Hazardous Substances into the environment.

(p) The Corporation does not have any material contingent liability in connection with the release of any Hazardous Substances into the environment, and has no material financial obligation under any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Corporation is a party or by which the Corporation is otherwise bound, other than the obligations set forth in the Corporation Documents and the Building 16 Financing Documents, and other indebtedness evidenced by the Permitted Encumbrances.

ARTICLE III

LOAN FINANCING; LOAN REPAYMENTS; INDEMNIFICATION; CONSTRUCTION DRAWS

SECTION 3.01 Agreement to Issue Bonds and Application of Bond Proceeds. In order to fund the Loan and for the other purposes set forth in the Indenture, the Authority, concurrently with the execution of this Loan Agreement, will issue, sell and deliver the Series 2018A Bonds and direct the proceeds thereof to be deposited with the Trustee and applied as provided in Article III of the Indenture. The Authority and the Corporation hereby agree that the proceeds of the Series 2018A Bonds shall be applied solely in accordance with the Indenture.

The Corporation hereby approves the terms and provisions of the Indenture and, to the extent applicable, agrees to be bound by such terms.

SECTION 3.02 The Loan; Loan Repayments; Additional Payments.

(a) The Loan. The Authority agrees, upon the terms and conditions herein specified, to loan to the Corporation an amount equal to the principal amount of the Series 2018A Bonds and to deposit that portion of the proceeds received by the Authority from the sale of the Series 2018A Bonds with the Trustee for disposition as provided in the Indenture. The obligation of the Authority to make the Loan is limited solely to such sale proceeds of the Series 2018A Bonds received by the Authority and shall be deemed fully discharged upon the deposit of the proceeds of the Series 2018A Bonds with the Trustee pursuant hereto.

(b) Loan Repayments. The Corporation shall pay, or cause to be paid, solely from Gross Revenues, to or upon the order of the Authority as repayment of the Loan, the following amounts (which collectively constitute the “Loan Repayments”):

(i) an amount equal to the aggregate amount of interest payable by the Authority on the Outstanding Bonds on each Interest Payment Date;

(ii) on or before each maturity date of the Bonds, an amount equal to the principal amount of the Bonds due on such date; and

(iii) on or before any redemption date, such amounts as shall, together with any other money available therefor under the Indenture, be sufficient to pay all amounts required to redeem the Series 2018A Bonds called for redemption pursuant to the provisions of Article IV of the Indenture, including any related redemption premium.

The Loan Repayments and all other amounts provided in this Section 3.02, shall be payable in such lawful money of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. All deposits hereunder shall be made at the corporate trust office of the Trustee, or at such other location as shall be designated in writing by the Trustee to the County and the Corporation.

The Corporation shall pay, or cause to be paid, the Loan Repayments from the Gross Revenues of the Corporation without any further notice thereof except as may be specifically required by this Section 3.02. The Loan Repayments payable by the Corporation under this Loan Agreement are expected to be equal in the aggregate to an amount which, together with other funds in the Revenue Fund then available for the payment of principal and interest on the Bonds, shall be sufficient to provide for the payment in full of the interest on, premium, if any, and principal of the Bonds as the same become due and payable.

(c) Additional Payments. In addition to the Loan Repayments, the Corporation shall also pay to the Authority or to the Trustee, as the case may be, “Additional Payments,” as defined in Section 5.01(b) of the Facility Lease (unless such Additional Payments are paid directly by the County to the Person or Persons entitled to such payments or for deposit to the appropriate fund or account held by the Trustee under the Indenture). Such Additional Payments to be made by the Corporation shall be payable solely from Gross Revenues.

(d) Net Proceed Payments. The Corporation shall pay, or cause to be paid, to the Authority or to the Trustee, as the case may be, the proceeds of rental interruption insurance

and liquidated damages and delay damages, if any, under Section 7.2(b) and Section 8.13 of the Development Agreement and subject to the terms of Section 6.06 of the Facility Lease, for deposit by the Trustee upon receipt thereof in the Revenue Fund.

(e) Failure to Make Payments. In the event that Gross Revenues are insufficient to pay, or the Corporation shall fail to deposit, or fail to cause to be deposited, with the Trustee such Gross Revenues sufficient to pay any Loan Repayments, Additional Payments or other payments required hereunder, the Loan Repayments, Additional Payments or other payments required hereunder not paid shall continue to be an obligation hereunder of the Corporation until the amount not paid shall have been fully paid; provided any such Loan Repayments or Additional Payments or other payments required hereunder shall be paid solely from Gross Revenues.

The obligation of the Corporation to make the payments as required in this Section 3.02, and to perform and observe any and all of the other covenants and agreements on its part contained herein, shall be absolute and unconditional irrespective of any defense or any rights of setoff, recoupment, or counterclaim which the Corporation may otherwise have against the Authority; provided the sole source of payment of any such amounts shall be Gross Revenues. The Corporation shall not: (1) suspend, discontinue, or abate any payment required by this Section 3.02 (except as expressly provided herein); (2) fail to observe any of its other covenants or agreements in this Loan Agreement; or (3) terminate this Loan Agreement for any cause whatsoever (except as provided in Section 7.01 hereof), including without limiting the generality of the foregoing, any declaration or finding that the Series 2018A Bonds, the Indenture, or any portion of this Loan Agreement are invalid or unenforceable, and, any failure of the Authority to perform and observe any agreement, whether expressed or implied, or any duty, liability, or obligation, arising out of or in connection with this Loan Agreement or otherwise.

(f) Pledge of Gross Revenues.

(i) As provided in Section 5.01(e) of the Facility Lease, the Corporation has directed the County to pay Base Rental Payments directly to the Trustee and the Corporation covenants and agrees that, so long as any of the Series 2018A Bonds remain Outstanding, all of the Gross Revenues shall be deposited directly with the Trustee. Should the Corporation itself receive any Base Rental Payments, the Corporation covenants and agrees that, so long as any of the Series 2018A Bonds remain Outstanding, the Corporation shall immediately transfer such Gross Revenues to the Trustee.

(ii) Subject only to the provisions of this Loan Agreement permitting the application thereof for the purposes and on the terms and conditions set forth herein, the Corporation, hereby pledges, and to the extent permitted by law grants a security interest to the Trustee in, all of the Gross Revenues of the Corporation to secure the Loan Repayments and the Additional Payments and the performance by the Corporation of its other obligations under this Loan Agreement. The Corporation agrees to take any other action as may be necessary or reasonably requested by the Trustee or the Authority in order to perfect or maintain as perfected such security interest or give public notice thereof.

(iii) The Corporation further agrees that a failure to comply with the terms of this Section shall cause irreparable harm to the Holders from time to time of the Series 2018A Bonds, and shall entitle the Trustee, as assignee of the Authority, with or without notice to the Corporation, to take immediate action to compel the specific performance of the obligations of the Corporation as provided in this Section.

SECTION 3.03 Costs of Issuance and Other Expenses. In addition to the payments required to be paid by the Corporation under Section 3.02 hereof, the Corporation agrees that it shall pay from the proceeds of the Bonds or Gross Revenues all Costs of Issuance of the Series 2018A Bonds. The Corporation agrees that it also shall pay all expenses incurred by it, including the expenses of its counsel.

The Corporation acknowledges that certain provisions of the Indenture set forth Administrative Fees and Expenses of the Trustee as the amount of annual compensation and reimbursement payable from funds held under the Indenture to the Trustee. In the event that the Trustee incurs fees and expenses in the course of performing its duties in excess of Administrative Fees and Expenses or in excess of the funds available for the payment thereof under the Indenture, the Corporation agrees to compensate and reimburse the Trustee from Gross Revenues for Administrative Fees and Expenses and for any extraordinary fees and expenses, which compensation to the Trustee shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust.

The Corporation covenants and agrees to pay and indemnify the Authority and the Trustee, against all reasonable fees, costs and charges, including reasonable fees and expenses of attorneys, accountants, consultants and other experts, incurred in good faith (and with respect to the Trustee, without negligence) and arising out of or in connection with the Corporation Documents, the Series 2018A Bonds or the Indenture. These obligations and those in Section 3.05 hereof shall remain valid and in effect notwithstanding repayment of the Loan hereunder or the Series 2018A Bonds or termination of this Loan Agreement or the Indenture or resignation or removal of the Trustee, but shall be payable solely from Gross Revenues.

SECTION 3.04 Assignment of Authority's Rights. As security for the payment of the Series 2018A Bonds, the Authority in the Indenture assigns to the Trustee certain of the Authority's rights under this Loan Agreement, including the right to receive payments hereunder, but excluding any deposits to the Rebate Fund; and the Corporation hereby assents to such assignment and agrees that all Gross Revenues shall be paid directly to the Trustee, without defense or set-off by reason of any dispute between the Corporation and the Authority or the Trustee. By virtue of such assignment and certain obligations of the Corporation to the Trustee, the Trustee shall be a third-party beneficiary of this Loan Agreement and shall have the right to enforce the obligations of the Corporation hereunder, subject to the limitations hereof, including the limitations in Section 3.02 hereof.

SECTION 3.05 Indemnification. To the fullest extent permitted by law, the Corporation agrees to indemnify, hold harmless and defend the Authority, the Trustee, and each of their respective officers, governing members, directors, officials, employees, attorneys and agents (collectively, the "Indemnified Parties"), against any and all losses, damages, claims, actions, liabilities, costs and expenses of any conceivable nature, kind or character (including,

without limitation, reasonable attorneys' fees, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments) to which the Indemnified Parties, or any of them, may become subject under any statutory law (including federal or state securities laws) or at common law or otherwise, arising out of or based upon or in any way relating to:

(i) the Series 2018A Bonds, the Indenture, the Corporation Documents or the Tax Certificate or the execution or amendment hereof or thereof or in connection with transactions contemplated hereby or thereby, including the issuance, sale or resale of the Series 2018A Bonds;

(ii) any act or omission of the Corporation or the County or any of their agents, contractors, servants, employees, tenants or licensees in connection with the Loan, the Project or the Facility Lease, the operation of the Project or the condition, environmental or otherwise, occupancy, use, possession, conduct or management of work done in or about, or from the planning, design, acquisition, installation or construction of, the Project or any part thereof;

(iii) any lien or charge upon payments by the Corporation to the Authority and the Trustee hereunder, or any taxes (including, without limitation, all ad valorem taxes and sales taxes), assessments, impositions and other charges imposed on the Authority or the Trustee in respect of any portion of the Project;

(iv) any violation of any Environmental Regulations with respect to, or the release of any Hazardous Substances from the Project or any part thereof;

(v) the defeasance and/or redemption, in whole or in part, of the Series 2018A Bonds;

(vi) any untrue statement or misleading statement or alleged untrue statement or alleged misleading statement of a material fact contained in any offering or disclosure document or disclosure or continuing disclosure document for the Series 2018A Bonds or any of the documents relating to the Series 2018A Bonds, or any omission or alleged omission from any offering or disclosure document or disclosure or continuing disclosure document for the Series 2018A Bonds of any material fact necessary to be stated therein in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, or any failure to timely file any continuing disclosure document in connection with the Series 2018A Bonds required by any undertaking or by any applicable law, rule or regulation;

(vii) any declaration of taxability of interest on the Series 2018A Bonds, or allegations that interest on the Series 2018A Bonds is taxable or any regulatory audit or inquiry regarding whether interest on the Series 2018A Bonds is taxable; and

(viii) the Trustee's acceptance or administration of the trust of the Indenture, or the exercise or performance of any of its powers or duties thereunder or under any of the documents relating to the Series 2018A Bonds to which it is a party;

except (A) in the case of the foregoing indemnification of the Trustee or any of its respective officers, members, directors, officials, employees, attorneys and agents, to the extent such damages are caused by the negligence or willful misconduct of such Indemnified Party; or (B) in the case of the foregoing indemnification of the Authority or any of its officers, members, directors, officials, employees, attorneys and agents, to the extent such damages are caused by the willful misconduct of such Indemnified Party. In the event that any action or proceeding is brought against any Indemnified Party with respect to which indemnity may be sought hereunder, the Corporation, upon written notice from the Indemnified Party, shall assume the investigation and defense thereof, including the employment of counsel selected by the Indemnified Party, and shall assume the payment of all expenses related thereto, with full power to litigate, compromise or settle the same in its sole discretion; provided that the Indemnified Party shall have the right to review and approve or disapprove any such compromise or settlement. Each Indemnified Party shall have the right to employ separate counsel in any such action or proceeding and participate in the investigation and defense thereof, and the Corporation shall pay the reasonable fees and expenses of such separate counsel; provided, however, that such Indemnified Party may only employ separate counsel at the expense of the Corporation if in the judgment of such Indemnified Party a conflict of interest exists by reason of common representation or if all parties commonly represented do not agree as to the action (or inaction) of counsel.

The rights of any persons to indemnity hereunder and rights to payment of fees and reimbursement of expenses pursuant to Sections 3.02 and 3.03 hereof and this Section 3.05 shall survive the final payment or defeasance of the Series 2018A Bonds and in the case of the Trustee any resignation or removal. The provisions of this Section 3.05 shall survive the termination of this Loan Agreement.

Any amounts to be paid by the Corporation under this Section 3.05 shall be payable solely from Gross Revenues.

SECTION 3.06 Construction Draws. The Corporation may draw the amounts from the Project Fund for construction advances subject to the requirements of the Indenture and this Loan Agreement, upon submission to the Trustee of a Requisition of the Corporation, pursuant to Section 5.08 of the Indenture. The Authority makes no express or implied warranty that the moneys deposited in the Project Fund and available for payment of the Project costs under the provisions of this Loan Agreement, will be sufficient to pay all the amounts which may be incurred for such Project costs. The Corporation agrees that if, after exhaustion of the moneys in the Project Fund, the Corporation should pay, or deposit moneys in the Project Fund for the payment of, any portion of the Project costs pursuant to the provisions of this Section 3.06, it shall not be entitled to any reimbursement therefor from the Authority, the Trustee or the Holders of any of the Series 2018A Bonds, nor shall it be entitled to any diminution of the amounts payable hereunder. Upon completion of the Project, the Corporation shall file with the Trustee and the Authority the Certificate of Final Completion (as defined in the Indenture) with respect to the Project pursuant to Section 5.08 of the Indenture.

ARTICLE IV

CONSTRUCTION AND LEASE OF PROJECT

SECTION 4.01 Construction Authorization and Permits. The Corporation shall obtain all authorizations and permits relating to construction of the Project that are necessary to complete the Project from all applicable governmental authorities.

SECTION 4.02 Facility Lease. If any Series 2018A Bonds are Outstanding, the Corporation may not voluntarily terminate the Facility Lease prior to completion of its stated terms nor amend the Facility Lease to result in an earlier end of its stated term; provided nothing in this Section limits the exercise of any remedy provided in the Facility Lease in the event of default by the County.

SECTION 4.03 Lease of the Leased Property. The Corporation shall not lease the Leased Property as lessor except pursuant to the Facility Lease.

ARTICLE V

ADDITIONAL COVENANTS AND AGREEMENTS OF CORPORATION

SECTION 5.01 Inspection of Books.

(a) The Authority and the Trustee shall have the right, but not obligation, upon reasonable notice, during business hours, to examine and audit any and all of the Corporation's records or accounts pertaining to the Loan, the Facility Lease, the Indenture, and this Loan Agreement.

(b) Upon written notice to the Corporation delivered at least five Business Days in advance of an inquiry, the Corporation shall make its management personnel available for periodic inquiries from the Authority; provided that the Corporation shall not be obligated to incur any material out-of-pocket costs in connection with such meetings or inquiries.

SECTION 5.02 Reports and Information. At the request of the Authority or the Trustee, their agents, employees or attorneys, the Corporation shall furnish to the Authority and the Trustee, such information as may be reasonably requested in writing from time to time relative to compliance by the Corporation with the provisions of this Loan Agreement.

SECTION 5.03 Notice. Upon obtaining knowledge of an Event of Default under any Corporation Document, the Corporation hereby agrees to provide to the Trustee and to the Authority notice of such Event of Default (such notice to include a description of the nature of such event and what steps are being taken to remedy such Event of Default).

SECTION 5.04 Reliance. The Corporation hereby recognizes and agrees that the representations and covenants set forth in this Loan Agreement may be relied upon by all Persons interested in the legality and validity of the Series 2018A Bonds and in the exclusion from gross income for federal income taxation of the interest on the Series 2018A Bonds including, without limitation, the Trustee for the benefit of the Holders of the Series 2018A

Bonds. In performing their duties and obligations hereunder, the Trustee may rely upon statements and certificates of the Corporation believed in good faith to be genuine and upon audits of the books and records of the Corporation pertaining to the Loan. The Trustee, in its name or as assignee of the Authority, may, for and on behalf of the Bondholders, enforce all rights of the Authority which have been assigned to and are held by the Trustee and all obligations of the Corporation under and pursuant to this Loan Agreement, whether or not the Authority has pursued or attempted to enforce any of such rights and obligations. In addition, the Authority and the Trustee may consult with counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Authority or the Trustee hereunder in good faith and in conformity with the opinion of such counsel. In determining whether any default or lack of compliance by the Corporation exists under this Loan Agreement, none of the Trustee or the Authority shall be required to conduct any investigation into or review of the operations or records of the Corporation and may rely solely upon any notice or certificate delivered to the Trustee by the Corporation with respect to the occurrence or absence of a default.

SECTION 5.05 Tax Covenants.

(a) It is the intention of the Corporation that interest on the Series 2018A Series 2018A Bonds shall be and remain excluded from the gross income of the owners thereof for federal income tax purposes, and to that end the covenants and agreements of the Corporation in this Section and in the Tax Certificate are for the benefit of the Trustee on behalf of and for each and every owner of the Series 2018A Bonds.

(b) The Corporation covenants and agrees that it will not use or permit the use of any of the funds provided by the Authority hereunder or any other funds of the Corporation, directly or indirectly, or direct the Trustee to invest any funds held by it hereunder or under the Indenture, in such manner as would, or enter into, or allow any “related person” (as defined in Section 147(a)(2) of the Code) to enter into, any arrangement, formal or informal, that would, or take or omit to take any other action that would cause any Series 2018A Bond to be an “arbitrage bond” within the meaning of Section 148 of the Code or “federally guaranteed” within the meaning of Section 149(b) of the Code and applicable regulations promulgated from time to time thereunder.

(c) In the event that at any time the Corporation is of the opinion or becomes otherwise aware, including from the County, that for purposes of this Section or Section 6.09 of the Indenture it is necessary to restrict or to limit the yield on the investment of any moneys held by the Trustee under the Indenture, the Corporation shall determine the limitations and so instruct the Trustee in writing and cause the Trustee to comply with those limitations under the Indenture. The Corporation will take such action or actions as may be reasonably necessary in the opinion of Bond Counsel, or of which it otherwise becomes aware, to comply fully with Section 148 of the Code.

(d) The Corporation shall not, pursuant to an arrangement, formal or informal, purchase Series 2018A Bonds in an amount related to the amount of the Loan, except as otherwise permitted under the Indenture.

(e) In order to maintain the exclusion of interest on the Series 2018A Bonds from the gross income of the owners thereof for federal income purposes and to assure compliance with the laws of the State, the Corporation hereby agrees that it shall, concurrently with or before the execution and delivery of the Series 2018A Bonds, execute and deliver the Tax Certificate, and shall comply with every term of the Tax Certificate. The Corporation covenants with the Authority, for the benefit of the owners of the Series 2018A Bonds from time to time outstanding, that so long as any Series 2018A Bonds remain Outstanding, moneys on deposit in any fund, or account in connection with the Series 2018A Bonds, whether or not such moneys were derived from the proceeds of the sale of the Series 2018A Bonds or from any other sources, and moneys pledged directly or indirectly to the payment or for the securing of the Series 2018A Bonds, will not be used by or for the Corporation in a manner that will cause the Series 2018A Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code. The Corporation expressly recognizes that, to the extent required by Section 148 of the Code, “proceeds” of the Series 2018A Bonds (including investment proceeds and “replacement” proceeds) may be required to be invested at a yield not exceeding the yield on the Series 2018A Bonds in order to comply with this Section. In furtherance of the covenant in this Section, the Corporation agrees that it will not direct any investments or reinvestments that would contravene either the investment representations made by the Authority in the Tax Certificate or any investment directions provided by the Authority and deemed reasonably necessary in the opinion of Bond Counsel to preserve the exclusion from gross income of interest on the Series 2018A Bonds for federal income tax purposes.

(f) In the event of any conflict between the terms of this Loan Agreement and the requirements of the Tax Certificate, the Tax Certificate shall control.

SECTION 5.06 Warranty of Truth. The Corporation covenants that no information, certificate, statement in writing or report required by this Loan Agreement, any other Corporation Documents or otherwise furnished by the Corporation to the Authority or the Trustee shall contain any untrue statement of a material fact or omit a material fact necessary to make such information, certificate, statement or report not misleading as it relates to the Corporation.

SECTION 5.07 Sufficiency of Gross Revenues. The Corporation hereby confirms that its Gross Revenues are expected to be made in an amount sufficient (without any other borrowing) to pay all Loan Repayments.

SECTION 5.08 Indenture Provisions. The execution and delivery of this Loan Agreement shall constitute conclusive evidence of approval of the Indenture by the Corporation. Whenever the Indenture by its terms imposes a duty or obligation upon the Corporation, such duty or obligation shall be binding upon the Corporation to the same extent as if the Corporation were an express party to the Indenture, and the Corporation shall carry out and perform all of its obligations under the Indenture as fully as if the Corporation were a party to the Indenture.

SECTION 5.09 Compliance with Laws. The Corporation will comply in all material respects with all laws, statutes, ordinances, regulations, covenants, conditions and restrictions now or hereafter affecting the Corporation or its operations, and it will not commit, suffer or permit any act to be done in violation of any law, ordinance or regulation, except, in each case,

where such noncompliance or act would not have a material adverse effect upon the Corporation's assets, operations or financial condition or upon the Series 2018A Bonds.

SECTION 5.10 Qualification in California. The Corporation agrees that throughout the term of this Loan Agreement it, or any successor, will be qualified to do business in the State of California as a nonprofit public benefit corporation.

ARTICLE VI

DEFAULTS AND REMEDIES

SECTION 6.01 Events of Default. Any one of the following which occurs and continues shall constitute an Event of Default hereunder:

(a) failure by the Corporation to cause Gross Revenues received by it to be deposited with the Trustee resulting in the Loan Repayments not being paid when due, or

(b) failure by the Corporation to cause Gross Revenues received by it to be deposited with the Trustee resulting in a failure to pay any other amounts required to be paid under this Loan Agreement and continuation of such failure to pay for ten (10) Business Days following the giving of written notice thereof to the Corporation; or

(c) failure of the Corporation to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder (other than failure by the Corporation to pay the amounts required to be paid hereunder, as referred to in Section 6.01(a) or (b) above, and other than as provided in subparagraph (d) below) after the Corporation shall have been given 30 days' written notice specifying such default and requesting it be remedied, unless the Trustee shall have consented to an extension beyond such 30-day period, which extension shall not exceed 90 days; provided that the Corporation shall have commenced cure and be diligently pursuing cure in good faith; or

(d) voluntary initiation by the Corporation of any proceeding under any federal or state law relating to bankruptcy, insolvency, arrangement, reorganization, readjustment of debt or any other form of debtor relief, or the initiation against the Corporation of any such proceeding that shall remain undismissed for 60 calendar days, or failure by the Corporation to promptly have discharged any execution, garnishment or attachment of such consequence as would impair the ability of the Corporation to carry on its operations, or assignment by the Corporation for the benefit of creditors, or the entry by the Corporation into an agreement of composition with creditors or the failure generally by the Corporation to pay its debts as they become due;

(e) occurrence and continuance of an "Event of Default" under the Indenture, provided, however, that an Event of Default under the Indenture arising solely from the actions or inactions of the Authority or the Trustee shall not be an Event of Default hereunder;

(f) occurrence and continuance of an "Event of Default" under any of the Corporation Documents, including an "event of default" under Section 10.01(a) or (b) of the Facility Lease; or

(g) any representation or warranty made herein or any statement or representation made by the Corporation in any certificate, report, opinion, financial statement or other instrument furnished in connection with the Loan or any of the Corporation Documents proves to be false or misleading in any material respect when made.

SECTION 6.02 Remedies.

(a) Upon the occurrence of an Event of Default pursuant to Section 6.01 hereof and at any time thereafter during the continuance of such Event of Default, the Trustee may take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due hereunder, or to enforce performance and observance of any obligation, agreement or covenant of the Corporation under this Loan Agreement, the Series 2018A Bonds or any other Corporation Document.

Any amounts collected pursuant to action taken by the Trustee under this Section 6.02(a) shall be applied in accordance with provisions of the Indenture.

(b) If the Trustee shall have proceeded to enforce the rights of the Authority under this Loan Agreement and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Authority, then the Corporation, the Trustee and the Authority shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the Corporation, the Authority and the Trustee shall continue as though no such proceedings had taken place.

SECTION 6.03 Additional Remedies. In addition to the above remedies, if an Event of Default occurs hereunder, the Authority and the Trustee shall have the right and remedy, without posting bond or other security, to have the provisions of this Loan Agreement specifically enforced by any court having equity jurisdiction, it being acknowledged and agreed that any such breach will cause irreparable injury to the Trustee and the Authority and that money damages will not provide an adequate remedy thereto.

SECTION 6.04 No Remedy Exclusive. No remedy herein conferred upon or reserved to the Authority is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Trustee or the Authority to exercise any remedy reserved to it in this Article VI, it shall not be necessary to give notice, other than such notice as may be required in this Article VI. Such rights and remedies as are given the Authority hereunder shall also extend to Trustee on behalf of the Holders of the Series 2018A Bonds, who shall be entitled to the benefit of all covenants and agreements herein contained.

SECTION 6.05 No Additional Waiver Implied by One Waiver. In the event any agreement or covenant contained in this Loan Agreement should be breached by the Corporation

and thereafter waived by the Authority or the Trustee, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

SECTION 6.06 Agreement to Pay Fees and Expenses Upon Default. In the event the Corporation is in default under any provision of this Loan Agreement or causes an event of default under the other Corporation Documents, the Corporation shall be liable to, and upon demand shall pay to, the Authority and the Trustee all reasonable fees and disbursements of such Persons and their agents (including attorneys' fees and expenses) that are reasonably connected therewith or incidental thereto, except with respect to the Trustee and the Authority, such payment obligation shall be reduced to the extent such fees and disbursements are paid to the Trustee and the Authority from money available therefor under the Indenture. Any amounts to be paid by the Corporation under this Section shall be payable solely from Gross Revenues.

ARTICLE VII

PREPAYMENT

SECTION 7.01 Prepayment of the Loan.

(a) *General.* As further described below, the Corporation shall have the right, so long as all amounts which have become due hereunder have been paid, at any time or from time to time to prepay all or any part of its Loan Repayments and the Authority agrees that the Trustee shall accept such prepayments when the same are tendered. Prepayments may be made by payments of cash or surrender of Series 2018A Bonds. All such prepayments (and the additional payment of any amount necessary to pay the applicable redemption price, if any, payable upon the redemption of Series 2018A Bonds) shall be deposited upon receipt in the applicable account of the Redemption Fund and, at the request of and as determined by the Corporation, credited against payments due hereunder or used for the redemption of Outstanding Series 2018A Bonds in the manner and subject to the terms and conditions set forth in Section 4.01 or Section 4.02 of the Indenture or as provided in any Supplemental Indenture. The Corporation also shall have the right to surrender Series 2018A Bonds acquired by it in any manner whatsoever to the Trustee for cancellation, and such Series 2018A Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired. Notwithstanding any such prepayment or surrender of Series 2018A Bonds, as long as any Series 2018A Bonds remain Outstanding or any Additional Payments required to be made hereunder remain unpaid, the Corporation shall not be relieved of its obligations hereunder.

(b) *Prepayment in Whole or in Part.* The Loan may be prepaid in whole or in part at any time by delivering to the Trustee amounts sufficient to defease a like principal amount of Series 2018A Bonds to their optional redemption date pursuant to Section 4.02 and Article X of the Indenture, or as provided in any Supplemental Indenture.

(c) *Prepayment in Whole or in Part from Amounts Transferred from Insurance and Condemnation Proceeds.* The Loan may be prepaid in whole or in part at any time in a principal amount corresponding to amounts transferred from the Insurance Proceeds and Condemnation Awards Fund to the Special Redemption Account of the Redemption Fund for application pursuant to Section 4.01 of the Indenture, or as provided in any Supplemental

Indenture, and used to redeem Series 2018A Bonds at the option of the Corporation pursuant to the Indenture.

SECTION 7.02 Redemption of Series 2018A Bonds Upon Prepayment. Upon prepayment of the Loan as provided in Section 7.01, the Trustee shall do any of the following, as applicable: (1) call all or part of the Series 2018A Bonds for redemption, as required by the Indenture in the respective amounts set forth in the applicable paragraph of Section 4.01 or Section 4.02 of the Indenture, or as provided in any Supplemental Indenture, and (2) provide for the defeasance of Series 2018A Bonds pursuant to Article X of the Indenture.

SECTION 7.03 Amount of Prepayment. In the event of any prepayment pursuant to Section 7.01, the amount of the Loan deemed to be prepaid shall be equal to the principal amount of Series 2018A Bonds defeased or redeemed as described in Section 4.01 or Section 4.02 of the Indenture, or as provided in any Supplemental Indenture. In the case of prepayment of the Loan in full, the Corporation shall pay to the Trustee an amount sufficient, together with other funds held by the Trustee and available for such purpose, to pay all reasonable and necessary fees and expenses (including attorneys' fees) of the Authority, the Trustee and any paying agent accrued and to accrue through final payment of the Series 2018A Bonds and all other liabilities of the Corporation accrued and to accrue under this Loan Agreement and shall pay to the Authority an amount required by Section 3.02(c). In the case of partial prepayment of the Loan, the Corporation shall pay or cause to be paid to the Trustee an amount sufficient, together with other funds held by the Trustee and available for such purpose, to pay expenses of redemption of the Series 2018A Bonds to be redeemed upon such prepayment.

The Corporation agrees that it will not prepay the Loan or any part thereof, except in amounts sufficient to redeem Series 2018A Bonds in Authorized Denominations.

ARTICLE VIII

MISCELLANEOUS

SECTION 8.01 Notice. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by registered or certified mail, postage prepaid, or by messenger or overnight delivery service or by Electronic Notice, to the notice addresses set forth in the Indenture.

A duplicate copy of each notice, certificate or other communication given hereunder by the Authority or the Corporation shall also be given to the Trustee. The Authority, the Corporation and the Trustee may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

SECTION 8.02 Concerning Successors and Assigns. All covenants, agreements, representations and warranties made herein and in the certificates delivered pursuant hereto shall survive the execution and delivery of this Loan Agreement by the Authority and the Corporation. Whenever in this Loan Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all covenants, promises and agreements by or on behalf of the Corporation that are contained in this Loan Agreement shall

bind its successors and assigns and inure to the benefit of the successors and assigns of the Authority.

SECTION 8.03 Governing Law; Venue. This Loan Agreement shall be construed in accordance with and governed by the laws of the State of California applicable to contracts made and performed in California. This Loan Agreement shall be enforceable in the State of California, and any action arising hereunder shall (unless waived by the Authority in writing) be filed and maintained in the Superior Court of California, County of Orange.

SECTION 8.04 Amendments; Modifications in Writing. Except as otherwise provided in this Loan Agreement or the Indenture, subsequent to the initial issuance of Series 2018A Bonds and prior to their payment in full, or provision for such payment having been made as provided in the Indenture, this Loan Agreement may be effectively amended, changed, modified, altered or terminated only as permitted under the Indenture, by written instrument executed by the parties hereto and the County. The Authority hereby agrees that it will not consent to an amendment of the Indenture without the approval of the Corporation and the County.

SECTION 8.05 Captions. The section headings contained herein are for reference purposes only and shall not in any way affect the meaning or interpretation of this Loan Agreement.

SECTION 8.06 Severability. In the event any provision of this Loan Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 8.07 Counterparts. This Loan Agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.

SECTION 8.08 Effective Date and Term. This Loan Agreement shall become effective upon its execution and delivery by the Parties hereto, shall remain in full force from the date thereof and, subject to the provisions hereof, shall continue in effect as long as any of the Series 2018A Bonds are outstanding or the Trustee holds any money under the Indenture.

SECTION 8.09 Non-Liability of Authority; Liability of Corporation Limited to Gross Revenues. The Authority shall not be obligated to pay the principal (or redemption price) of or interest on the Series 2018A Bonds, except from Loan Repayments and other moneys and assets received by the Trustee pursuant to this Loan Agreement. Neither the faith and credit nor the taxing power of the State or any political subdivision thereof (nor the faith and credit of the Authority is pledged to the payment of the principal (or redemption price) or interest on the Series 2018A Bonds. The Authority shall not be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with this Loan Agreement, the Series 2018A Bonds, the Corporation Documents or the Indenture, except only to the extent amounts are received for the payment thereof from the Corporation under this Loan Agreement.

The Corporation hereby acknowledges that the Authority's sole source of moneys to repay the Series 2018A Bonds (whether by maturity, redemption, acceleration or otherwise) will be provided by the Loan Repayments made by the Corporation to the Trustee pursuant to this Loan Agreement, together with amounts on deposit in and investment income on certain funds and accounts held by the Trustee under the Indenture. The Corporation agrees that if the payments to be made hereunder shall ever prove insufficient to pay all principal (or redemption price) and interest on the Series 2018A Bonds as the same shall become due then upon notice from the Trustee, the Corporation shall pay such amounts as are required from time to time to prevent any deficiency or default in the payment of such principal (or redemption price) or interest, including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of the Trustee, the Corporation, the Authority or any third party, subject to any right of reimbursement from the Trustee, the Authority or any such third party, as the case may be, therefor; provided, however, that the Corporation and the Authority each acknowledge and agree that the obligations of the Corporation hereunder, including all payment obligations hereunder, are payable solely from Gross Revenues; and provided further, that any insufficiency in the amount of Gross Revenues to make required payments hereunder will not, in itself, constitute an Event of Default under Section 6.01 hereof.

SECTION 8.10 Waiver of Personal Liability. No member, officer, agent or employee of the Authority or any director, officer, agent or employee of the Corporation, or the County shall be individually or personally liable for the payment of any principal (or redemption price) of or interest on the Series 2018A Bonds or any other sum hereunder or under the Indenture or be subject to any personal liability or accountability by reason of the execution and delivery of this Loan Agreement; but nothing herein contained shall relieve any such member, director, officer, agent or employee from the performance of any official duty provided by law or by this Loan Agreement.

SECTION 8.11 No Prevailing Party Provision. Nothing in this Loan Agreement shall be construed to provide for award of attorneys' fees and costs to the Authority or the Corporation for the enforcement of this Loan Agreement as described in Section 1717 of the Civil Code. Nothing in this Section affects the rights of the Trustee provided herein.

SECTION 8.12 Binding Effect. This Loan Agreement shall inure to the benefit of and shall be binding upon the Authority, the Trustee, the Corporation and their respective successors and assigns, subject, however, to the limitations contained in Section 8.02 hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Loan Agreement as of the date stated above.

**CALIFORNIA MUNICIPAL FINANCE
AUTHORITY**

By: _____
Authorized Signatory

**CAPITAL FACILITIES DEVELOPMENT
CORPORATION**

By: _____
[Secretary]

EXHIBIT A

THE PROJECT

The Project is located at 645 N. Ross Street, Santa Ana, California. The building is also known as Building 14 in the Civic Center Plaza for the County of Orange. The Project consists of the planning, design, development, construction, equipping and financing of an office building that includes administrative offices of the County and a hearing room for board and department meetings. The hearing room is sized for approximately 300 people in the public seating area as well as staff in the support area and officials at the dais.

Building 14 consists of approximately 254,234 Gross Square Feet (“GSF”) over 6 floors, and two levels of below-grade secured employee parking (approximately 152,346 GSF) for up to 350 vehicles.

The Project will be designed and constructed and delivered in a Public Private Partnership by the project team comprised of Griffin Structures Inc., the Developer, LPA, Inc., the architect, and Swinerton Builders, the construction manager.

EXHIBIT B

FORM OF CERTIFICATE OF SUBSTANTIAL COMPLETION

[Attach Exhibit N to Development Agreement - Certificate of Substantial Completion]