

MASTER LOAN AGREEMENT

among

CALIFORNIA UNITED BANK,
as Lender

and

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY,
as Issuer

and

YESHIVA UNIVERSITY OF LOS ANGELES BOYS HIGH SCHOOL,
as Borrower

Dated as of October 1, 2016

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MASTER LOAN AGREEMENT

THIS MASTER LOAN AGREEMENT, dated as of October 1, 2016 (this “Loan Agreement”), among CALIFORNIA UNITED BANK, a California corporation (as further defined herein, the “Lender”), CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY (the “Issuer”), a public entity duly organized and validly existing under the laws of the State of California (the “State”), and YESHIVA UNIVERSITY OF LOS ANGELES BOYS HIGH SCHOOL, a California nonprofit public benefit corporation (as further defined herein, the “Borrower”).

WITNESSETH:

WHEREAS, the Issuer is a joint exercise of powers authority organized and operating under the provisions of Article 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title I of the Government Code of the State of California (the “Act”); and

WHEREAS, the Issuer is authorized by the Act to issue bonds, notes or other evidences of indebtedness, or certificates of participation in leases or other agreements, or enter into loan agreements to, among other things, finance or refinance facilities owned and/or leased and operated by organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, in furtherance of the purposes of the Issuer set forth above, the Issuer proposes to finance the costs of the design, acquisition, construction, installation, equipping or furnishing of the Project (as defined herein) to be owned and operated by the Borrower;

WHEREAS, the Borrower is a nonprofit public benefit corporation duly incorporated and existing under the laws of the State, and an organization described in Section 501(c)(3) of the Code (as defined herein);

WHEREAS, the Borrower desires to finance the Project from time to time on the terms and conditions set forth below;

WHEREAS, in order to finance the Project, the Issuer intends to issue a tax-exempt obligation to the Lender (as further defined herein, the “Issuer Loan Obligation”), the interest on which shall be excluded from income of the Lender for Federal income tax purposes and exempt from State personal income taxes, and lend the proceeds thereof to the Borrower (as further defined herein, the “Borrower Loan”); and

WHEREAS, for and in consideration of such Borrower Loan, the Borrower agrees, inter alia, to make loan payments (as further defined herein, the “Payments”) sufficient to pay on the dates specified herein, the principal of, premium, if any, interest thereon and Additional Payments (as defined herein); and

WHEREAS, the Issuer will assign the Payments due under Borrower Loan pursuant to this Loan Agreement (except any payments due to the Issuer pursuant to Reserved Issuer Rights (as hereinafter defined)) to the Lender to satisfy the Issuer’s obligations under Issuer Loan Obligation; and

WHEREAS, the Borrower shall make Payments directly to the Lender as assignee of the Issuer; and

WHEREAS, the Issuer, the Lender and the Borrower have duly authorized the execution and delivery of this Loan Agreement;

NOW, THEREFORE, in consideration of the payments to be made hereunder and the mutual covenants contained herein, the parties agree as follows:

ARTICLE I

DEFINITIONS

The following terms used herein will have the meanings indicated below unless the context clearly requires otherwise.

“Account Control and Pledge Agreement” means the Account Control and Pledge Agreement, dated as of October 1, 2016, executed by the Borrower in favor of Issuer and Lender.

“Act” means the Joint Powers Act, comprising Articles 1, 2, 3, and 4, of Chapter 5 of Division 7 of Title 1 of the Government Code of the State (commencing with Section 6500), as now in effect.

“Additional Payments” means the amounts, other than Payments, payable by the Borrower pursuant to the provisions of this Loan Agreement, including, without limitation, Issuer Fees and Expenses, amounts pursuant to Section 12.03 hereof, indemnity payments and reimbursement of advances due hereunder.

“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 policies of the second Person, whether through the ownership of voting securities, common directors, trustees or officers, by contract or otherwise and, with respect to the Lender, includes any affiliate of the Lender or any related entity, 100% of whose common stock or ownership interests is directly or indirectly owned by the Lender.

“Anti-Terrorism Laws” has the meaning set forth in Section 2.02(y).

“Applicable Loan Rate” shall have the meaning set forth in Section 4.11 hereof. The Applicable Loan Rate shall be subject to further adjustment in accordance with Section 4.08(e) hereof.

“Architect” means Larry Schlossberg, Gruen Associates, as the architect for the Improvements, and its successors and assigns.

“Assignment Agreement” means the Assignment Agreement, dated as of October 1, 2016, between the Issuer and the Lender.

“*Assignment of Contracts and Permits*” means the Assignment of Contracts and Permits, dated as of the Closing Date, by and between Borrower and Lender and consented to by Contractor and the Architect.

“*Authorized Borrower Representative*” means the President of the Board of Directors of the Borrower, and any other person designated from time to time in writing by the Borrower’s Board of Directors.

“*Borrower*” means (a) Yeshiva University of Los Angeles Boys High School, a California nonprofit public benefit corporation; (b) any surviving, resulting or transferee entity thereof permitted pursuant to the terms of this Loan Agreement; and (c) except where the context requires otherwise, any assignee(s) of the Borrower permitted pursuant to the terms of this Loan Agreement.

“*Borrower Documents*” means this Loan Agreement, the Deed of Trust, the Environmental Indemnity Agreement, the Security Agreement, the Project Fund Disbursement Agreement, the Contracts and Permits Assignment Agreement, the Account Control and Pledge Agreement and the Tax Regulatory Agreement.

“*Borrower Loan*” means the \$15,000,000.00 loan from Issuer to Borrower made under this Loan Agreement.

“*Business Day*” means any day which is not one of the following: (a) a Saturday, Sunday or legal holiday as set forth by the Federal Reserve Bank of San Francisco; (b) any other day on which banks in New York, New York or San Francisco, California, are authorized or required to be closed by the appropriate regulatory authorities; or (c) a day on which the New York Stock Exchange is authorized or required to be closed.

“*Capital Campaign Contributions*” means contributions and pledges associated with any capital campaign of the Borrower.

“*Capital Campaign Fund*” has the meaning set forth in Section 4.15 hereof

“*Cash Flow from Operations*” means the sum of (a) Change in Unrestricted Net Assets, plus (b) amortization, plus (c) depreciation, plus (d) interest expense, during the twelve-month period ending on the date of determination.

“*Change in Unrestricted Net Assets*” means the change in unrestricted net assets of Borrower, including, without limitation, all forms of operating revenue derives from tuition, fees, grants, fundraising (excluding Capital Campaign Contributions), lease or rental income, interest income and other unrestricted net assets as determined in accordance with GAAP.

“*Closing Date*” means October 7, 2016.

“*Code*” means the Internal Revenue Code of 1986, as amended from time to time.

“*Collateral*” means, collectively, the Property (as defined in the Deed of Trust), the Collateral (as defined in the Security Agreement), the Fund Collateral (as defined in Section 4.04 hereof), the Capital Campaign Fund and the Interest Reserve Fund.

“*Completion Guarantor*” means, jointly and severally, (i) David Nagel, an individual, (ii) David Nagel, as trustee of the David Nagel Separate Trust, (iii) David Nagel, as trustee of the David and Marnie Nagel Family Trust, (iv) Jack Nagel, as trustee for the Nagel Family Trust, and (v) Jack Nagel, an individual.

“*Completion Notice*” means a certificate stating that the Improvements are complete and that no further Draw Requests will be submitted.

“*Contractor*” means, collectively or severally, Ed Grush General Contractor, Inc., as the General Contractor for the Improvements, and any other person or entity with whom Borrower contracts for the construction of the Improvements or any portion thereof.

“*Controlled Group*” means all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with the Borrower, are treated as a single employer under Section 414 of the Code.

“*Current Portion of Long-Term Debt*” means the aggregate amount of principal payments payable within one (1) year following the date of determination.

“*Debt Service*” means (a) the aggregate amount of Current Portion of Long-Term Debt plus (b) all interest incurred on borrowed money during the twelve-month period following the date of determination.

“*Debt Service Coverage Ratio*” means for each fiscal year, the ratio of Cash Flow from Operations to Debt Service of the Borrower.

“*Deed of Trust*” means the Construction Deed of Trust with Assignment of Leases and Rents, Security Agreement and Financing Statement, dated as of October 1, 2016, by Borrower for the benefit of the Issuer.

“*Default*” means an event that, with giving of notice or passage of time or both, would constitute an Event of Default as provided in Article XI hereof.

“*Default Rate*” means the Applicable Loan Rate plus 5%, but not to exceed the highest rate permitted by applicable law.

“*Determination of Taxability*” means any determination, decision, decree or advisement by the Commissioner of Internal Revenue, or any District Director of Internal Revenue or any court of competent jurisdiction, or a written opinion obtained by the Lender and provided to the Borrower, of nationally recognized bond counsel qualified in such matters, that an Event of Taxability has occurred. A Determination of Taxability also shall be deemed to have occurred on the first to occur of the following:

(a) the date when the Borrower files any statement, supplemental statement, or other tax schedule, return or document, which discloses that an Event of Taxability has occurred;

(b) the effective date of any federal legislation enacted or federal rule or regulation promulgated after the date of this Loan Agreement that causes an Event of Taxability; or

(c) if upon sale, lease or other deliberate action within the meaning of Treas. Reg. § 1.141-2(d), the failure to receive an unqualified opinion of Special Counsel to the effect that such action will not cause interest on the Issuer Loan Obligation to become includable in the gross income of the recipient.

“*Draw Request*” means a Project Fund Draw Request substantially in the form attached hereto as Exhibit F.

“*Environmental Indemnity Agreement*” means that certain Environmental Indemnity Agreement, dated as of October 1, 2016, entered into by Borrower in favor of the Issuer.

“*Environmental Laws*” means any federal, state or local law (whether imposed by statute, or administrative or judicial order, or common law), now or hereafter enacted, governing health, safety, industrial hygiene, the environment or natural resources, or Hazardous Materials, including, such laws governing or regulating the use, generation, storage, removal, recovery, treatment, handling, transport, disposal, control, discharge of, or exposure to, Hazardous Materials.

“*ERISA*” means the Employee Retirement Income Security Act of 1974, as amended, and any successor statute of similar import, and regulations thereunder, in each case as in effect from time to time. References to Sections of ERISA shall be construed also to refer to any successor Sections.

“*ERISA Event*” means (a) a reportable event (as defined in ERISA) with respect to a Plan; (b) a withdrawal by the Borrower or any member of the Controlled Group from a Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by the Borrower or any member of the Controlled Group or notification that a Plan is in reorganization; (d) the filing of a notice of intent to terminate a Plan, the treatment of a Plan amendment as a termination under Section 4041 or 4041A of ERISA, or the commencement of proceedings by the PBGC to terminate a Plan; (e) an event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan; or (f) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Borrower or any member of the Controlled Group.

“*Event of Default*” has the meaning set forth in Section 11.01.

“*Event of Indirect Taxability*” means the enactment of any federal legislation, or the promulgation of any federal rule or regulation, after the date of this Loan Agreement, that has the effect (no matter how accomplished or implemented) of causing all or any portion of the interest on the Issuer Loan Obligation to be taken into account under any provision of the Code in such manner as to cause an increase in the federal income tax liability of the Lender.

“*Event of Taxability*” means: (a) the application of the proceeds of the Loan, or other amounts treated as “gross proceeds” of the Loan, in such manner that such Loan becomes an “arbitrage bond” within the meaning of Code Sections 103(b)(2) and 148, and with the result that interest on such Issuer Loan Obligation is or becomes includable in the gross income (as defined in Code Section 61) of the Holder of such Issuer Loan Obligation; (b) if as the result of any act, failure to act or use of the proceeds of any portion of the Loan or the Tax-Exempt Financed Property or any misrepresentation or inaccuracy in any of the representations, warranties or covenants contained in this Loan Agreement by the Issuer or the Borrower or the enactment of any federal legislation or the promulgation of any federal rule or regulation after the date of this Loan Agreement, the interest on such Loan is or becomes includable in a Holder’s gross income (as defined in Code Section 61); or (c) any revocation of the determination letter from the Internal Revenue Service regarding status of the Borrower as a 501(c)(3) corporation.

“*Excluded Taxes*” means, with respect to the Lender, (a) taxes imposed on or measured by its overall net income (however denominated), and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which the Lender is organized or in which its principal office is located, and (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which the Borrower is located.

“*Excusable Delay*” shall have the meaning set forth in the Project Fund Disbursement Agreement.

“*Facilities*” means collectively (a) all buildings, structures and other improvements situated, placed or constructed on the Land; and (b) all materials, apparatus and other items of personal property owned by the Borrower and attached to or installed in the buildings, structures and other improvements situated on the Land or used in connection with the buildings, structures and other improvements situated on the Land, including (without limitation) water, gas, electrical, storm and sanitary sewer facilities and all other utilities whether or not situated in easements.

“*Final Appraisal*” means the appraisal conducted by a MAI certified appraiser selected and engaged by the Lender.

“*GAAP*” shall refer to generally accepted accounting principles in the United States as in effect from time to time.

“*General Contractor*” means the general contractor for the Improvements selected by Borrower, and its successors and assigns.

“*Governmental Authority*” means the government of the United States of America or any other nation or any political subdivision thereof or any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, central bank, service, district or other instrumentality of any governmental entity or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or European Central Bank), or any arbitrator, mediator or other Person with authority to bind a party at law.

“*Gross-Up Rate*” means, with respect to the Issuer Loan Obligation, an interest rate equal to the Applicable Loan Rate plus a rate sufficient such that the total interest to be paid on any payment date would, after such interest was reduced by the amount of any U.S. federal, state and local income tax (including any interest or penalties) actually imposed thereon, equal the amount of interest due with respect to such Loan; provided, however, that in no event shall the Gross-Up Rate exceed twelve percent (12%) per annum.

“*Guaranty Agreement*” means, collectively, each Completion Guaranty Agreement, dated as of October 1, 2016, by each Completion Guarantor for the benefit of the Lender.

“*Hazardous Materials*” means any

(a) Substance, product, waste or other material of any nature whatsoever which is or becomes listed, regulated, or addressed pursuant to any or all of the following statutes and regulations, as the same may be amended from time to time:

(i) The Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Sections 9601, et seq. (“CERCLA”);

(ii) The Hazardous Materials Transportation Act, 49 U.S.C. Sections 1801, et seq.;

(iii) The Resource Conservation and Recovery Act, 42 U.S.C. Sections 6901, et seq. (“RCRA”);

(iv) The Toxic Substances Control Act, 15 U.S.C. Sections 2601, et seq.;

(v) The Clean Water Act, 33 U.S.C. Sections 1251, et seq.;

(vi) The California Hazardous Waste Control Act, California Health and Safety Code Sections 25100, et seq.;

(vii) The California Hazardous Substance Account Act, California Health and Safety Code Sections 25300, et seq.;

(viii) The California Safe Drinking Water and Toxic Enforcement Act, California Health and Safety Code Sections 25249.5, et seq.;

(ix) California Health and Safety Code Sections 25280, et seq. (pertaining to underground storage of Hazardous Materials);

(x) The California Hazardous Waste Management Act, California Health and Safety Code Sections 25179.1, et seq.;

(xi) California Health and Safety Code Sections 25500, et seq. (pertaining to hazardous materials response plans and inventory);

(xii) The California Porter-Cologne Water Quality Control Act, California Water Code Sections 13000, et seq.;

(xiii) California Civil Code Section 2929.5 (pertaining to inspections relating to hazardous substances); or

(xiv) All other existing and future federal, state and local laws, ordinances, rules, regulations, orders, requirements, and decrees regulating, relating to, or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or material;

(b) Any substance, product, waste or other material of any nature whatsoever which may give rise to liability (i) under any of the statutes or regulations described in clauses (i) through (xiv) of Section (a) above; or (ii) under any Environmental Law;

(c) Petroleum, petroleum products and by-products, gasoline or crude oil, other than petroleum and petroleum products contained within regularly operated motor vehicles or power tools (including without limitation golf carts and lawn maintenance equipment and vehicles); and

(d) Asbestos or asbestos containing materials.

“*Holder*” means either Lender or an assignee to which the Loan is assigned pursuant to Section 10.01 hereof.

“*Improvements*” means the (i) approximately 17,000 square feet of improvements to be constructed on the Land including a 9,400 square foot gymnasium, an 1,800 square foot collaborative learning center, four classrooms, an art lab, an innovation and robotics lab and other ancillary educational facilities, (ii) an approximately 30,000 square foot subterranean garage to be constructed on the Land including 100 parking spaces and (iii) a courtyard enhancement project to bridge the existing facilities and the new facilities, and (iv) and other ancillary facilities located at the Property and financed with the proceeds of the Loan.

“*Indemnified Taxes*” means Taxes other than Excluded Taxes.

“*Initial Prepayment Date*” means November 1, 2019, unless extended pursuant to Section 4.16 hereof.

“*Initial Rate Period*” means, the period from the Closing Date to and including November 1, 2019; provided, however, that (a) the Initial Rate Period shall end on November 1, 2020 if the Borrower makes the election to extend the Initial Prepayment Date contained in Section 4.16(a) and satisfies the conditions precedent in such extension set forth in Section 4.16(a), and (b) the Initial Rate Period shall end on November 1, 2021 if the Borrower makes the election to extend the Initial Prepayment Date contained in Section 4.16(b) and satisfies the conditions precedent in such extension set forth in Section 4.16(b).

“*Interest Reserve Fund*” shall have the meaning set forth in Section 3.03 hereof.

“*Issuer*” means California Enterprise Development Authority, acting as issuer under this Loan Agreement.

“*Issuer Annual Fee*” means \$1,000 per year, and payable in accordance with Section 3.04 hereof.

“*Issuer Documents*” means this Loan Agreement, the Assignment Agreement and the Tax Regulatory Agreement.

“*Issuer Fees and Expenses*” means, with respect to this Loan Agreement, the fee payable to Issuer for Issuer’s services in connection with the preparation, review and execution of this Loan Agreement and Issuer’s fees, costs and expenses, as further defined in Sections 3.04 and 7.11 hereof.

“*Lender Indemnified Party*” shall have the meaning set forth in Section 7.13(a).

“*Issuer Issuance Fee*” means \$25,000, payable on the Closing Date.

“*Issuer Loan Obligation*” means the \$15,000,000.00 loan from Lender to Issuer made under this Loan Agreement.

“*Land*” means real property identified in Exhibit A hereto, together with any greater estate therein as hereafter may be acquired by the Borrower.

“*Lender*” means (a) California United Bank, a California corporation; (b) any surviving, resulting or transferee corporation of California United Bank; and (c) if this Loan Agreement and the Issuer Loan Obligation have been assigned by the Lender pursuant to Section 10.01 hereof, such assignee shall be considered the Lender with respect to this Loan Agreement and the Issuer Loan Obligation, subject to Section 10.01 hereof.

“*Lender Fees*” means, with respect to this Loan Agreement, the fee payable to the Lender for the Lender’s services in connection with the preparation, review and execution of this Loan Agreement, as further defined in Section 12.03 hereof.

“*Lender Indemnified Person*” shall have the meaning set forth in Section 7.14(a).

“*Lender’s Inspector*” shall have the meaning set forth in Section 3.02(c) hereof.

“*Lien*” shall have the meaning set forth in Section 8.01 hereof.

“*Loan*” means the loan from the Lender to the Issuer evidenced by the Issuer Loan Obligation and by the Issuer to the Borrower evidenced by the Borrower Loan under this Loan Agreement.

“*Loan Agreement*” means, collectively, this Master Loan Agreement, including the Exhibits hereto, as any of the same may be supplemented or amended from time to time in accordance with the terms hereof.

“*Loan Documents*” means, collectively, this Loan Agreement, the Deed of Trust, the Environmental Indemnity Agreement, the Assignment Agreement, the Security Agreement, the Project Fund Disbursement Agreement, the Contracts and Permits Assignment Agreement, the Guaranty Agreements, the Account Control and Pledge Agreement, the Tenant Subordination Agreements and the Tax Regulatory Agreement.

“*Loan Proceeds*” means the amount of \$14,906,250 to be paid or provided to the Borrower (representing the principal amount of the Loan in an amount up to \$15,000,000, less original issue discount of \$93,750).

“*Margin Stock*” shall have the meaning assigned to such term in Regulation U promulgated by the Board of Directors of the Federal Reserve System, as now and hereafter from time to time in effect.

“*Material Adverse Change*” means any change of circumstances or any event which has a Material Adverse Effect.

“*Material Adverse Effect*” means: (a) a material adverse change in, or a material adverse effect upon, the operations, business, properties, liabilities (actual or contingent), condition (financial or otherwise) or prospects of the Borrower; (b) a material impairment of the ability of the Borrower to perform its obligations under any Loan Document; or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against the Borrower of any Loan Document to which it is a party.

“*Maturity Date*” means November 1, 2045; *provided, however*, that the Loan is subject to mandatory prepayment on the Prepayment Date.

“*Net Proceeds*” means any insurance proceeds or condemnation award paid with respect to the Property or any portion thereof, to the extent remaining after payment therefrom of all reasonable expenses incurred in the collection thereof.

“*Obligation*” means Payments and Additional Payments payable by the Borrower pursuant to the provisions of this Loan Agreement.

“*OFAC*” means Office of Foreign Assets Control.

“*Other Taxes*” means all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or

under any other Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Loan Agreement or any other Loan Document.

“*Patriot Act*” means 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.

“*Payments*” means those payments of principal and interest with respect to the Loan (excluding, Additional Payments, Issuer Fees and Expenses and Lender Fees payable to the Lender and the Issuer hereunder) payable by the Borrower pursuant to the provisions of this Loan Agreement. Payments shall be payable by the Borrower directly to the Lender as assignee of the Issuer, in the amounts and at the times as set forth in this Loan Agreement.

“*PBGC*” means the Pension Benefit Guaranty Corporation or any successor thereto.

“*Permitted Encumbrances*” means (a) liens and security interests securing indebtedness owed by the Borrower to the Issuer and/or the Lender, including liens and security interests granted by the Security Agreement and liens securing a line of credit extended by the Lender to the Borrower; (b) liens arising by reason of good faith deposits in connection with tenders, leases of real estate, bids or contracts (other than contracts for the payment of borrowed money); (c) any lien arising by reason of deposits with, or the giving of any form of security to, any governmental agency or any body created or approved by law or governmental regulation for any purpose at any time as required by law or governmental regulation as a condition to the transaction of any business or the exercise of any privilege or license, or to enable the Borrower to maintain self-insurance or to participate in any funds established to cover any insurance risks or in connection with workers’ compensation, unemployment insurance, pensions or profit sharing plans or other social security plans or programs, or to share in the privileges or benefits required for corporations participating in such arrangements; (d) liens arising by reason of good faith deposits made by or to the Borrower in the ordinary course of business (for other than borrowed money), deposits by the Borrower to secure public or statutory obligations or deposits to secure, or in lieu of, surety, stay or appeal bonds, and deposits as security for the payment of taxes or assessments or other similar charges; (e) attachment or judgment liens not constituting a default hereunder or under the Deed of Trust, or any attachment or judgment lien against the Borrower so long as such judgment is being contested in good faith and execution thereon is stayed; (f) rights reserved to or vested in any municipality or public authority by the terms of any right, power, franchise, grant, license, permit or provision of law affecting the Property, to: (1) terminate such right, power, franchise, grant, license, or permit, provided, that the exercise of such right would not materially impair the use of such Property in the ordinary course by the Borrower or materially and adversely affect the value thereof, or (2) purchase, condemn appropriate or recapture, or designate a purchaser of, the Property or any portion thereof; (g) liens for taxes, assessments, or similar charges either not yet delinquent or being contested in good faith; (h) liens of materialmen, mechanics, warehousemen, or carriers, or other like liens arising in the ordinary course of business and securing obligations which are not yet delinquent; or which are being contested in good faith for a period no longer than the ninety (90) days after the due date of such lien; (i) easements, rights-of-way, servitudes, restrictions, deed restrictions, oil, gas, or other mineral reservations and other minor defects, encumbrances, and irregularities in the title to the Property which do not materially impair the use of such Property in the ordinary course by the Borrower or materially and adversely affect the value thereof; (j) rights reserved to

or vested in any municipality or public authority to control or regulate the Property or to use such Property in any manner, which rights do not materially impair the use of such Property or materially and adversely affect the value thereof, to the extent that it affects title to the Property; (k) liens on property received by the Borrower through gifts, grants or bequests, such liens being due to restrictions on such gifts, grants or bequests or the income thereon, so long as the fair market value of any such property is greater than the amount of the indebtedness secured by the lien on such property; (l) the exceptions to coverage to the Title Policy as approved by Lender; and (m) Liens approved in writing by the Lender in its sole discretion on a case-by-case basis.

“*Permitted Investments*” means, with respect to the investment of the amounts in Project Fund, the Capital Campaign Fund and the Interest Reserve Fund, money market accounts held with the Lender or its Affiliates and any other instrument approved by the Lender in writing on a case-by-case basis.

“*Person*” means any individual, corporation, not for profit corporation, partnership, limited liability company, joint venture, association, professional association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other form of entity.

“*Plan*” means, with respect to the Borrower at any time, an employee pension benefit plan which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code and either (i) is maintained, or has within the preceding five plan years been maintained, by a member of the Controlled Group for employees of a member of the Controlled Group of which the Borrower is a part, (ii) is maintained pursuant to a collective bargaining agreement or any other arrangement under which more than one employer makes contributions and to which a member of the Controlled Group of which the Borrower is a part is then making or accruing an obligation to make contributions or has within the preceding five plan years made contributions.

“*Plans and Specifications*” means Borrower’s plans and specifications for the Improvements, as amended from time to time, which include a construction budget for the Improvements and an allocation of the sources and uses of funds for the Improvements.

“*Prepayment Date*” means (i) the Initial Prepayment Date, as may be extended pursuant to Section 4.16 hereof, and (ii) the date provided by the Lender in response to the Borrower’s written request for an extension pursuant to Section 4.08(e) of this Loan Agreement.

“*Prime Rate*” means that floating rate of interest per year identified from time to time as the Prime Rate as published in the “Consumer Rates and Returns to Investor” section of the Wall Street Journal or any successor source for such rate, which at any time may not be the lowest rate charged by Lender. Changes in the rate of interest resulting from a change in the Prime Rate shall take effect one Business Day following the date of each and every announcement of a change in the Prime Rate.

“*Prior Interest Payment*” means a payment of interest on the Issuer Loan Obligation made on or prior to the date of any Determination of Taxability that becomes includable in a Holder’s gross income (as defined in Code Section 61).

“*Prior Obligations*” means that certain promissory note, dated as of June 30, 2008, in the original principal amount of \$1,500,000, made by Borrower in favor of Wells Fargo Bank, National Association.

“*Project*” means (i) financing of design, acquisition, construction, installation, equipping or furnishing of the Improvements, (ii) refunding the Prior Obligations, and (iii) paying certain costs of issuing the Loan.

“*Project Costs*” means the amount paid or to be paid for any portion of the Project incurred by Borrower in connection with the Project and as permitted under the Act, including closing costs for the Loan.

“*Project Fund*” means the Project Fund established pursuant to Section 3.04 of this Loan Agreement.

“*Project Fund Disbursement Agreement*” means the Project Fund Disbursement Agreement dated as of the date hereof by and between the Lender and the Borrower.

“*Property*” means the real property identified as the “Property” in Exhibit A hereto, together with any greater estate therein as hereafter may be acquired by the Borrower.

“*Qualified Institutional Buyer*” shall have the meaning ascribed thereto in Rule 144A of the Securities Act of 1933, as amended.

“*Reserved Issuer Rights*” means the Issuer’s rights to Additional Payments (which include Issuer Fees and Expenses), indemnification, notices, opinions, certifications, information, inspections and consents pursuant to this Loan Agreement and the Tax Regulatory Agreement.

“*Security Agreement*” means the Security Agreement of even date herewith executed and delivered by the Borrower.

“*Special Counsel*” means any firm of nationally recognized municipal bond attorneys, selected by the Issuer and acceptable to the Lender and the Borrower, experienced in the issuance of municipal bonds and matters relating to the exclusion of the interest thereon from gross income for federal income tax purposes.

“*State*” means the State of California.

“*Subsidiary*” of a Person means (i) any corporation more than 50% of the outstanding securities having ordinary voting power of which shall at the time be owned or controlled, directly or indirectly, by such Person or by one or more of its Subsidiaries or by such Person and one or more of its Subsidiaries, or (ii) any partnership, limited liability company, association, joint venture or similar business organization more than 50% of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled.

“*Swap Agreement*” 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.

“*Tax-Exempt Financed Property*” means the portions of the Property used for secular instruction or activities and financed or refinanced with the proceeds of the Issuer Loan Obligation.

“*Tax Regulatory Agreement*” means the Tax Regulatory Agreement dated the Closing Date executed and delivered by the Issuer and the Borrower, together with any supplements or certificates related thereto.

“*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, fines, additions to tax or penalties applicable thereto.

“*Tenant Subordination Agreements*” means (i) the Subordination Agreement, dated as of October 1, 2016, by and among the Lender, the Borrower and Mordechai Leichter, as administrative agent on behalf of the Yeshiva Minyan worshipping at the YULA Ashkenazi Beit Midrash, as lessee, and (ii) the Subordination Agreement, dated as of October 1, 2016, by and among the Lender, the Borrower and The Westside Shul, a California nonprofit public benefit corporation, as lessee.

“*Title Insurer*” means Chicago Title Company.

“*Title Policy*” means an ALTA (or equivalent) mortgagee policy of title insurance with coverage in an amount equal to the principal amount of the Loan, with reinsurance and endorsements as Lender may require, containing no exceptions to title (other than Permitted Encumbrances) which are unacceptable to Lender, and insuring that the Deed of Trust is a first-priority lien on the Property. Without limitation, such policy shall (a) be in the 2006 ALTA form or, if not available, ALTA 1992 form (deleting arbitration and creditors’ rights, if permissible) or, if not available, the form commonly used in the State, insuring Lender and its successors and assigns; and (b) include those endorsements and/or affirmative coverages approved by Lender, as evidenced by the final approved title policy.

“*Treasury Rate*” shall be determined by reference to the average quoted 7-year Treasury Constant Maturity in the Federal Reserve Statistical Release H.15 (or any successor release) at the time of determination.

“*Unfunded Vested Liabilities*” means, with respect to any Plan at any time, the amount (if any) by which (i) the present value of all vested nonforfeitable accrued benefits under such Plan exceeds (ii) the fair market value of all Plan assets allocable to such benefits, all determined as of the then most recent valuation date for such Plan, but only to the extent that such excess represents a potential liability of a member of the Controlled Group to the PBGC or such Plan under Title IV of ERISA.

“*Welfare Plan*” means a “*welfare plan*,” as such term is defined in Section 3(1) of ERISA.

ARTICLE II

REPRESENTATIONS, WARRANTIES AND COVENANTS OF ISSUER AND BORROWER

Section 2.01. Representations, Warranties and Covenants of the Issuer. The Issuer represents, warrants and covenants, for the benefit of the Lender and the Borrower, as follows:

(a) The Issuer is a joint exercise of powers agency duly organized and existing under the laws of the State, and is duly authorized to enter into the Issuer Documents and to perform its obligations under the Issuer Documents. By proper action, the Issuer has duly authorized the execution, delivery and performance of its obligations under the Issuer Documents.

(b) The Issuer represents, covenants and warrants that all requirements have been met and procedures have occurred such that the Issuer Documents are valid and binding obligations of the Issuer enforceable in accordance with their respective terms except as enforcement may be limited by bankruptcy, insolvency, moratorium, or similar laws affecting the enforcement of creditors’ rights generally, by equitable principles, by the exercise of judicial discretion in appropriate cases and by the limitation on legal remedies against agencies of the State. The Issuer has taken all necessary action and has complied with all applicable provisions of the Act, including but not limited to the making of any findings required by the Act, required to make the Issuer Documents the valid and binding obligations of the Issuer.

(c) Pursuant to this Loan Agreement and the Assignment Agreement, the Issuer has assigned to the Lender all of the Issuer’s rights (except Reserved Issuer Rights) in the Project, this Loan Agreement, the Payments and any all other Loan Documents except the Tax Regulatory Agreement, including the assignment of all rights in any security interest granted to the Issuer by the Borrower thereunder.

(d) The execution and delivery of the Loan Agreement and compliance with the provisions of the Loan Agreement under the circumstances contemplated thereby will

not in any respect conflict with, or constitute on the part of the Issuer a material breach or default under any agreement or other instrument to which the Issuer is a party, or any existing law, administrative regulation, court order or consent decree to which the Issuer is subject in a manner that is reasonably likely to have a material adverse effect on the Issuer's ability to issue or deliver the Issuer Loans, or its ability to execute, deliver or comply with the Issuer Documents and the transactions contemplated thereby.

(e) To the current actual knowledge of the officers of the Issuer, there is no action, suit or proceeding pending before or by any court for which service of process has been duly completed as to the Issuer and, to the current actual knowledge of the Issuer's officers, there is no action, suit or proceeding before any court threatened against the Issuer or any proceeding, inquiry or investigation threatened by or pending before any public body against the Issuer, challenging the Issuer's authority to enter into the Issuer Documents or any other action wherein an unfavorable ruling or finding would have a Materially Adverse Effect the enforceability of the Issuer Documents, or the exclusion of the interest from gross income for federal tax purposes under the Code, or would have a Material Adverse Effect on the Issuer's ability to perform its obligations with respect to any of the transactions contemplated by this Loan Agreement.

(f) The Issuer will submit or cause to be submitted to the Internal Revenue Service a Form 8038 (or other information reporting statement) at the time and in the form required by the Code.

(g) To the best knowledge of the Issuer's officers, no officer or other official of the Issuer has any financial interest whatsoever in the Borrower or in the transactions contemplated by this Loan Agreement.

Section 2.02. Representations, Warranties and Covenants of the Borrower. The Borrower represents and warrants, as of the date hereof, and covenants, for the benefit of the Lender and the Issuer as follows:

(a) The Borrower is duly organized and in good standing under the laws of the State of California, authorized to purchase and hold real and personal property and finance or refinance the same, and has full legal right, power and authority to enter into the Loan Documents and to carry out and consummate all transactions contemplated hereby and by the other Loan Documents and by proper corporate action has duly authorized the execution, delivery and performance of the Loan Documents. The Borrower is duly licensed to operate and maintain its existing facilities and has all necessary power and authority to conduct the business now being conducted by it and as contemplated by this Loan Agreement

(b) The Borrower Documents have been duly authorized, executed and delivered by the Borrower.

(c) Assuming due execution and delivery by the other parties, this Loan Agreement and the other Borrower Documents constitute the legal, valid and binding agreements of the Borrower enforceable against the Borrower by the Issuer or the Lender,

as appropriate, in accordance with their respective 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 and by commercial reasonableness.

(d) The execution and delivery of the Loan Documents by the Borrower, the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions hereof and thereof by the Borrower, do 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 and bylaws of the Borrower, or with respect to the Borrower, any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any material indenture, mortgage, deed of trust, loan agreement, lease, contract or other material agreement or instrument to which the Borrower 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 Borrower, other than Permitted Encumbrances, which conflict, violation, breach, default, lien, charge or encumbrance may materially and adversely affect the consummation of the transactions contemplated by the Loan Documents, or the financial condition, operations or business of the Borrower.

(e) As of the date hereof, no consent or approval of any trustee or holder of any indebtedness of the Borrower or any guarantor of indebtedness of or other provider of credit or liquidity to the Borrower, and with respect to the Borrower, 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 Loan 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.

(f) There is no action, suit, proceeding, inquiry or investigation, before or by any court or federal, state, municipal or other Governmental Authority, pending, or to the knowledge of the Borrower, threatened in writing, against or affecting the Borrower or the assets, properties or operations of the Borrower:

(i) to restrain or enjoin the issuance or delivery of any of the Loan Documents or the payment of Payments hereunder;

(ii) in any way contesting or adversely affecting the authority for or the validity of the Loan Documents;

(iii) in any way contesting the corporate existence or powers of the Borrower;

(iv) which, if determined adversely to it, would materially adversely affect the consummation of the transactions contemplated by the Loan Documents or the ability of the Borrower to perform its material obligations hereunder or thereunder; or could reasonably be expected to have a material adverse effect on the financial conditions, the operations or business of the Borrower; or

(v) contesting the Borrower's status as an organization described in Section 501(c)(3) of the Code or which would subject any income of the Borrower to federal income taxation to such extent as would result in loss of the exclusion from gross income for federal income tax purposes of interest on any portion of the Issuer Loan Obligation under Section 103 of the Code.

(g) As of the date hereof, no written information, exhibit or report furnished to the Issuer or the Lender by the Borrower in connection with the negotiation of the Loan Documents or otherwise in connection with the transactions contemplated hereby and thereby, contains any untrue statement of a material fact regarding the Borrower, the Property or the Borrower's business, or omits to state a material fact regarding the Borrower, the Property or the Borrower's business necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. All projections, valuations or pro forma financial statements provided to the Issuer or the Lender by Borrower present Borrower's good faith opinion as to such projections, valuations and pro forma condition and results.

(h) The Borrower has heretofore furnished to the Issuer and the Lender the audited financial statements of the Borrower for its fiscal years ended June 30, 2014 and June 30, 2015, and the related statement of revenues, expenditures, transfer and changes in net assets and changes in financial position for the years then ended and information related to the Project. The information relating to the Project is complete and accurate and those financial statements present fairly, in all material respects, the financial condition of the Borrower on the dates thereof, and the activities and cash flows for the periods then ended were prepared in accordance with GAAP. Since June 30, 2015, there has been no Material Adverse Change in the assets, operations or financial condition of the Borrower, other than as disclosed in writing to the Issuer and the Lender.

(i) As of the Closing Date, the Borrower has good and marketable fee title to the Property free and clear from all encumbrances other than Permitted Encumbrances. The Borrower enjoys the peaceable and undisturbed possession of all real and personal property which is material to its operation.

(j) The Borrower 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) (1) under the Borrower Documents, or (2) with respect to any order or decree of any court binding against the Borrower or any order, regulation or demand of any federal, state, municipal or other Governmental Authority binding against the Borrower, which default could reasonably be expected to have a Material Adverse Effect on the consummation of the transactions contemplated by the Borrower Documents, or the financial condition, operations or business of the Borrower.

(k) All material certificates, approvals, permits and authorizations of applicable local governmental agencies, and agencies of the State and the federal government were obtained, or will be obtained during the course of construction of the Improvements, with respect to the construction and installation of the Facilities and operation of the Facilities, and the Facilities have been or will be constructed, installed operated pursuant to and in accordance with such certificates, approvals, permits and authorizations.

(l) The Borrower acknowledges, represents and warrants that, except for the express representations and warranties of the Issuer set forth herein, it has not relied on the Issuer or Lender for any guidance or expertise in analyzing the financial or other consequences of the transactions contemplated by the Borrower Documents or otherwise relied on the Issuer or Lender for any advice. The Borrower acknowledges that it has been advised by, or has had the opportunity to be advised by, its own financial advisors in connection with the financing and refinancing of the Project.

(m) No portion of the Tax-Exempt Financed Property includes any property used or to be used for sectarian instruction or study, as a place for devotional activities or religious worship, or primarily in connection with any part of the program of a school or department of divinity for any religious denomination.

(n) The Borrower is an organization described in Section 501(c)(3) of the Code, does not constitute a private foundation under Section 509(a) of the Code, and the income of the Borrower is exempt from federal taxation under Section 501(a) of the Code. The Borrower has received a determination from the Internal Revenue Service to the foregoing effect, and none of the bases for such determination have changed since the date thereof.

(o) Environmental Laws.

(i) The Borrower is in compliance in all material respects with all applicable Environmental Laws.

(ii) Neither the Borrower nor the Property 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 Laws or to respond to a release of any Hazardous Materials into the environment.

(iii) The Borrower does not have any material contingent liability in connection with any release of any Hazardous Materials into the environment.

(iv) The Borrower is in compliance with Division 13, commencing with Section 21000, of the Public Resources Code (the "CEQA Requirements") with respect to the Project and has received all documentation evidencing such compliance, or the Project is not defined as a "project" or is "statutorily exempt" or is "categorically exempt" in accordance with the CEQA Requirements.

(p) Neither the Borrower nor any affiliate of the Borrower is 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.

(q) Neither the Borrower nor any of its affiliates is in violation of any laws relating to terrorism or money laundering (“Anti-Terrorism Laws”), including Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the “Executive Order”), and the Patriot Act.

(r) Neither the Borrower nor any of its affiliates is any of the following:

(i) a person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(ii) a person owned or controlled by, or acting for or on behalf of, any person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(iii) a person with which the Lender is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;

(iv) a person that commits, threatens or conspires to commit or supports “terrorism” as defined in the Executive Order; or

(v) a person that is named as a “specially designated national and blocked person” on the most current list published by the Office of Foreign Asset Control or any list of Persons issued by OFAC pursuant to the Executive Order at its official website or any replacement website or other replacement official publication of such list;

(s) Neither the Borrower nor any of its affiliates (i) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any person described in subsection (r)(ii) above, (ii) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order or (iii) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

(t) The Borrower is currently in compliance, and in the future will comply, with all applicable nondiscrimination laws.

(u) The Borrower currently maintains insurance coverage with insurance companies believed by the Borrower to be capable of performing their obligations under the respective insurance policies issued by such insurance companies to the Borrower (as determined in its reasonable discretion) and in full compliance this Loan Agreement.

(v) The representations and warranties of the Borrower contained in the other Borrower Documents, together with the related definitions of terms contained therein, are

hereby incorporated by reference in this Loan Agreement as if each and every such representation and warranty and definition were set forth herein in its entirety, and the representations and warranties made by the Borrower in such Sections are hereby made for the benefit of the Lender. No amendment to or waiver of such representations and warranties or definitions made pursuant to the relevant Borrower Document or incorporated by reference shall be effective to amend such representations and warranties and definitions as incorporated by reference herein without the prior written consent of the Lender.

(w) The Borrower has not taken any action or omitted to take any action, and has no actual knowledge of any action taken or omitted to be taken by any other Person, which action, if taken or omitted, would adversely affect the exclusion of interest on the Issuer Loan Obligation from gross income for federal income tax purposes or the exemption of interest on the Issuer Loan Obligation from State personal income taxes.

(x) To the knowledge of the Borrower, there is no amendment or 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 will have a Material Adverse Effect on the transactions contemplated by this Loan Agreement, the security for any of the obligations owed by the Borrower hereunder, the creation, organization, or existence of the Borrower or the titles to office of any officers executing this Agreement or any other Borrower Documents or the Borrower's ability to repay when due its obligations under this Loan Agreement.

(y) All material taxes, assessments, fees and other governmental charges (other than those presently payable without penalty or interest) upon the Borrower or upon any property thereof, which are due and payable, have been paid prior to delinquency and no material claims are being asserted with respect to any past due taxes, assessments, fees or other governmental charges against the Borrower, except, in each case, as are being contested in good faith by appropriate proceedings for which adequate reserves are being maintained in accordance with GAAP,

(z) None of the directors, officers and employees of the Borrower have not been convicted of, or pleaded *nolo contendere* to, as sex offense against a minor (as such terms are defined in Section 111 of the Sex Offender Registration and Notification Act (42 U.S.C. 16911)).

(aa) The Borrower has no Subsidiaries.

(bb) The Borrower has not entered into any Swap Agreement relating to any indebtedness.

ARTICLE III

ISSUANCE OF LOAN; APPLICATION OF PROCEEDS

Section 3.01. Loan To Refinance Prior Obligations and Finance the Improvements.

(a) The Lender hereby agrees to loan up to \$15,000,000 in the form of the Issuer Loan Obligation to Issuer and Issuer hereby agrees, subject to limitations herein, to borrow such amount from the Lender and to lend the Loan Proceeds to the Borrower for the purposes of refinancing the Prior Obligations, financing the construction of the Improvements and paying certain costs of issuance related to the Loan. The Loan is non-revolving. Any portion of the Loan repaid may not be relent.

(b) Upon fulfillment of the conditions precedent set forth in Section 5.01 hereof, the Lender shall disburse a portion of the Loan Proceeds to the Issuer by transferring the amount of \$772,529.85 to Chicago Title Company, as escrow agent, to refinance the Prior Obligations, credit \$93,750.00 to the Lender as Original Issue Discount, and disburse \$489,983.00 in accordance with a Draw Request dated as of the Closing Date.

(c) The Borrower shall design, acquire, construct, improve and equip the Improvements with all reasonable dispatch, substantially in accordance with the Plans and Specifications. The Borrower shall (a) pay when due all fees, costs and expenses incurred in connection with the foregoing from funds made available therefor in accordance with this Loan Agreement, or otherwise, unless any such fees, costs or expenses are being contested by Borrower in good faith and by appropriate proceedings; (b) as Borrower deems reasonably appropriate and in its best interests, ask, demand, sue for, levy, recover and receive all those sums of money, debts and other demands whatsoever which may be due, owing and payable under the terms of any contract, order, receipt, writing and instruction in connection with the design, construction and equipping of the Improvements; and (c) as Borrower deems reasonably appropriate and in its best interests, enforce the provisions of any contract, agreement, obligation, bond or other performance security with respect thereto. Borrower may revise the Plans and Specifications from time to time, provided that no revision shall be made which would change the purposes of the Improvements to other than purposes permitted by the Act. Upon the completion of the Improvements, Borrower shall provide Lender with a Completion Notice.

(d) Subject to the terms and conditions in Sections 4.03, 5.02 and 5.03 hereof, Lender shall disburse the Loan Proceeds of the Issuer Loan Obligation to Issuer from time to time into the Project Fund pursuant to Draw Requests. The aggregate principal amount of the Loan outstanding under this Loan Agreement is set forth in Exhibit G hereto, as such Exhibit G may be amended from time to time pursuant to Section 5.02(b) hereof.

(e) The Issuer's obligation to repay the Issuer Loan Obligation and the Borrower's obligation to repay the Borrower Loan shall commence, and interest shall begin to accrue, on the date that Loan Proceeds of the Issuer Loan Obligation are disbursed by the Lender to or for the benefit of the Borrower. The execution and delivery of this Loan Agreement shall not obligate the Lender to execute and deliver any Draw Request or to provide any funds with respect to any Draw Request, unless and until such Draw Request and any related documents have been

executed and delivered by all other parties thereto and all conditions set forth in this Loan Agreement have been satisfied

Section 3.02. Establishment and Application of Project Fund.

(a) *Establishment of the Project Fund.* The Borrower shall establish and maintain an account at California United Bank designated as the “Project Fund” and designated as account number 207151654. The Borrower shall maintain a separate record of the Project Fund on its books and shall account for all deposits and withdrawals from the Project Fund in accordance with Borrower’s accounting procedures. The Lender shall deposit, from time to time, a portion of the Loan Proceeds from the Loan into the Project Fund to be used and withdrawn by the Borrower pursuant to a Draw Request to pay Project Costs. No moneys in the Project Fund shall be used to pay Additional Payments. Amounts in the Project Fund may be invested in Permitted Investments as directed by the Borrower.

(b) *Conditions Precedent to Construction Draws.* Other than the disbursement of Loan Proceeds on the Closing Date and subject to the provisions of Section 5.03 of this Loan Agreement, the Lender’s agreement to disburse funds to the Project Fund shall be subject to the further conditions precedent set forth in Section 5.02 of this Loan Agreement and that Borrower shall have met the conditions and requirements set forth in the Project Fund Disbursement Agreement with respect to disbursement of funds to the Project Fund. Upon receipt of a Draw Request to pay for Project Costs from the Borrower and the approval thereof by the Lender, the Lender shall disburse to, or for the account of, the Borrower, Loan Proceeds to pay Project Costs in accordance with the Draw Request.

(c) *Lender’s Inspector.* The Lender shall have the right to retain, at the Borrower’s expense, an inspector (the “Lender’s Inspector”) to review and advise the Lender with respect to all Plans and Specifications, construction, architectural and other design professional contracts, change orders, governmental permits and approvals, and other matters related to the design, construction, operation and use of the Improvements, to monitor the progress of construction and to review on behalf of the Lender all Draw Requests submitted by the Borrower. The Borrower acknowledges that (i) the Lender’s Inspector has been retained by the Lender to act as a consultant, and only as a consultant, to the Lender in connection with the construction of the Improvements, and the Lender’s Inspector may be an employee of the Lender, (ii) the Lender’s Inspector shall in no event have any power or authority to make any decision or to give any approval or consent or to do any other thing which is binding upon the Lender, and any such purported decision, approval, consent or act by the Lender’s Inspector on behalf of the Lender shall be void and of no force or effect, (iii) the Lender reserves the right to make any and all decisions required to be made by the Lender under this Loan Agreement, in its sole and absolute discretion, and without in any instance being bound or limited in any manner whatsoever by any opinion expressed or not expressed by the Lender’s Inspector to the Lender or any other person with respect thereto, and (iv) the Lender reserves the right in its sole and absolute discretion to replace the Lender’s Inspector with another inspector at any time and without prior notice to or approval by the Borrower. All inspections by or on behalf

of the Lender shall be solely for the benefit of the Lender, and the Borrower shall have no right to claim any loss or damage against the Lender or the Lender's Inspector (whether or not an employee of the Lender) arising from any alleged (i) negligence or failure to perform such inspections, (ii) failure to monitor loan disbursements or the progress or quality of construction, or (iii) failure to otherwise properly administer the construction aspects of the Improvements; but excluding the gross negligence or willful misconduct of Lender or Lender's Inspector. Notwithstanding the foregoing, Lender's Inspector shall not perform a physical inspection of the Property more often than once with respect to each Draw Request, except in the event of an emergency or while an Event of Default is continuing.

If required by the Lender upon receiving a Draw Request, the Lender's Inspector may determine prior to any disbursement of Loan Proceeds by the Lender:

(i) whether the work completed to the date of such Draw Request has been done satisfactorily and materially in accordance with the Plans and Specifications;

(ii) the percentage of construction of the Improvements completed as of the date of such Draw Request;

(iii) the hard construction costs actually incurred by the Borrower in connection with the construction of the Improvements for work in place as part of the Improvements as of the date of such Draw Request;

(iv) the actual sum necessary to complete construction of the Improvements in accordance with the Plans and Specifications; and

(i) the amount of time from the date of such Draw Request which will be required to complete construction of the Improvements in accordance with the Plans and Specifications

Section 3.03. Establishment and Application of Interest Reserve Fund. The Borrower authorizes the Lender to automatically draw from the proceeds of the Loan to pay interest on the Loan as it becomes due in accordance with the Project Budget (as defined in the Project Fund Disbursement Agreement). As of the Closing Date, the Lender estimates that such amounts shall equal approximately \$522,000. Should there be insufficient undrawn amounts of proceeds of the Loan allocated in the Project Budget to pay interest thereon, the full amount of such deficiency shall be immediately due and payable by Borrower.

If required pursuant to Section 4.16 or pursuant to the Project Fund Disbursement Agreement, the Borrower shall establish and maintain a separate account at California United Bank designated as "Interest Reserve Fund." If a deposit into the Interest Reserve Fund is required pursuant to Section 4.16 hereof or pursuant to the terms of Project Fund Disbursement Agreement, Borrower shall deposit such funds into the Interest Reserve Fund and thereafter monthly interest payments on the Loan shall be automatically debited by the Lender from the Interest Reserve Fund until the Interest Reserve Fund is depleted. The Borrower shall pay the balance of the interest due on the Loan.

Section 3.04. Term. The term of this Loan Agreement shall commence on the Closing Date and shall terminate upon the earliest to occur of any of the following events:

(a) so long as no Event of Default has occurred and is continuing hereunder, the payment by the Borrower of all Payments and Additional Payments with respect to the Borrower Loan, any rebate payments and any other payments required to be paid by the Borrower hereunder;

(b) so long as no Event of Default has occurred and is continuing hereunder, the prepayment of the entire outstanding principal amount, accrued interest, any Additional Payments, and the other amounts due hereunder; or

(c) The Lender's election to terminate this Loan Agreement under Article XI due to an Event of Default hereunder.

Section 3.05. Costs and Expenses of the Issuer. The Borrower shall pay to the Issuer the following "Issuer Fees and Expenses":

(a) All taxes and assessments of any type or character charged to the Issuer affecting the amount available to the Issuer from payments to be received hereunder or in any way arising due to the transactions contemplated hereby (including taxes and assessments assessed or levied by any public agency or Governmental Authority of whatsoever character having power to levy taxes or assessments) but excluding any taxes based upon the capital or income of any other person other than the Borrower; provided, however, that the Borrower shall have the right to protest any such taxes or assessments and to require the Issuer, at the Borrower's expense, to protest and contest any such taxes or assessments assessed or levied upon them and that the Borrower shall have the right to withhold payment of any such taxes or assessments pending disposition of any such protest or contest unless such withholding, protest or contest would have a Material Adverse Effect on the rights or interests of the Issuer, notwithstanding the provisions of Section 8.01;

(b) The reasonable fees and expenses of such accountants, consultants, attorneys and other experts, including, without limitation, fees and expenses of the Issuer's in-house and outside counsel, if any, as may be engaged by the Issuer to prepare audits, financial statements or opinions or provide such other services as are required in connection with the Loan Documents and the Loan;

(c) The Issuer Issuance Fee, Issuer Annual Fees and the reasonable fees and expenses of the Issuer or any agent or attorney selected by the Issuer to act on its behalf including, without limitation, fees and expenses of the Issuer's in-house and outside counsel, if any, in connection with the Borrower Loan under this Loan Agreement, the Tax Regulatory Agreement or any other documents contemplated hereby or thereby, including, without limitation, any and all reasonable expenses incurred in connection with any inquiry, litigation, investigation, audit or other proceeding which may at any time be instituted involving this Loan Agreement, the Tax Regulatory Agreement or any other documents contemplated hereby or thereby, or in connection with the reasonable

supervision or inspection of the Borrower, its properties, assets or operations or otherwise in connection with the administration of this Loan Agreement, the Tax Regulatory Agreement, or any other documents contemplated hereby or thereby; and

(d) Such amounts as may be necessary to satisfy the rebate requirements in accordance with the Tax Regulatory Agreement and to pay the cost of calculation of such rebate requirements when required by the Code if the Borrower does not do so directly. To the extent the Borrower does not satisfy any of the exceptions to rebate, any rebate calculations must be computed by a third party rebate analyst and may not be computed solely by the Borrower.

The Issuer Fees and Expenses shall be billed to the Borrower by the Issuer from time to time, together with supporting documents for one or more of the above items. Amounts so billed shall be paid by the Borrower within 30 days after receipt of the bill by the Borrower. Notwithstanding the foregoing, the Issuer shall not be required to submit a bill to the Borrower for payment of the Issuer Annual Fee or any amount due with respect to arbitrage rebate under Section 148 of the Code, the calculation and payment for which is the responsibility of the Borrower. The Issuer Issuance Fee shall be paid to the Issuer by the Borrower on the Closing Date. Thereafter, the Issuer Annual Fee shall be due and payable by the Borrower in advance on July 1 of each year, commencing with the first such date following the Closing Date. The Borrower's obligation to pay the Issuer Issuance Fee and the Issuer Annual Fee shall in no way limit amounts payable by the Borrower to the Issuer under the Borrower Documents, including the enforcement thereof.

Section 3.06. Limited Obligations of the Issuer. None of the Issuer, its officers and employees or any person executing this Loan Agreement on behalf of the Issuer shall be liable personally on the Loan or subject to any personal liability or accountability by reason of the execution hereof. The Loan is a limited obligation of the Issuer, payable solely from and secured by the pledge of the Payments hereunder. Neither the Issuer, the members of its Board of Directors, the State of California, nor any of its political subdivisions shall be directly, indirectly, contingently or morally obligated to use any other moneys or assets to pay all or any portion of the debt service due on the Loan, to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment. The Loan is not a pledge of the faith and credit of the Issuer, the State of California or any of its political subdivisions nor do they constitute indebtedness within the meaning of any constitutional or statutory debt limitation. The Issuer has no taxing power.

The Issuer shall not be liable for payment of the principal of or interest on the Loan or any other 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 or any other documents, except only to the extent amounts are received for the payment thereof from the Borrower under this Loan Agreement.

Section 3.07. Invalidity of Borrower Loan. If at any time the Borrower Loan is declared to be invalid or unenforceable for any reason, the Borrower Loan will be deemed to be a direct loan from the Lender to the Borrower. All references herein to "Borrower Loan" and "Issuer Loan Obligation" shall instead refer to the "Loan," a direct Loan from the Lender to the

Borrower. In such an event, the Lender and the Borrower acknowledge that the interest payments with respect to the Loan shall not be excluded from gross income for federal income tax purposes or State of California income taxation and that the Loan shall bear interest at the Gross Up Rate, except as otherwise provided for herein.

ARTICLE IV

REPAYMENT OF THE LOAN

Section 4.01. Interest.

(a) The principal amount of the Loan hereunder outstanding from time to time shall bear interest (computed on the basis of a 360-day year and actual number of days elapsed) at the Applicable Loan Rate. Interest accruing on the aggregate principal balance of the Loan from the Closing Date to the Maturity Date or earlier prepayment as provided herein, and shall be payable monthly by the Borrower in arrears on the first calendar day of each month prior to such date and upon earlier demand in accordance with the terms hereof or prepayment in accordance with Section 4.08 hereof.

(b) Upon the occurrence of a Determination of Taxability, the Borrower shall pay to the Lender, as assignee of the Issuer, future interest payments calculated at the Gross Up Rate as such Payments become due. In addition, the Borrower shall make immediately, upon demand of the Lender, a payment to the Lender sufficient to reimburse the Lender and to supplement Prior Interest Payments to equal the Gross Up Rate applicable to such Prior Interest Payments, and such obligation shall survive the termination of this Loan Agreement. The Lender acknowledges that payments at the Gross-Up Rate may be amounts that are not excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code.

(c) Upon the occurrence of an Event of Indirect Taxability, the Lender shall notify the Borrower and the Issuer of such event and shall have the option, without the consent of the Borrower or the Issuer, to either (i) adjust the Applicable Loan Rate so as to provide the Lender with a yield on the Issuer Loan Obligation, after taking into account the increase in the Lender's federal income tax liability as a result of such Event of Indirect Taxability, that is equivalent to the yield on the Issuer Loan Obligation immediately before such Event of Indirect Taxability, or (ii) to provide for the reimbursement of the Lender for the increase, if any, in its federal income tax liability caused by such Event of Indirect Taxability. Any such adjustment shall be subject to the condition that, prior to such adjustment, the Lender and the Issuer shall have received an opinion of Special Counsel to the effect that such adjustment complies with the requirements of this Loan Agreement and will not, in and of itself, cause interest with respect to the Issuer Loan Obligation to be included in the gross income of the Lender for federal income tax purposes.

Section 4.02. Payments. The Issuer shall pay the principal of and interest on the Issuer Loan Obligation, but only out of Payments made to the Issuer by the Borrower therefor. The

Borrower shall pay to the Lender, as assignee of the Issuer, Payments in the amounts and at such times as set forth in Section 4.01, Section 4.08 and Section 4.10 hereof.

Section 4.03. Draws. Until January 31, 2019, the Borrower and the Lender, without the consent of the Issuer, may from time to time, but no more often than once per calendar month, increase the amount of the Loan outstanding by executing Draw Requests substantially in the form set forth in Exhibit F hereto in accordance with Sections 5.02 hereof. Each Draw Request shall reasonably identify the Project Costs that will be paid with (or for which the Borrower will be reimbursed by) such Draw Request. Draw Requests shall be numbered consecutively beginning with "1." The maximum aggregate amount of the Issuer Loan Obligation provided for in all Draw Requests after the Closing Date shall be less than or equal to \$13,643,737.15 (consisting of the original principal amount of the Loan of \$15,000,000, less the disbursement of Loan proceeds on the Closing Date of \$1,356,260.85 in accordance with Section 3.01(b).

Section 4.04. Security for the Loan. As security for the repayment of the Issuer Loan Obligation, the Issuer hereby assigns to the Lender all of its right, title and interest in this Loan Agreement except for Reserved Issuer Rights, including the Issuer's rights to receive Payments with respect to the Borrower Loan (and hereby directs the Borrower to make such Payments directly to, or at the direction of, the Lender), to collect the Payments and any other payments due to the Issuer hereunder the receipt of which is not part of Reserved Issuer Rights, and to sue in any court for such Payments or other payments, to exercise all rights hereunder with respect to the Project, and to withdraw or settle any claims, suits or proceedings pertaining to or arising out of this Loan Agreement and any Borrower Loan upon any terms (other than any claims related to Reserved Issuer Rights). Such assignment by the Issuer to the Lender shall be an absolute assignment without recourse to the Issuer. Such Payments and other payments the receipt of which is not part of Reserved Issuer Rights shall be made by the Borrower directly to the Lender, as the Issuer's assignee, without the requirement of notice or demand, at the address provided in Section 12.04, or such other place as the Lender may from time to time designate in writing, and shall be credited against the Issuer's payment obligations under the related Issuer Loan Obligation. No provision, covenant or agreement contained in this Loan Agreement or any obligation herein or therein imposed on the Issuer, or the breach thereof, shall constitute or give rise to or impose upon the Issuer a pecuniary liability, a charge upon its general credit or a pledge of its revenues. In making the agreements, provisions and covenants set forth in this Loan Agreement, the Issuer has not obligated itself except with respect to the application of the Payments to be paid by the Borrower hereunder and thereunder. All amounts required to be paid by the Borrower hereunder shall be paid in lawful money of the United States of America in immediately available funds. No recourse shall be had by the Lender or the Borrower for any claim based on this Loan Agreement against any director, officer, employee or agent of the Issuer alleging personal liability on the part of such person.

To further secure its Obligations and to perform and observe the covenants and agreements contained herein and in Borrower Documents, Borrower hereby pledges to and grants to the Issuer, and the Issuer hereby assigns to the Lender, a first priority lien and security interest, within the meaning of the California Uniform Commercial Code and to the extent permitted by law in all of its right, title and interest, if any, in the Project Fund, the Capital Campaign Fund and the Interest Reserve Fund (collectively, the "Fund Collateral"). The Borrower agrees to execute and authorizes the Lender to file such notices of assignment, chattel

mortgages, financing statements and other documents, in form satisfactory to the Lender, which the Lender deems necessary or appropriate to establish and maintain the Lender's first priority security interest in the Fund Collateral, including proceeds thereof.

Section 4.05. Deed of Trust and Security Agreement.

(a) The Lender shall, at the Borrower's expense, record, or cause the recordation of, the Deed of Trust and all amendments thereto in the Official Records of the Office of the County Recorder of Los Angeles County, California. The Borrower hereby authorizes the Lender to file such financing statements (and all amendments or continuations thereto) as may be necessary to perfect and confirm the Lender's security in a form satisfactory to the Lender.

(b) To further secure the payment obligations of the Borrower hereunder, the Borrower has executed the Security Agreement. The Issuer, the Borrower and the Lender agree that the Deed of Trust, the Security Agreement and UCC-1 financing statement may be amended or terminated at any time with the prior written consent of the Lender. The consent of the Issuer shall not be required for any such amendment or termination.

(c) As additional security for the Issuer Loan Obligation, the Issuer has made a complete assignment to Lender of all of the Issuer's rights, title interest and obligations in, to and under the Deed of Trust, the Security Agreement, pursuant to the Assignment Agreement. The Borrower hereby consents to such assignment, as well as the assignment by the Issuer set forth in Section 4.04 above.

Section 4.06. Payment on Non-Business Days. Whenever any payment to be made hereunder shall be stated to be due on a day which is not a Business Day, such payment may be made on the next succeeding Business Day.

Section 4.07. Borrower Payments To Be Unconditional. The obligations of the Borrower to make Payments required under this Loan Agreement and to make other payments hereunder and thereunder and to perform and observe the covenants and agreements contained herein and therein shall be absolute and unconditional in all events, without abatement, diminution, deduction, setoff or defense for any reason, including (without limitation) any failure of the Project, the Facilities or any improvement to be delivered or installed, any defects, malfunctions, breakdowns or infirmities in the Facilities or the Improvements or any accident, condemnation, destruction or unforeseen circumstances. Notwithstanding any dispute between the Borrower and any of the Issuer, the Lender or any other person, the Borrower shall make all Payments when due and shall not withhold any Payments pending final resolution of such dispute, nor shall the Borrower assert any right of setoff or counterclaim against its obligation to make such payments required under this Loan Agreement.

Section 4.08. Prepayments.

(a) The Issuer shall prepay the Issuer Loan Obligation solely to the extent that Borrower shall prepay the Borrower Loan, and the Borrower may prepay the Borrower Loan in whole or in part, on any date, in advance of the required Payments set forth in Section 4.10 hereof, by paying the outstanding principal amount of the Loan (or the

portion thereof being prepaid), accrued interest to the prepayment date, and any outstanding and unpaid Additional Payments due under this Loan Agreement; *provided, however,* that after any partial prepayment, the remaining outstanding principal amount of the Loan shall not be less than \$100,000. The Borrower shall provide the Lender written notice of any such prepayment at least 10 days in advance thereof. Upon any prepayment in part of the Borrower Loan, the prepayment shall be applied first to interest accrued thereon, and any outstanding and unpaid Additional Payments, and next to the principal component of the Borrower Loan, as applicable, in the inverse order of date due.

(b) The Issuer shall prepay the Issuer Loan Obligation solely to the extent that Borrower shall prepay the Borrower Loan in whole or in part at any time from insurance or condemnation proceeds pursuant to Article IX hereof by paying some or all of the outstanding principal amount of the applicable Loan, accrued interest on the applicable Loan to the prepayment date, and any outstanding and unpaid Additional Payments due under this Loan Agreement.

(c) The Issuer shall prepay the Issuer Loan Obligation solely to the extent that Borrower shall prepay the Borrower Loan, and Borrower shall prepay the Borrower Loan in full immediately upon demand therefor of the Lender to the Issuer after the occurrence of an Event of Default by paying the outstanding principal amount of the Loan, accrued interest to the prepayment date, and any outstanding and unpaid Additional Payments due under this Loan Agreement.

(d) The Issuer shall prepay the Issuer Loan Obligation solely to the extent that Borrower shall prepay the Borrower Loan in full immediately and the Borrower shall prepay the Borrower Loan in full immediately upon demand of the Issuer after the occurrence of a Determination of Taxability by paying the outstanding principal amount of the Loan, interest at the Gross Up Rate to the date of prepayment as required by Section 4.01(b), and any outstanding and unpaid Additional Payments due under this Loan Agreement, plus an amount necessary to supplement the Prior Interest Payments to the Gross-Up Rate pursuant to Section 4.01(b).

(e) On the Prepayment Date (as may be extended pursuant to Section 4.16 hereof), the Issuer shall, to the extent funds are received from the Borrower, prepay the Issuer Loan in full and the Borrower shall, on the Prepayment Date, prepay the Borrower Loan in full, together with all unpaid and accrued interest on the Loan to the Prepayment Date, any Additional Payments then due in accordance with this Loan Agreement and all other amounts payable in accordance with this Loan Agreement. Not later than 180 days prior to the Prepayment Date (as may be extended pursuant to Section 4.16 hereof), the Borrower may in writing request an extension of the Loan to a date up to and including November 1, 2045. The Lender shall, not later than 60 days following receipt of the Borrower's written request for an extension, provide a written response to the Borrower indicating whether such extension is approved and the new Applicable Loan Rate, Prepayment Date, any applicable prepayment premiums and an amended Exhibit D. Any failure of the Lender to respond shall be construed as a denial of the request. If such new Applicable Loan Rate and Prepayment Date are not acceptable to the Borrower, the

Borrower shall prepay the Loan on the Prepayment Date. In connection with the extension of the Loan, the Borrower shall cause to be delivered to the Issuer a notice of such extension and the new Applicable Loan Rate, Prepayment Date and amended Exhibit D, and to the Issuer and the Lender an opinion of Special Counsel that such extension will not, in and of itself, adversely affect the exclusion of the interest on the Issuer Loan from the gross income of the recipients thereof for purposes of federal income taxation. The Lender, the Issuer and the Borrower shall enter into an amendment to this Loan Agreement to reflect the terms of any extension of the Loan pursuant to this Section. Notwithstanding the foregoing, any extension of the Prepayment Date pursuant to Section 4.16 hereof shall not be subject to the conditions of this Section 4.08(e).

Section 4.09. Restrictions on Transfer of Loan.

(a) Notwithstanding any other provision hereof, the Borrower Loan is nontransferable, except in connection with the transfer of the Issuer Loan Obligation. The Issuer Loan Obligation may be transferred, assigned and reassigned in whole (but not in part) by the Lender without the consent of the Issuer or the Borrower, upon 30 days prior written notice to the Issuer and the Borrower, to an Affiliate or a Qualified Institutional Buyer but only in accordance with the requirements of this Section 4.09; *provided, however*, that Lender shall not transfer or assign the Authority Loan prior to the earlier of (i) the date of delivery of a Completion Notice or (ii) January 31, 2019. For purposes of the foregoing sentence, a change of control of the Lender or a sale of substantially all of the Lender's assets or equity shall not be deemed to be a transfer or assignment of the Issuer Loan Obligation. In the event of a sale or transfer to an Affiliate, the Lender shall certify to the Issuer and the Borrower that such transferee is an Affiliate. In the event of a sale, transfer or assignment by the Lender of the Issuer Loan Obligation to a Qualified Institutional Buyer that is not an Affiliate of the Lender, the Lender shall, prior to any such transfer, provide or cause to be provided to the Issuer and the Borrower an investor letter executed by such purchaser or transferee in the form of Exhibit B hereto which shall contain a certification that the purchaser or transferee is a Qualified Institutional Buyer as provided in this Loan Agreement. The provisions of the investor letter may not be revised without the prior written consent of the Issuer. In addition, Lender will provide to the Borrower an Assignment Letter, in the form of Exhibit E hereto, when such assignment is to an Affiliate, and the Borrower shall acknowledge such assignment.

(b) Upon assignment, the Borrower will reflect in a book entry the assignee designated in the written request of assignment or in a written certification of an Affiliate delivered to the Issuer and the Borrower pursuant to this Section, and shall agree to make all payments to the assignee designated in such written request, notwithstanding any claim, defense, setoff or counterclaim whatsoever (whether arising from a breach of this Loan Agreement or otherwise) that the Issuer and the Borrower may from time to time have against the Lender or the assignee.

(c) The Issuer agrees to execute all documents, including notices of assignment, which may be reasonably requested by the Lender or its assignee to protect their interest in the Project and in this Loan Agreement; provided, however, that the

Issuer shall not thereby be required or deemed to waive any rights hereunder or under any other document in connection herewith to which the Issuer is a party or by which it is bound. The Lender or assignee shall pay all reasonable expenses of the Issuer and Borrower, including reasonable fees and expenses of counsel (including those of in-house and outside counsel). Any transfers of interest in the Issuer Loan Obligation shall only be made pursuant to an entry in a registration book by the Borrower pursuant to this Section, as required by Section 149 of the Code.

Section 4.10. Repayment. Payments of interest on Loan shall be payable monthly, beginning on the first day of the month that follows Closing Date, and continuing through the Maturity Date or earlier prepayment as required hereunder. The Borrower shall make principal payments with respect to the Loan in accordance with Exhibit D attached hereto. In addition, Borrower shall repay \$200,000 of the principal amount of the Loan promptly upon reimbursement of such amount from Yeshiva of Los Angeles (“YOLA”) for certain costs included in the Project Budget (as defined in the Project Fund Disbursement Agreement) associated with construction of improvements to an easement for the benefit of YOLA.

Section 4.11. Determining Applicable Loan Rate. During the Initial Rate Period, the Applicable Loan Rate shall be equal to the Prime Rate minus 0.875%. If the Initial Prepayment Date is extended pursuant to Section 4.16(c) hereof, then until the Initial Prepayment Date (as so extended), the Applicable Loan Rate shall, at the option of the Borrower made at the time of such extension, be either (i) equal to the Prime Rate minus 0.875% (the “Floating Rate Option”), or (ii) a fixed rate equal to 70% of the sum of 2.00% plus the Treasury Rate in effect at the time of such extension (the “Fixed Rate Option”), provided that in either case the Applicable Loan Rate shall not be less than 3.15%. The Borrower shall provide a written notice of its election of the Floating Rate Option or the Fixed Rate Option that will apply from the end of the Initial Rate Period to the extended Initial Prepayment Date to the Lender and the Issuer at least 30 days prior to the end of the Initial Rate Period. In the event the Lender and the Issuer have not received a written notice from the Borrower electing the Floating Rate Option or the Fixed Rate Option 30 days prior to the end of the Initial Rate Period, the Applicable Loan Rate shall be the Floating Rate Option.

Section 4.12. Original Issue Discount. The Lender is purchasing the Issuer Loan Obligation at a discount to the principal amount of the Issuer Loan Obligation. The Lender’s purchase price of the Issuer Loan Obligation, and accordingly, the proceeds of the Borrower Loan, shall be equal to \$14,906,250 (representing the principal amount of the Issuer Loan Obligation, less Lender’s original issue discount of \$93,750).

Section 4.13. Late Charge. If the Borrower fails to make any Payment and such failure results in the untimely payment of principal and interest on the Loan, or if the Borrower fails to make any Additional Payment when due, in each case, taking into account a ten (10) grace period allowed for such Payment, the Borrower shall pay to the Lender or the Issuer a late charge equal to 5% of the past due payment; provided that such late charge shall not be applicable to any balloon payment of principal due on the Prepayment Date or Maturity Date, as the same may be accelerated hereunder.

Section 4.14. Default Rate. If (a) the Borrower shall fail to pay the principal and accrued interest on the Borrower Loan when the same shall become due under this Loan Agreement, or (b) a notice of default is issued under the Security Agreement, then the Applicable Loan Rate hereunder shall increase to the Default Rate. All amounts not paid when due under this Loan Agreement (subject to any applicable grace periods) shall be added to the unpaid principal amount hereunder and shall bear interest at the Default Rate until such time as the payment default is cured.

Section 4.15. Capital Campaign Fund. The Borrower shall establish and maintain at California United Bank a separate account designated as the “Capital Campaign Fund” and designated as account number 235303116. Following the Closing Date, the Borrower shall deposit all moneys received in respect of Capital Campaign Contributions into the Capital Campaign Fund. All such moneys shall be deposited into the Capital Campaign Fund no later than two (2) Business Days following the receipt of such moneys by the Borrower. Amounts in the Capital Campaign Fund shall be invested in Permitted Investments as directed in writing by the Borrower. In the absence of written directions from the Borrower, the funds in the Capital Campaign Fund shall be uninvested. The Borrower hereby assigns, transfers and grants to the Lender, as assignee of the Issuer, and there is hereby created in favor of the Lender, a first priority security interest under the California Uniform Commercial Code in and to the Capital Campaign Fund, the funds therein, interest earned on the funds on deposit in the Capital Campaign Fund and all contracts, rights, claims and privileges in respect to the Capital Campaign Fund and funds on deposit therein, and subject to the terms set forth in the Account Control and Pledge Agreement.

Section 4.16. Extension of Initial Prepayment Date.

(a) At the election of the Borrower, the Initial Prepayment Date shall be extended to November 1, 2020 if Borrower provides the Lender with written notice of such election not less than 60 days prior to the Initial Prepayment Date, and the following conditions are satisfied prior to the Initial Prepayment Date:

(i) the outstanding principal amount of the Loan does not exceed \$10,000,000;

(ii) the Borrower has deposited into the Interest Reserve Fund, an amount equal to 12 months of interest on the portion of the Loan in excess of \$5,000,000 at the Applicable Loan Rate in effect one week prior to the Initial Prepayment Date to be applied in accordance with Section 3.03 of this Loan Agreement;

(iii) a Completion Notice is filed with respect to the Improvements;

(iv) the Title Company has issued a re-write of the Title Policy or such endorsements to the Title Policy as the Lender may reasonably request;

(v) the Borrower shall have delivered a certificate of occupancy is issued for the Improvements (or its equivalent as determined by Lender, as

confirmation that the final inspection of the Improvements has been satisfactorily completed); and

(vi) the Borrower has paid to the Lender an extension fee equal to 0.125% of the outstanding principal amount of the Loan.

(b) At the election of the Borrower, if the Initial Prepayment Date shall have already been extended pursuant to Section 4.16(a) above, the Initial Prepayment Date shall be further extended to November 1, 2021 if Borrower provides the Lender with written notice of such election not less than 60 days prior to the Initial Prepayment Date, and the following conditions are satisfied prior to the Initial Prepayment Date:

(i) the outstanding principal amount of the Loan does not exceed \$10,000,000;

(ii) the Borrower has deposited into the Interest Reserve Fund, an amount equal to 12 months of interest on the portion of the Loan in excess of \$5,000,000 at the Applicable Loan Rate in effect one week prior to the Initial Prepayment Date to be applied in accordance with Section 3.03 of this Loan Agreement; and

(iii) the Borrower has paid to the Lender an extension fee equal to 0.125% of the outstanding principal amount of the Loan.

(c) At the election of the Borrower, the Initial Prepayment Date, shall be extended to November 1, 2026 (or, if the Borrower has previously elected to extend the Initial Prepayment Date pursuant to Section 4.16(a), to November 1, 2027, and if the Borrower has previously elected to extend the Initial Prepayment Date pursuant to Section 4.16(b), to November 1, 2028) if the Borrower provides the Lender with written notice of such election not less than 60 days prior to the Initial Prepayment Date, and the following conditions are satisfied prior to the Initial Prepayment Date:

(i) the outstanding principal amount of the Loan does not exceed \$5,000,000;

(ii) the Borrower demonstrates, to the Lender's reasonable satisfaction, that the projected Debt Service Coverage Ratio immediately following such extension will be not less than 1.10 to 1.00 (with principal payment on the Loan calculated assuming an Applicable Loan Rate of 3.15% per annum and 25-year amortization);

(iii) a revised payment schedule is attached as Exhibit D hereto, reflecting the amortization of outstanding principal amount of the Loan over a 25 year term; and

(iv) the Borrower has paid to the Lender an extension fee equal to 0.75% of the outstanding principal amount of the Loan.

Section 4.17. Net of Taxes, Etc.

(a) Any and all payments to the Lender hereunder or with respect to the Loan shall be made free and clear of and without deduction or withholding for any and all Indemnified Taxes. If the Borrower shall be required by law to deduct or withhold any Indemnified Taxes imposed by the United States of America or any political subdivision thereof from or in respect of any sum payable hereunder or with respect to the Loan, then (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Lender receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall timely pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law. If the Borrower shall make any payment under this Section to or for the benefit of the Lender with respect to Indemnified Taxes and if the Lender shall claim any credit or deduction for such Indemnified Taxes against any other taxes payable by the Lender to any taxing jurisdiction in the United States of America then the Lender shall pay to the Borrower an amount equal to the amount by which such other taxes are actually reduced; *provided*, that the aggregate amount payable by the Lender pursuant to this sentence shall not exceed the aggregate amount previously paid by the Borrower with respect to such Indemnified Taxes. In addition, the Borrower agrees to pay any present or future stamp, recording or documentary taxes and any other excise or property taxes, charges or similar levies that arise under the laws of the United States of America or any state of the United States from any payment made hereunder or under the Loan or from the execution or delivery of this Agreement or the Loan, or otherwise with respect to this Agreement or the Loan (hereinafter referred to as “*Other Taxes*”). The Lender shall provide to the Borrower within a reasonable time a copy of any written notification it receives with respect to Indemnified Taxes or Other Taxes owing by the Borrower to the Lender hereunder; *provided*, that the Lender’s failure to send such notice shall not relieve the Borrower of its obligation to pay such amounts hereunder.

(b) The Borrower shall, to the fullest extent permitted by law and subject to the provisions hereof, pay the Lender for the full amount of Indemnified Taxes and Other Taxes including any Indemnified Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section paid by the Lender or any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally asserted; *provided*, that the Borrower shall not be obligated to pay the Lender for any penalties, interest or expenses relating to Indemnified Taxes or Other Taxes arising from the Lender’s gross negligence or willful misconduct. The Lender agrees to give notice to the Borrower of the assertion of any claim against the Lender relating to such Indemnified Taxes or Other Taxes as promptly as is practicable after being notified of such assertion. Payments by the Borrower pursuant to this Section shall be made within thirty (30) days from the date the Lender makes written demand therefor, which demand shall be accompanied by a certificate describing in reasonable detail the basis thereof. Notwithstanding anything herein to the contrary, the Borrower shall not be obligated to pay the Lender for any Indemnified Taxes or Other Taxes paid by the Lender more than three (3) years prior to

the demand by the Lender under this Section. The Lender agrees to repay to the Borrower any refund (including that portion of any interest that was included as part of such refund) with respect to Indemnified Taxes or Other Taxes paid by the Borrower pursuant to this Section received by the Lender for Indemnified Taxes or Other Taxes that were paid by the Borrower pursuant to this Section and to contest, with the cooperation and at the expense of the Borrower, any such Indemnified Taxes or Other Taxes which the Lender or the Borrower reasonably believes not to have been properly assessed.

(c) Within thirty (30) days after the date of any payment of Indemnified Taxes by the Borrower, the Borrower shall furnish to the Lender the original or a certified copy of a receipt evidencing payment thereof.

(d) Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower contained in this Section shall survive the termination of this Loan Agreement and the payment in full of the Loan.

ARTICLE V

CONDITIONS PRECEDENT

Section 5.01. Conditions Precedent to Loan Agreement. The Issuer's agreement to enter into this Loan Agreement and provide the financing contemplated hereby shall be subject to the condition precedent that the Issuer shall have received, or waived the requirement for, the items listed in Section 5.01(a)-(p), (w), (x), (y), (aa) and (dd), each in form and substance satisfactory to the Issuer. The Lender's agreement to enter into this Loan Agreement and provide the financing contemplated hereby shall be subject to the condition precedent that the Lender shall have received or waived the requirement for, all of the following, each in form and substance satisfactory to the Lender:

(a) this Loan Agreement, properly executed on behalf of the Issuer, the Borrower and the Lender, and, if applicable, each of the Exhibits hereto properly completed;

(b) the Tax Regulatory Agreement, properly executed on behalf of the Borrower and the Issuer;

(c) the Assignment Agreement; properly executed on behalf of the Issuer and the Lender;

(d) the Security Agreement, properly executed on behalf of the Borrower;

(e) the Deed of Trust, properly executed on behalf of the Borrower;

(f) the Environmental Indemnity Agreement, properly executed by the Borrower;

(g) the Project Fund Disbursement Agreement, properly executed on behalf of the Borrower and the Lender;

(h) the Assignment of Contracts and Permits executed by Borrower and Lender and acknowledged by the Architect and the Contractor;

(i) each Guaranty Agreement, properly executed by the applicable Completion Guarantor;

(j) reserved;

(k) the Account Control and Pledge Agreement, properly executed by the Borrower;

(l) reserved;

(m) a certificate of the Borrower, certifying as to (i) the resolutions of the Board of Directors or Executive Committee, if so authorized by the Board of Directors, of the Borrower, authorizing the execution, delivery and performance of the Borrower Documents and any related documents, (ii) the Bylaws of the Borrower, and (iii) the signatures of the officers or agents of the Borrower authorized to execute and deliver the Borrower Documents and other instruments, agreements and certificates on behalf of the Borrower;

(n) copies of the Articles of Incorporation of the Borrower, certified within 30 days of the Closing Date;

(o) a certificate of good standing issued as to the Borrower by the Secretary of State of the State dated not more than thirty (30) days prior to the Closing Date;

(p) a certificate of good standing or exemption issued as to the Borrower by the Franchise Tax Board of the State dated not more than thirty (30) days prior to the Closing Date;

(q) a resolution adopted by the Issuer authorizing the Borrower Loan and the Issuer Loan Obligation and the transactions contemplated hereunder;

(r) a closing certificate of the Issuer in a form reasonably acceptable to Lender's Counsel;

(s) evidence that the financing of the Project has been approved by the "applicable elected representative" of the governmental approver pursuant to the Tax Equity and Fiscal Responsibility Act, after a public hearing held upon reasonable notice;

(t) UCC-1 financing statement(s) as required by the Lender to perfect the security interests of the Issuer and assignment to the Lender;

(u) current searches of appropriate filing offices showing that (i) no state or federal tax liens have been filed and remain in effect against the Borrower, (ii) no financing statements have been filed and remain in effect against the Borrower relating to the Project except those financing statements filed by the Lender, or financing statements which will be terminated upon closing of the financing contemplated hereunder, and (iii) the Lender has duly filed all financing statements necessary to perfect the security interest created pursuant to this Loan Agreement to the extent such interest can be perfected by filing a financing statement;

(v) a completed and executed Form 8038 or evidence of filing thereof with the Secretary of Treasury;

(w) an opinion of counsel to the Borrower, addressed to Kutak Rock LLP, as Lender's Counsel, the Lender and the Issuer, in form and substance acceptable to the Lender and the Issuer and addressing the matters described in Exhibit C hereto;

(x) an opinion of Lender's Counsel addressed to the Lender and Issuer, in form and substance acceptable to the Lender and the Issuer;

(y) evidence of payment of the Issuer's closing fees and the fees of the Issuer's counsel;

(z) evidence of payment to the Lender of the Lender's costs and expenses in connection with the execution of the Loan Documents;

(aa) an investor letter of representations executed by the Lender, in the form attached hereto as Exhibit B and such other certificates of the Lender reasonably requested by Lender's Counsel and counsel to the Issuer;

(bb) the Final Appraisal of the Property evidencing that the loan-to-value ratio, based on the fair market value of the Property that will secure the Loan as set forth in the Final Appraisal, is acceptable to the Lender;

(cc) certificates of the insurance required under Section 7.04 of this Loan Agreement containing a lender's loss payable clause or endorsement in favor of the Lender;

(dd) evidence satisfactory to the Issuer that the Borrower has retained the services of a rebate consultant for purposes of compliance with certain requirements of the Tax Regulatory Agreement;

(ee) a Docket Search of the Superior Court in the County of Los Angeles and the United States District Court for the Central District of California with respect to Borrower;

(ff) the Title Policy, or evidence satisfactory to the Lender in its sole discretion of the Title Insurer's irrevocable commitment to issue the Title Policy immediately upon closing; and

(gg) any other documents or items reasonably required by the Lender or the Issuer.

Section 5.02. Conditions Precedent to Subsequent Draw Requests.

Other than the initial disbursement of Loan Proceeds on the Closing Date, Lender's agreement to disburse the Loan Proceeds shall be subject to the conditions precedent that Borrower shall have obtained the building permit(s) and any other permits, licenses and approvals that may be required for the commencement of the construction of the Improvements, in form and substance satisfactory to Lender. In addition, other than the initial disbursement of Loan Proceeds on the Closing Date, Lender's agreement to disburse the Loan Proceeds shall be subject to the further conditions precedent that Lender shall have received or waived the requirement for all of the following for each Draw Request, each in form and substance satisfactory to Lender:

- (a) an updated Exhibit G to this Loan Agreement, as applicable;
- (b) a fully executed Draw Request substantially in the form attached hereto as Exhibit F, with all appropriate supporting documents attached thereto;
- (c) payment of Lender Fees, commissions and expenses required by Section 12.03 hereof;
- (d) copies of fully executed applications for payments submitted by the General Contractor, and at Lender's option, from the "Major Subcontractors" (defined for purposes of this section and elsewhere herein as subcontractors performing work in excess of \$50,000.00), on AIA Document 702 and 703, with all supporting documentations required thereby;
- (e) the certification by Borrower that no Event of Default exists, and, to the best of its knowledge, no event has occurred and no condition exists that, after notice or lapse of time, or both, would constitute an Event of Default; and
- (f) such other information and documents required pursuant to the Project Fund Disbursement Agreement or as Lender may reasonably require related to such disbursement request.

Section 5.03. Limitations to Disbursement. Notwithstanding anything to the contrary contained in this Loan Agreement, other than the initial disbursement of Loan Proceeds on the Closing Date, the Lender need not make any further disbursements pursuant to a Draw Request or allow any withdrawal from the Project Fund at any time if:

- (a) the Facilities or Improvements are materially damaged by fire or other casualty and not repaired and restored in all material respects, unless Lender actually receives insurance proceeds or a cash deposit from Borrower sufficient in Lender's reasonable judgment to pay for the complete repair or replacement of the Improvements in a timely manner;

(b) the Lender reasonably believes that withholding disbursement in whole or in part is required by applicable mechanics' lien or stop notice laws (unless the Borrower has obtained a bond reasonably satisfactory to the Lender sufficient to allow the Lender to make such disbursement in accordance with California law);

(c) the Borrower has not obtained or is not materially in compliance with all required governmental approvals, including without limitation all necessary building permits, or has not complied with all applicable regulations, laws, ordinances (including without limitation environmental and subdivision map requirements and conditions of approval) to permit the construction of the Improvements according to the Plans and Specifications;

(d) the Borrower fails timely to proceed with completion of construction of the Improvements substantially in accordance with the Plans and Specifications approved by the Lender, subject to Excusable Delay; or

(e) an Event of Default has occurred under this Loan Agreement, any of the other Loan Document, any other agreement between Lender and Borrower, or Borrower is in default beyond applicable cure periods under any other agreement regarding the development of the Facilities or the Improvements, including without limitation, any subdivision agreement, improvement agreement, or development agreement.

Section 5.04. Post-Closing Conditions. Lender's agreement to disburse the Loan Proceeds shall be subject to the following conditions:

(a) by November 6, 2016, Borrower shall have the building permit(s) and any other permits, licenses and approvals (collectively, the "Permits") that may be required for the commencement of the construction of the Improvements, in form and substance satisfactory to Lender; and

(b) by October 24, 2016, Borrower shall have delivered to Lender both Tenant Subordination Agreements, properly executed by the Borrower and the applicable tenant, notarized, and in proper form for recording in the real property records of Los Angeles County.

ARTICLE VI

SECURITY INTEREST

Section 6.01. Change in Name or Corporate Structure of the Borrower; Change in Location of the Borrower's Principal Place of Business. The Borrower's chief executive office is located at the address set forth in Section 12.04 hereof, and all of the Borrower's records relating to its business are kept at such location. The Borrower hereby agrees to provide written notice to the Lender and the Issuer of any change or proposed change in its name, corporate structure, state of its incorporation or organization, place of business, chief executive office or tax identification number. Such notice shall be provided 30 days in advance of the date that such change or proposed change is planned to take effect.

Section 6.02. Security Interest. The Borrower hereby authorizes the Lender to file any financing statement (and any amendments or continuations to any financing statement) necessary to perfect the security interest granted in this Loan Agreement under the laws of the State. Pursuant to Section 5451 of the Government Code of the State, the pledge of the Payments by the Issuer for the repayment of the principal of, premium, if any, and interest on the Issuer Loan Obligation constitutes a first lien and security interest which immediately attaches to such Payments, and is effective and binding against the Issuer, the Borrower, their successors, creditors and all others asserting rights therein irrespective of whether those parties have notice of the pledge, irrespective of whether such amounts are or may be deemed to be a fixture and without the need for physical delivery, recordation, filing or further act.

Section 6.03. Assignment of Insurance. As additional security for the payment and performance of the Borrower's obligations under this Loan Agreement, the Borrower hereby assigns to the Issuer, and the Issuer hereby assigns to the Lender, a security interest in any and all moneys (including, without limitation, proceeds of insurance) due or to become due under, and all other rights of the Borrower with respect to, any and all policies of insurance now or at any time hereafter covering the Property or any evidence thereof or any business records or valuable papers pertaining thereto, and the Borrower shall direct the issuer of any such policy to pay all such moneys directly to the Lender for application in accordance with Article IX. The Borrower hereby assigns to the Issuer, and the Issuer hereby assigns to the Lender, any and all moneys due or to become due with respect to any condemnation proceeding affecting the Property. Net Proceeds of any insurance award resulting from any damage to or destruction of any portion of the Property by fire or other casualty, as applicable, of any title insurance award, or of any eminent domain or condemnation award resulting from any event described in Section 9.01 hereof shall be applied as provided in Section 9.02 hereof. At any time, whether before or after the occurrence of any Event of Default, the Lender may (but need not) in furtherance of rights pursuant to Article IX hereof, in the Lender's name or in the Borrower's name, execute and deliver proof of claim, receive all such moneys, endorse checks and other instruments representing payment of such moneys, and adjust, litigate, compromise or release any claim against the issuer of any such policy or party in any condemnation proceeding.

ARTICLE VII

AFFIRMATIVE COVENANTS OF BORROWER

Section 7.01. Maintenance of Property.

(a) The Borrower shall, at its own commercially reasonable expense, maintain, preserve and keep the Property in good repair, working order and condition consistent with its past practice, and shall from time to time make all reasonable repairs and replacements necessary to keep the Property in such condition, and in compliance with State and federal laws, ordinary wear and tear excepted. In the event that any parts or accessories forming part of any item or items of Property become worn out, lost, destroyed, damaged beyond repair or otherwise rendered unfit for use, the Borrower, at its own commercially reasonable expense and expeditiously, will replace or cause the replacement of such parts or accessories by replacement parts or accessories free and clear of all liens and encumbrances and with a value and utility at least equal to that of

the parts or accessories being replaced (assuming that such replaced parts and accessories were otherwise in good working order and repair). All such replacement parts and accessories shall be deemed to be incorporated immediately into and to constitute an integral portion of the Property and, as such, shall be subject to the terms of this Loan Agreement. Neither the Issuer nor the Lender shall have any responsibility in any of these matters, or for the making of repairs to the Property or additions to the Property.

(b) The Borrower shall observe and comply in all material respects with all legal requirements applicable to the ownership, use and operation of the Property, including the terms and conditions set forth in this Loan Agreement, the Deed of Trust and the Tax Regulatory Agreement. The Borrower shall permit the Lender and its agents, representatives and employees, upon reasonable prior notice to the Borrower, to inspect the Property and conduct such environmental and engineering studies as the Lender may reasonably require, provided such inspections and studies are conducted during normal business hours and do not materially interfere with the use and operation of the Property. Such environmental and engineering studies shall be at Borrower's commercially reasonable expense, provided that Lender provides Borrower with evidence of Lender's reasonable belief that there is an environmental or structural condition at the Property that could have a Material Adverse Effect on the Lender's security under the Loan Documents.

(c) The Borrower will defend the Property against all claims or demands of all persons (other than the Lender hereunder and other than Permitted Encumbrances) claiming the Property or any interest therein.

Section 7.02. Compliance with Laws and Obligations. The Borrower will comply with the requirements of applicable laws and regulations and material contractual obligations, the noncompliance with which would materially and adversely affect its business or its financial condition; provided, however, nothing herein shall preclude the Borrower's right to contest in good faith by appropriate proceedings any claim of noncompliance or breach.

Section 7.03. Payment of Taxes and Other Claims. The Borrower will pay or discharge, when due, (a) all taxes, assessments and governmental charges levied or imposed upon it or upon its income or profits, upon any properties belonging to it (including, without limitation, the Property) or upon or against the creation, perfection or continuance of the security interest created pursuant to this Loan Agreement or any of the Loan Documents, prior to the date on which penalties attach thereto; (b) all federal, state and local taxes required to be withheld by it; and (c) all lawful claims for labor, materials and supplies which, if unpaid, might by law become a lien or charge upon any properties of the Borrower; provided, that the Borrower shall not be required to pay any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate proceedings. The Borrower will pay, as the same respectively come due, all gas, water, steam, electricity, heat, power, telephone, utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Property; provided, that the Borrower shall not be required to pay any such charge whose amount, applicability or validity is being contested in good faith by appropriate proceedings.

Section 7.04. Insurance; Indemnity.

(a) During the construction of the Improvements or of any improvements to the Property with an aggregate cost in excess of \$250,000, Borrower shall maintain builder's risk insurance, including theft, to insure, without limitation, all buildings, materials, supplies, temporary structures, foundations, other underground property, tenant improvements, and all other property on-site and while in transit which is to be used in fabrication, construction, and completion of such Improvements being constructed, and to remain in effect until all such Improvements being constructed have been completed and accepted by Borrower and the Lender (or the Lender's designee) and a certificate of occupancy has been issued. Such insurance shall be in an amount not less than \$15,000,000 and be provided on a replacement cost value basis and shall (i) be on a non-reporting, completed value, form; (ii) cover damage to landscaping and debris removal expense (including removal of pollutants as available by standard underwriting placements); (iii) provide that Borrower can complete and occupy the premises without further written consent from the insurer; (iv) not exclude losses due to explosions, collapses, or underground hazards; (v) cover soft costs and continuing expenses not directly involved in the direct cost of construction or renovation, including interest on money borrowed to finance construction or renovation, advertising, promotion, real estate taxes and other assessments, the cost of renegotiating leases, architectural and engineering costs, legal and accounting costs, and other expenses incurred as the result of property loss or destruction by the insured peril; (vi) cover riots, civil commotion, vandalism, and malicious mischief; (vii) not contain any safeguard warranties that are not fulfilled prior to policy placement; and (viii) not contain any monthly limitation. The Borrower shall provide or cause to be provided to the Lender a copy of the builder's risk insurance policy prior to the commencement of the construction of any improvements with an aggregate cost in excess of \$250,000.

(b) If requested by the Lender with respect to any time any Improvements with an aggregate cost in excess of \$250,000 are under construction, Borrower shall cause each Contractor performing any of such construction work to maintain worker's compensation insurance or other applicable insurance providing coverage for injuries to such Contractor's personnel, auto liability insurance, and general liability insurance, all in the amounts and providing coverage as is reasonably acceptable to the Lender.

(c) The Borrower shall, at its own expense, maintain and keep in force commercial comprehensive general liability and automobile liability insurance against claims arising in, on or about the Property, including in, on or about the sidewalks or premises adjacent to the Property, providing coverage limits not less than \$1,000,000 per occurrence and \$2,000,000 in aggregate.

(d) In addition, the Borrower shall, at its own expense, maintain and keep in force insurance of the types and in amounts customarily carried by institutions similar to the Borrower, including but not limited to fire and extended all-risk coverage (in an amount not less than the full replacement cost of the Facilities, without deductions for depreciation, and including all fixtures and personal property and endorsements for any non-conforming uses), flood (if the Borrower's property is located in a flood zone),

property damage, workers' compensation, business interruption, and abuse or molestation liability coverage, covering, among other items, negligence in employing, investigation, retaining, and supervising "employees" or volunteer workers with all such insurance carried with companies, in amounts and with deductible amounts reasonably satisfactory to the Lender, and deliver to the Lender from time to time at the Lender's request schedules setting forth all insurance then in effect. Alternatively, upon the written approval of the Lender, the Borrower may insure the Facilities under a blanket insurance policy or policies which cover not only the Facilities, but also other properties of the Borrower or, upon prior written approval of the Lender, may provide self-insurance acceptable to the Lender.

(e) All of the insurance policies required hereunder shall be issued by corporate insurers licensed to do business in the State and rated A or better by A.M. Best Company, shall contain a waiver of subrogation endorsement, and shall be in form acceptable to the Lender.

(f) All certificates of insurance and "blanket" insurance policies shall reference the specific project being covered by name and address and shall name the Lender as an additional loss payee. The insurance shall be evidenced by the original policy or a true and certified copy of the original policy, or in the case of liability insurance, by certificates of insurance. The insurance policies (or true and certified copies thereof) or certificates of all insurance required to be maintained hereunder shall be delivered to the Lender contemporaneously with the Borrower's execution of this Loan Agreement. The Borrower shall use its best efforts to deliver originals of all policies and renewals (or certificates evidencing the same), marked "paid" (or evidence satisfactory to the Lender of the continuing coverage) to the Lender at least thirty (30) days before the expiration of existing policies and, in any event, the Borrower shall deliver originals of such policies or certificates (or other proof of insurance acceptable to Lender) to the Lender at least fifteen (15) days before the expiration of existing policies. If the Lender has not received satisfactory evidence of such renewal or substitute insurance in the time frame herein specified, the Lender shall have the right, but not the obligation, to purchase such insurance for the Lender's interest only. Nothing contained in this Section shall require the Lender to incur any expense or take any action hereunder, and inaction by the Lender shall never be considered a waiver of any right accruing to the Lender on account of this Section. If any loss shall occur at any time while an Event of Default shall have occurred and be continuing, the Lender shall be entitled to the benefit of all insurance policies held or maintained by the Borrower, to the same extent as if same had been made payable to the Lender. The Lender shall have the right, but not the obligation to make premium payments, at the Borrower's expense, to prevent any cancellation, endorsement, alteration or reissuance of any policy of insurance maintained by the Borrower, and such payments shall be accepted by the insurer to prevent same.

(g) The Borrower shall give to the Lender immediate notice of any loss with an estimated replacement value in excess of \$100,000 occurring on or with respect to the Property. The Borrower shall furnish to the Lender, upon request, certificates of insurance evidencing such coverage while the Loan is outstanding.

(h) Any insurance policy carried or maintained pursuant to this Section (other than the worker's compensation policy) shall be so written or endorsed as to make losses, if any, payable to the Lender and the Issuer or the Borrower, as their respective interests may appear and naming the Lender as additional insured for liability. The Net Proceeds of the insurance required in this Section shall be applied as provided in Article IX hereof. Each property or liability insurance policy provided for in this Section shall contain a provision to the effect that the insurance company providing such policy shall not either cancel the policy or modify the policy materially and adversely to the interest of the Lender without first giving concurrent written notice thereof to the Lender.

(i) As among the Lender, the Issuer and the Borrower, the Borrower assumes all risks and liabilities from any cause whatsoever, whether or not covered by insurance, for loss or damage to the Facilities, and for injury to or death of any person or damage to any property on or about the Facilities, whether such injury or death be with respect to agents or employees of the Borrower or of third parties, and whether such property damage be to the Borrower's property or the property of others. Whether or not covered by insurance, the Borrower hereby assumes responsibility for and agrees to reimburse the Lender and the Issuer for and will indemnify, defend and hold the Lender and the Issuer and any of their assignees, agents, employees, officers and directors harmless from and against all liabilities, obligations, losses, damages, penalties, claims, actions, costs and expenses (including reasonable attorneys' fees) of whatsoever kind and nature, imposed on, incurred by or asserted against the Lender or the Issuer or their assignees, agents, employees, officers and directors that in any way relate to or arise out of this Loan Agreement or the Loan, the transactions contemplated hereby and thereby and the Property, including but not limited to, (i) the ownership of the Property, (ii) the delivery, lease, possession, maintenance, use condition, return or operation of components of the Property, (iii) the conduct of the Borrower, its officers, employees and agents, (iv) a breach by the Borrower of any of its covenants or obligations hereunder, and (v) any claim, loss, cost or expense involving alleged damage to the environment relating to the Property, including, but not limited to investigation, removal, cleanup and remedial costs. All amounts payable by the Borrower pursuant to the immediately preceding sentence shall be paid immediately upon demand of the Issuer or the Lender or their assignees, agents, employees, officers and directors, as the case may be. Notwithstanding the foregoing, the Borrower's indemnification obligations hereunder shall not apply to claims, liabilities, costs, damages or losses to the extent arising from the gross negligence or willful misconduct of the indemnified party or its respective agents, officers or employees. This provision shall survive the termination of this Loan Agreement for any reason.

Section 7.05. Reporting Requirements. The Borrower will deliver, or cause to be delivered, to the Lender, and to the Issuer if requested by the Issuer, each of the following, which shall be in form and detail reasonably acceptable to the Lender and the Issuer, as to information requested by the Issuer:

(a) not later than 180 days after and as of each fiscal years, commencing the fiscal year ending June 30, 2016, audited financial statements of the Borrower, including therein a balance sheet, income statement, statement of cash flows and reconciliation of

the Borrower's net assets, reviewed by independent certified public accountants reasonably acceptable to the Lender and certified, without any qualifications, by such accountants to have been prepared in accordance with GAAP consistently applied, together, with a certificate of an Authorized Borrower Representative addressed to the Lender stating that such Authorized Borrower Representative does not have knowledge of the existence of any event or condition constituting an uncured Default or an Event of Default;

(b) contemporaneously with the submittal of the financial statement required by subsection (a) above, a certificate of the Authorized Borrower Representative substantially in the form attached hereto as Exhibit H stating all relevant facts in reasonable detail to evidence, and the computations as to, whether the Borrower is in compliance with the requirements set forth in Section 7.16 hereof applicable to the period covered by the accompanying financial statements or bank statements, as applicable;

(c) not later than 30 days after filing, the annual tax returns and all K-1 schedules for the Borrower, until such time as a Completion Notice has been delivered, each Completion Guarantor;

(d) until such time as a Completion Notice has been delivered, by April 30 of each year, each Completion Guarantor's personal financial statements in form reasonably acceptable to Lender;

(e) not later than 30 days after the beginning of each fiscal year, the Borrower's annual operating budget for such fiscal year;

(f) not later than 30 days after the beginning of each fiscal quarter, a report on the status of Capital Campaign Contributions pledged to and collected by the Borrower in the prior fiscal quarter, in form reasonably acceptable to the Lender;

(g) promptly upon the occurrence and nature of any Reportable Event or Prohibited Transaction, each as defined in the Employee Retirement Income Security Act of 1974, as amended or recodified from time to time ("ERISA"), or any funding deficiency with respect to any defined employee pension benefit plan (as defined in ERISA) maintained or contributed to by the Borrower;

(h) promptly upon knowledge thereof, notice of any loss or destruction of or damage to any portion of Facilities in excess of \$250,000 or of any Material Adverse Change in the Facilities;

(i) promptly after the amending thereof, copies of any and all amendments to the Borrower's articles of incorporation or bylaws;

(j) promptly upon receipt of notice or knowledge thereof by an Authorized Borrower Representative, notice of the violation by the Borrower of any law, rule or regulation, the violation of which would have a Material Adverse Effect on the financial or operating condition of the Borrower;

(k) promptly upon written notice or knowledge thereof, any termination or cancellation of any insurance policy which the Borrower is required to maintain hereunder, or any uninsured or partially uninsured loss through liability or property damage, or through fire, theft or any other cause affecting the Borrower's property in excess of an aggregate of \$250,000;

(l) immediately upon the Borrower's actual knowledge thereof, notice in writing of all litigation and of all proceedings before any governmental or regulatory agency affecting the Borrower which seek a monetary recovery against the Borrower in excess of \$250,000;

(m) as promptly as practicable (but in any event not later than ten Business Days) after an Authorized Borrower Representative obtains knowledge of the occurrence of any event that constitutes a Default or an Event of Default under the Loan Documents, notice of such occurrence, together with a detailed statement by an Authorized Borrower Representative of the steps being taken by the Borrower to cure the effect of such Default or Event of Default;

(n) within 60 days of receipt of a written request from the Issuer, a written report, as of the end of the Borrower's prior fiscal year, stating the status of the Project and the unpaid outstanding balance of the Loan; and

(o) from time to time such other information as the Lender or the Issuer may reasonably request, including, without limitation, other information with respect to any Collateral.

Section 7.06. Books and Records; Inspection and Examination. The Borrower will keep accurate books of record and account for itself separate and apart from those of its affiliates, including its officers, pertaining to the Property and pertaining to the Borrower's business and financial condition and such other matters as the Lender and/or the Issuer may from time to time reasonably request in which true and complete entries will be made in accordance with GAAP consistently applied and, upon written request of the Lender not more than once per calendar year, at any time after the occurrence of an Event of Default or as often as the Lender reasonably deems necessary to determine whether the Borrower is in compliance with Environmental Laws, will permit any officer, employee, attorney or accountant for the Lender and/or the Issuer or, at the written request of the Issuer to the Borrower and only pursuant to a request from the Internal Revenue Service, a representative of the Internal Revenue Service, to audit, review, make extracts from, or copy any and all organization and financial books and records and properties of the Borrower and to examine and inspect the Property and the Collateral, and to discuss the affairs of the Borrower with any of its officers, employees or agents at all times during ordinary business hours (a) within two Business Days of a written request by the Lender and/or the Issuer, (b) at any time after the occurrence of an Event of Default, or (c) as often as the Lender and/or Issuer reasonably deem necessary to determine whether the Borrower is in compliance with Environmental Laws.

Section 7.07. Performance by the Lender. If the Borrower at any time fails to perform or observe any of the covenants or agreements contained in the Loan Documents (except for the

Tax Regulatory Agreement), immediately upon the occurrence of such failure, without notice or lapse of time, but after giving effect to any applicable cure periods or contest rights of the Borrower pursuant to the terms such covenants or agreements, the Lender may, but need not, perform or observe such covenant on behalf and in the name, place and stead of the Borrower (or, at the Lender's option, in the Lender's name) and may, but need not, take any and all other actions which the Lender may reasonably deem necessary to cure or correct such failure (including, without limitation, the payment of taxes, the satisfaction of security interests, liens or encumbrances, the performance of obligations owed to account debtors or other obligors, the procurement and maintenance of insurance, the execution of assignments, security agreements and financing statements, and the endorsement of instruments); and the Borrower shall thereupon pay to the Lender on demand the amount of all moneys expended and all reasonable costs and expenses (including reasonable attorneys' fees and legal expenses) incurred by the Lender in connection with or as a result of the performance or observance of such agreements or the taking of such action by the Lender, together with interest thereon from the date of demand at the Default Rate. In furtherance of the foregoing, the Borrower hereby irrevocably appoints the Lender, or the delegate of the Lender, acting alone, as the attorney in fact of the Borrower, with a limited power of attorney, coupled with an interest, with the right (but not the duty) from time to time to create, prepare, complete, execute, deliver, endorse or file in the name and on behalf of the Borrower any and all instruments, documents, assignments, security agreements, financing statements, applications for insurance and other agreements and writings relating to the Property required to be obtained, executed, delivered or endorsed by the Borrower under this Loan Agreement.

Notwithstanding anything herein to the contrary, the Issuer shall have the right to enforce Borrower's covenants, agreements and representations in the Tax Regulatory Agreement against Borrower pursuant to the terms thereof.

Section 7.08. Preservation of Existence. The Borrower will preserve and maintain its existence, its status as a nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Code, and all of its rights, privileges and franchises necessary or desirable in the normal conduct of its business; and shall conduct its business in an orderly, efficient and regular manner. The Borrower shall hold itself out to the public as a legal entity separate and distinct from any other entity (including any affiliate thereof). So long as the Issuer Loan Obligation remains outstanding, the Borrower will be qualified to transact business in the State and will be engaged in business in the State.

Section 7.09. No Liability for Consents or Appointments. Whenever any provision herein provides for the giving of consent or direction by the Issuer, the Issuer shall not be liable to the Borrower or to the Lender for the giving of such consent or direction or for the withholding of such consent or direction. The Issuer shall have no liability for appointments which are required to be made by it under this Loan Agreement or any related documents.

Section 7.10. Non-Liability of the Issuer. No agreements or provisions contained in this Loan Agreement nor any agreement, covenant, or undertaking by the Issuer in connection herewith shall give rise to any pecuniary liability of the Issuer or a charge against its general credit, or shall obligate the Issuer financially in any way, except as may be payable from Payments made pursuant to the Borrower Loan and their application as provided herein. No

failure of the Issuer to comply with any term, covenant, or agreement contained herein, or in any document executed by the Issuer in connection herewith, shall subject the Issuer to liability for any claim for damages, costs, or other financial or pecuniary charge, except to the extent that the same can be paid or recovered from Payments made pursuant to the Borrower Loan. Nothing herein shall preclude a proper party in interest from seeking and obtaining, to the extent permitted by law, specific performance against the Issuer for any failure to comply with any term, condition, covenant or agreement contained herein, or any obligations imposed upon the Issuer pursuant hereto, or the breach thereof. In making the agreements and provisions set forth in this Loan Agreement, the Issuer has not obligated itself, except with respect to the application of Payments made pursuant to the Borrower Loan hereunder.

Section 7.11. Expenses. The Borrower covenants and agrees to pay, and to indemnify Issuer against all reasonable costs, charges and expenses, including fees and disbursements of attorneys, including, without limitation, fees and expenses of the Issuer's in-house and outside counsel, accountants, consultants and other experts, incurred by the Issuer in good faith in connection with the Loan and the Loan Documents.

Section 7.12. No Personal Liability.

(a) The Issuer shall not be obligated to pay the principal of or interest on the Issuer Loan Obligation, except from Payments under the Borrower Loan and any other moneys and assets received by the Issuer for such purpose pursuant to this Loan Agreement (but expressly excluding any Additional Payments due to the Issuer). Neither the faith and credit nor the taxing power of the State or any political subdivision thereof, nor the faith and credit of the Issuer is pledged to the payment of the principal or interest on the Issuer Loan Obligation. Neither the Issuer nor its officers, directors, agents or employees or their successors and assigns shall be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind or any conceivable theory, under, by reason of or in connection with this Loan Agreement or the Issuer Loan Obligation, except if and only to the extent amounts are received for the payment thereof from the Borrower under this Loan Agreement.

(b) The Lender and the Borrower hereby acknowledge that the Issuer's sole source of moneys to repay the Issuer Loan Obligation will be provided by Payments made by the Borrower under the Borrower Loan pursuant to this Loan Agreement, and Borrower hereby agrees that if the payments to be made hereunder shall ever prove insufficient to pay all principal and interest on the Issuer Loan Obligation as the same shall become due (whether by maturity, redemption, acceleration or otherwise), the Borrower shall pay such amounts as are required from time to time to prevent any deficiency or default in the payment of such principal or interest, including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of the Borrower, the Issuer or any third party, subject to any right of reimbursement from the Issuer or any such third party, as the case may be, therefor but solely, in the case of the Issuer, from the Payments or Additional Payments (other than funds paid to the Issuer pursuant to Reserved Issuer Rights), other than with respect to any deficiency caused by the willful misconduct of the Issuer.

(c) No director, member, officer, agent or employee of the Issuer or any director, officer, agent or employee of the Borrower shall be individually or personally liable for the payment of any principal or interest on the Issuer Loan Obligation or any other sum hereunder 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 7.13. The Borrower Indemnification of the Issuer. The Borrower covenants and agrees as follows:

(a) To the fullest extent permitted by law, the Borrower agrees to indemnify, hold harmless and defend the Issuer, and each of its past, present and future officers, governing directors, officials, employees, attorneys and agents (collectively, the “Issuer 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, including, without limitation, fees and expenses of the Issuer’s in-house and outside counsel, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments) to which the Issuer Indemnified Parties, or any of them, may become subject under or 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 Loan or the Loan Documents or the execution or amendment hereof or thereof or in connection with transactions contemplated hereby or thereby;

(ii) any act or omission of the Borrower or any of its agents, contractors, servants, employees, tenants) or licensees in connection with the Project, the Improvements or the Property, the operation of the Improvements or the Property, 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, the Improvements or the Property or any part thereof;

(iii) any Lien or charge upon payments by the Borrower to the Issuer hereunder, or any taxes (including, without limitation, all ad valorem taxes and sales taxes), assessments, impositions and other charges imposed on the Issuer in respect of any portion of the Project, the Improvements or the Property;

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

(v) the defeasance or prepayment, in whole or in part, of the Loan;

(vi) any Determination of Taxability of interest on the Loan, or allegations that interest on the Loan is taxable or any regulatory audit or inquiry regarding whether interest in the Loan is taxable;

(vii) any untrue statement or misleading statement or alleged untrue statement or alleged misleading statement of a material fact contained in any offering statement or disclosure or continuing disclosure document for the Loan or any of the documents relating to the Loan, or any omission or alleged omission from any offering statement or disclosure or continuing disclosure document for the Loan 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;

provided that the foregoing indemnification shall not be available to the extent such damages are caused by the gross negligence or willful misconduct of such Issuer 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 Borrower, upon written notice from the Issuer Indemnified Party, shall assume the investigation and defense thereof, including the employment of counsel selected by the Borrower and reasonably approved by the Issuer Indemnified Party, and shall assume the payment of all expenses related thereto, whether incurred or paid prior to or following receipt by Borrower of such written notice, with full power to litigate, compromise or settle the same in its sole discretion; provided that the Issuer Indemnified Party shall have the right to review and approve or disapprove any such compromise or settlement. Each Issuer 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 Borrower shall pay the reasonable fees and expenses of such separate counsel; provided, however, that such Issuer Indemnified Party may only employ separate counsel at the expense of the Borrower if in the reasonable judgment of such Issuer Indemnified Party a conflict of interest exists by reason of common representation or if all parties commonly represented do not reasonably agree as to the action (or inaction) of counsel.

(b) The rights of any persons to indemnity hereunder and rights to payment of fees and reimbursement of expenses pursuant to this Loan Agreement shall survive the final payment or prepayment of the Issuer Loan Obligation. The provisions of this Section shall survive the termination of this Loan Agreement.

Section 7.14. The Borrower Indemnification of the Lender. The Borrower covenants and agrees as follows:

(a) to indemnify and hold harmless, to the extent permitted by law, the Lender and its affiliates, their respective incorporators, members, commissioners, directors, officers, agents and employees (collectively, the “Lender Indemnified Persons”) against all liability, losses, damages, all reasonable costs and charges (including reasonable fees and disbursements of attorneys, accountants, consultants and other experts), taxes, causes of action, suits, claims, demands and judgments of every conceivable kind, character and nature whatsoever, by or on behalf of any person arising in any manner from the transaction of which this Loan Agreement is a part or arising in any manner in connection

with the Project and/or Property, including, but not limited to, losses, claims, damages, liabilities or reasonable expenses arising out of, resulting from or in any way connected with (i) the work done on the Property or the operation of the Property during the term of this Loan Agreement, including, without limitation, any liability for any loss or damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to the Property; (ii) any violation of contract, agreement (including the Loan Documents) or restriction relating to the Property; (iii) any violation of law, ordinance or regulation affecting the Property or any part thereof or the ownership or occupancy or use thereof; or (iv) the carrying out of any of the transactions contemplated by this Loan Agreement and all related documents;

(b) promptly after receipt by a Lender Indemnified Person of notice of the commencement of any action in respect of which indemnification may be sought under this Section 7.14, the Lender Indemnified Person shall promptly notify the Borrower in writing, but the delay to so notify the Borrower will not relieve the Borrower from any liability which it may have to any Lender Indemnified Person under this Section 7.14 other than to the extent of prejudice caused directly or indirectly by such delay nor affect any rights it may have to participate in and/or assume the defense of any action brought against any Lender Indemnified Person. In case such claim or action is brought against any Lender Indemnified Person, and such Lender Indemnified Person notifies the Borrower of the commencement thereof, the Borrower will be entitled to participate in and, to the extent that it chooses so to do, to assume the investigation and defense thereof (including the employment of counsel reasonably satisfactory to Lender), and the Borrower shall assume the payment of all fees and expenses relating to such investigation and defense and shall have the right to negotiate and consent to settlement thereof. Each Lender Indemnified Person shall have the right to employ separate counsel in any such action and to participate in the defense thereof, and after notice from the Borrower of its election to assume the defense thereof, the fees and expenses of such separate counsel shall be at the expense of the Borrower, if such Lender Indemnified Person reasonably determines, with the advice of counsel, that a conflict of interest exists between such party and the Borrower in connection with such action. The Borrower shall not be obligated to any Lender Indemnified Party pursuant to this paragraph if it has not received notice of the action with respect to which indemnification is sought. The Borrower shall not be liable for any settlement of any such action effected without its consent, but, if settled with the consent of the Borrower or if there be a final judgment for the plaintiff in any such action as to which the Borrower has received notice in writing as hereinabove required, the Borrower agrees to indemnify and hold harmless the Indemnified Person from and against any loss or liability by reason of such settlement or judgment to the extent provided in this Section 7.14; and

(c) notwithstanding the previous provisions of this Section 7.14, the Borrower is not liable for or obligated to indemnify any Lender Indemnified Person harmless against any loss or damage to property or injury or death to any person or any other loss or liability if and to the extent such loss, damage, liability, injury or death results from the gross negligence or willful misconduct of any Lender Indemnified Person seeking such indemnification.

All indemnifications by the Borrower in this Section 7.14 shall survive the termination of this Loan Agreement and payment of the indebtedness hereunder.

Section 7.15. Covenant to Enter into Agreement or Contract to Provide Ongoing Disclosure. The Borrower and the Lender intend that this Loan Agreement be exempt from the requirements of Paragraph (b)(5)(i) of the Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, § 240.15c2-12) (the “Rule”). The Borrower hereby covenants and agrees that if this Loan Agreement ceases to be exempt under the Rule, the Borrower will enter into an agreement or contract, constituting an undertaking, to provide ongoing disclosure as may be necessary to comply with the Rule as then in effect. Absent an express statutory or regulatory requirement, in no event will the Issuer have any liability or obligation to provide disclosure under the Rule or to enforce any obligations of Borrower to provide disclosure under the Rule.

Section 7.16. Financial Covenants. From and after the extension of the Initial Prepayment Date pursuant to Section 4.16(c) hereof, the Borrower shall maintain a Debt Service Coverage Ratio of not less than 1.10 to 1.00, measured annually based on the audited financial statements of Borrower as of the end of each fiscal year.

Section 7.17. Deposit Relationship. The Borrower and Lender agree as follows:

(a) So long as the Loan is outstanding and California United Bank or an Affiliate thereof is the Lender hereunder, the Borrower shall maintain its primary checking and other general deposit accounts (but excluding Borrower’s endowment fund), as well as the Project Fund, the Interest Reserve Fund, if applicable, and the Capital Campaign Fund, with Lender.

(b) Other than the payment of interest on the Loan funded from the proceeds of the Loan, the Borrower authorizes the Lender to make automatic deductions from the following deposit account (“Account”) maintained by Borrower at Lender’s offices in order to pay, when and as due, all of the Payments that the Borrower is required or obligated to make under this Loan Agreement:

Account No: 263424588

Without limiting any of the terms of the Borrower Documents, the Borrower acknowledges and agrees that if the Borrower defaults in its obligation to make a Payment because the collected funds in the Account are insufficient to make such Payment in full on the date that such Payment is due, then the Borrower shall be responsible for all late payment charges and other consequences of such default by the Borrower under the terms of the Borrower Documents.

(c) Subject to subparagraph (d) below, this authorization shall continue in full force and effect until the date which is five (5) Business Days after the date on which Lender actually receives written notice from the Borrower expressly revoking the authority granted to Lender to charge the Account for Payments in connection with the Loan. No such revocation by the Borrower shall in any way release the Borrower from or otherwise affect the Borrower’s obligations under the Borrower Documents, including

the Borrower's obligations to continue to make all Payments required under the terms of this Loan Agreement.

(d) The Lender, so long as California United Bank is the Lender hereunder, at its option and in its discretion, reserves the right to terminate the arrangement for automatic deductions from the Account pursuant to this subparagraph (d) at any time effective upon written notice of such election (a "Termination Notice") given by Lender to the Borrower. Without limiting the generality of the immediately preceding sentence, the Lender may elect to give a Termination Notice to the Borrower if the Borrower fails to comply with any of the Lender's rules, regulations, or policies relating to the Account, including requirements regarding minimum balance, service charges, overdrafts, insufficient funds, uncollected funds, returned items, and limitations on withdrawals.

Section 7.18. Reserved.

Section 7.19. Tax Covenants of the Issuer and the Borrower.

(a) The Issuer covenants as follows:

(i) The Issuer shall not take any action, or fail to take any action within its control and required of it by the Issuer Documents, if such action or failure to take such action would result in the interest on the Loan not being excluded from gross income for federal income tax purposes under Section 103 of the Code. Without limiting the generality of the foregoing, the Issuer covenants that it will comply with the requirements of the Tax Regulatory Agreement applicable to it which is incorporated herein as if fully set forth herein; provided, however, that with regard to the covenants of the Issuer to act or refuse to act in a certain manner in the future pursuant to this section or the Tax Regulatory Agreement, the Issuer is relying exclusively on the Borrower to act or refuse to act in the appropriate manner except to the extent a particular affirmative action by the Issuer is required or prohibited. Any requirement that the Issuer will not permit or allow an action, or similar requirement, shall pertain solely to the actions of the Issuer and the Issuer shall have no obligation to prevent, or to attempt to prevent, any action by the Borrower. This covenant shall survive the payment in full and prepayment of the Issuer Loan.

(ii) In the event that at any time the Issuer is of the opinion that for purposes of this Section it is necessary or helpful to restrict or limit the yield on the investment of any moneys under this Loan Agreement, the Issuer shall so instruct the Borrower in writing accompanied by a supporting opinion of Special Counsel, and the Borrower shall take such action as may be directed by the Issuer.

(iii) Notwithstanding any provisions of this Section, if the Issuer provides to the Borrower an opinion of Special Counsel to the effect that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Loan, the Borrower may conclusively rely on such

opinion in complying with the requirements of this Section and the Tax Regulatory Agreement, and the covenants hereunder shall be deemed to be modified to that extent.

(b) The Borrower covenants as follows:

(i) The Borrower will not take any action that would cause the interest on the Loan to become includable in gross income of the recipient for federal income tax purposes under the Code (including, without limitation, intentional acts under Treas. Reg. § 1.148-2(c) or deliberate action within the meaning of Treas. Reg. § 1.141-2(d)), and the Borrower will take and will cause its officers, employees and agents to take all affirmative actions legally within its power necessary to ensure that the interest on the Loan does not become includable in gross income of the recipient for federal income tax purposes under the Code (including, without limitation, the calculation and payment of any rebate required to preserve such exclusion). Without limiting the generality of the foregoing, the Borrower covenants that it shall comply with the requirements of the Tax Regulatory Agreement, which is incorporated herein as if fully set forth herein. This covenant shall survive the payment in full and prepayment of the Loan.

(ii) The Issuer has covenanted in this Loan Agreement to take any and all actions within its control necessary to assure compliance with Section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such Section is applicable to the Loan. In furtherance of this covenant, the Borrower, on behalf of the Issuer, hereby covenants (A) initially, on or before December 1, 2020 and on or before December 1 of every fifth year thereafter, to calculate, or cause to be calculated, the “rebate amount” in accordance with Section 148(f) and Section 1.148-2 of the Regulations, (B) to provide such calculations to the Issuer within 30 days of each calculation date, and (C) to pay the federal government any such “rebate amount” so calculated to the extent required by Section 148(f) of the Code. The Borrower further agrees to comply with the provisions and requirements of the Tax Regulatory Agreement relating to the Issuer’s obligation to pay the rebate amount as required hereunder and under Section 148 of the Code.

(iii) Notwithstanding any provisions of this Section, if the Borrower provides to the Issuer an opinion of Special Counsel to the effect that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Loan, the Issuer may conclusively rely on such opinion in complying with the requirements of this Section and the Tax Regulatory Agreement, and the covenants hereunder shall be deemed to be modified to that extent.

Notwithstanding anything herein to the contrary, the Issuer shall have the right to enforce the Borrower’s covenants, agreements and representations in the Tax Regulatory Agreement against the Borrower pursuant to the terms thereof.

Section 7.20. Office of Foreign Assets Control; Patriot Act Compliance.

(a) The Borrower is not an entity (i) whose property or interest in property is blocked or subject to blocking pursuant to Section 1 of Executive Order 13224 of September 23, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001)), (ii) who engages in any dealings or transactions prohibited by Section 2 of such executive order, or is otherwise associated with any such Person in any manner violate of such Section 2, or (iii) who is on the list of Specially Designated Nationals and Blocked Persons or subject to the limitations or prohibitions under any other U.S. Department of Treasury's Office of Foreign Assets Control regulation or executive order.

(b) The Borrower is in compliance with the Patriot Act. No proceeds of the Borrower Loan will be used, directly or indirectly, for payments to any governmental official or employee, political party or its officials, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

Section 7.21. Compliance With Documents. The Borrower agrees that it will perform and comply with each and every covenant and agreement required to be performed or observed by it in each of the Loan Documents to which it is a party, 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 against the Borrower. To the extent that any such incorporated provision permits the Borrower or any other party to waive compliance with such provision or requires that a document, opinion or other instrument or any event or condition be acceptable or satisfactory to the Borrower or any other party, for purposes of this Loan Agreement, such provision shall be complied with unless it is specifically waived by the Lender in writing and such document, opinion or other instrument and such event or condition shall be acceptable or satisfactory only if it is acceptable or satisfactory to the Lender which shall only be evidenced by the written approval by Lender of the same. No termination or amendment to such covenants and agreements or defined terms or release of the Borrower with respect thereto made pursuant to the Loan Documents to which the Borrower is a party, shall be effective to terminate or amend such covenants and agreements and defined terms or release the Borrower with respect thereto in each case as incorporated by reference herein without the prior written consent of the Lender. Notwithstanding any termination or expiration of such other Loan Document to which the Lender is a party, the Borrower shall continue to observe the covenants therein contained for the benefit of the Lender until the termination of this Loan Agreement and the payment in full of the Loan and all other Obligations. All such incorporated covenants shall be in addition to the express covenants contained herein and shall not be limited by the express covenants contained herein nor shall such incorporated covenants be a limitation on the express covenants contained herein.

Section 7.22. Compliance with ERISA. Except as would not reasonably be expected to result in a Material Adverse Effect, the Borrower and each member of the Controlled Group shall (i) remain at all times in compliance with all applicable Laws (including any legally available

grace periods) with respect to any Plan, (ii) at no time maintain any Plan that has Unfunded Vested Liabilities and (iii) maintain each Plan as to which it may have any liability in compliance in all material respects with the applicable provisions of ERISA, the failure to comply with which could subject the Borrower or a member of its Controlled Group to any tax or penalty.

Section 7.23. Environmental Laws. The Borrower 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 Borrower back into compliance with Environmental Laws and to comply with any cleanup orders issued by a Governmental Authority having jurisdiction there over. The Borrower shall at all times use commercially reasonable efforts to render or maintain any real property owned, leased, occupied or operated by the Borrower safe and fit for its intended uses. The Borrower shall also promptly 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.

ARTICLE VIII

NEGATIVE COVENANTS OF BORROWER

So long as the Borrower Loan shall remain unpaid, the Borrower agrees that:

Section 8.01. Lien. The Borrower shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Property or any portion thereof, or any other real or personal property of the Borrower, whether now owned or hereafter acquired (each, a “Lien” and together, “Liens”), other than the rights of the Lender or the Issuer as herein provided and the Permitted Encumbrances. The Borrower shall promptly, at its own expense, take such action as may be necessary duly to discharge or remove any such unpermitted Lien. The Borrower shall reimburse the Lender for any expenses incurred by the Lender to discharge or remove any unpermitted Lien.

“Lien Claims” means all claims (including mechanics liens and claims for labor, services, materials and supplies) that by law have or may become a lien upon any of the Collateral or the Borrower’s interest in the Property or any other property or assets of the Borrower. “Impositions” means all rents, taxes, assessments and premiums attributable to the Property. “Lien Claims” do not, however, include any claims or liens which are Permitted Encumbrances.

Notwithstanding anything herein or in any of the other Loan Documents to the contrary (except as set forth in Section 3.04(a)), the Borrower shall not be required to pay, discharge or remove any Imposition or Lien Claim so long as the following criteria (the “Lien Contest Criteria”) shall be satisfied as to the same: (i) the Borrower shall contest in good faith the validity, applicability or amount of the Imposition or Lien Claim by an appropriate legal proceeding which operates to prevent the collection of the secured amounts and the sale of the Property or any portion thereof, and (ii) prior to the date on which such Imposition or Lien Claim would otherwise have become delinquent, the Borrower shall have given the Lender and the Issuer written notice of its intent to contest said Imposition or Lien Claim, and (iii) the Borrower either shall have complied with the Statutory Bond Criteria set forth below or shall have

deposited with the Lender (or with a court of competent jurisdiction or other appropriate body approved by the Lender and the Issuer) such additional amounts as are necessary to keep on deposit at all times, an amount equal to at least one hundred twenty five percent (125%) (or such higher amount as may be required by applicable law) of the total of the balance of such Imposition or Lien Claim then remaining unpaid, plus all interest, penalties, costs and charges having accrued or accumulated thereon, and (iv) in the reasonable judgment of the Lender, no risk of sale, forfeiture or loss of the Borrower's or the Lender's interest in the Property or any part thereof within thirty (30) days arises at any time, and (v) such contest does not, in the Lender's reasonable discretion, have a material adverse effect on the Borrower's operations or financial condition, and (vi) such contest is based on bona fide claims or defenses, and (vii) the Borrower shall prosecute any such contest with due diligence, and (viii) the Borrower shall promptly pay the amount of such Imposition or Lien Claim as finally determined, together with all interest and penalties payable in connection therewith. Anything to the contrary notwithstanding, the Lender shall have full power and authority, but no obligation, to advance funds or to apply any amount deposited with the Lender under this Section to the payment of any unpaid Imposition or Lien Claim at any time if an Event of Default is continuing, or if the Lender reasonably determines that a risk of sale, forfeiture or loss of any interest in the Property or any part thereof within 30 days has arisen. The Borrower shall reimburse the Lender on demand for all such advances, together with interest thereon at the Applicable Loan Rate. Any surplus retained by the Lender after payment of the Imposition or Lien Claim for which a deposit was made shall be promptly repaid to the Borrower unless an Event of Default shall have occurred, in which case said surplus may be retained by the Lender and applied by the Lender to any of Obligations, as the Lender may determine in its sole discretion. The "Statutory Bond Criteria" will be deemed satisfied if (i) by statute in the jurisdiction where the Property is located, a bond may be given as security for the particular form of Imposition or Lien Claim in question, with the effect that the Property shall be forever released from any Lien securing such Imposition or Lien Claim, and (ii) the Borrower shall cause such a bond to be issued, and the Borrower shall comply with all other requirements of law such that the Property shall be forever released from such Lien, and (iii) the Borrower shall provide to the Issuer and the Lender such evidence of the foregoing as the Issuer and/or the Lender may reasonably request.

Section 8.02. Sale of Assets. The Borrower will not sell, lease, assign, transfer or otherwise dispose of all or substantially all of its assets (other than in the ordinary course of business or equipment or other personal property which has become inadequate, obsolete, worn out, unsuitable, unprofitable, undesirable or unnecessary and the disposition thereof will not impair the operations of the Borrower) or of any of the Property or any interest therein (whether in one transaction or in a series of transactions), other than Permitted Encumbrances, without the prior written consent of the Lender (which consent will not be unreasonably withheld, conditioned or delayed) and the delivery to the Issuer and the Lender of an opinion of Special Counsel to the effect that any such sale, lease, assignment, transfer or other disposition will not cause the interest on the Issuer Loan Obligation to be included in gross income of the owners thereof. Notwithstanding the previous sentence, the Issuer Loan Obligation and the Borrower Loan shall become due and payable upon the sale, assignment, transfer or other disposition of the Property or any portion thereof. The Borrower shall provide the Issuer and the Lender with prior written notice of its intention to sell, lease, assign, transfer or otherwise dispose of the Property or any interest therein and shall agree in writing to remain liable under the Loan Documents. In the event of a sale, assignment or transfer of the Property or any portion thereof to an affiliate of

the Borrower (which shall also be subject to the Lender's prior written consent, which shall not be unreasonably withheld, conditioned or delayed), such purchaser, assignee or transferee shall assume in writing the Borrower's obligations under the Loan Documents.

Section 8.03. Consolidation and Merger. The Borrower will not consolidate with or merge into any person, or permit any other person to merge into it, or acquire (in a transaction analogous in purpose or effect to a consolidation or merger) all or substantially all of the assets of any other person without the prior written consent of the Lender (which consent will not be unreasonably withheld, conditioned or delayed) and the Issuer; provided, however, that the Borrower may consolidate or merge into any person, or permit any other person to merge into it, or acquire (in a transaction analogous in purpose or effect to a consolidation or merger) all or substantially all of the assets of any other person if (a) the Borrower is the surviving organization; (b) the Lender and the Issuer shall have received prior written notice of any such merger or consolidation and an opinion of Special Counsel, in form and substance reasonably acceptable to the Lender and the Issuer, to the effect that under then-existing laws the consummation of such merger, consolidation, sale or conveyance would not cause the interest under this Loan Agreement to become includable in gross income under the Code or adversely affect the validity of this Loan Agreement; (c) such merger or consolidation would not have a material adverse effect on the Borrower's financial or operating condition; (d) the Lender's security interests and liens on the collateral for the Borrower Loan (and the priority thereof) will not be materially prejudiced by such merger or consolidation; and (e) no Default or Event of Default exists or would result from any such merger or consolidation.

Section 8.04. Accounting. The Borrower will not adopt, permit or consent to any material change in accounting principles other than as required or permitted by GAAP or adopt, permit or consent to any change in its fiscal year unless the Borrower provides the Lender restated financial statements in comparative form.

Section 8.05. Transfers. Other than as expressly permitted by this Loan Agreement, the Borrower will not in any manner transfer any property, other than in the ordinary course of business or equipment or other tangible personal property which has become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary and the disposition thereof will not impair the operations of the Borrowers, without prior or present receipt of full and adequate consideration; provided, that, the restriction contained in this Section shall not prohibit the Borrower from making transfers in furtherance of its public or charitable purposes.

Section 8.06. Other Indebtedness. Other than (i) the Borrower Loan, (ii) a line of credit provided by the Lender, (iii) trade debt and other unsecured trade payables incurred in the ordinary course of business, and (iv) up to \$100,000 in aggregate outstanding principal amount of financing for equipment and other personal property used at the Property which is unsecured or secured solely by the equipment or personal property so financed, the Borrower shall not, without the prior written consent of the Lender, incur any additional indebtedness for borrowed money, secured or unsecured, direct or contingent.

Section 8.07. Other Defaults. The Borrower will not permit any material breach, default or event of default to occur beyond any applicable cure period under any note, loan agreement, indenture, lease, mortgage, contract for deed, security agreement or other contractual

obligation binding upon the Borrower or any judgment, decree, order or determination applicable to the Borrower; provided, however, nothing herein shall preclude the Borrower's right to contest in good faith by appropriate proceedings any breach, default or event of default; provided, such contest shall not, and shall not have the potential to, adversely affect the Lender's or the Issuer's interests hereunder or under any of the other Loan Documents.

Section 8.08. Prohibited Uses. The Borrower shall not use any portion of the proceeds of the Borrower Loan to finance or refinance any facility, place or building used or to be used (a) for sectarian instruction or study or as a place for devotional activities or religious worship, or (b) by a Person that is not a 501(c)(3) organization or a governmental entity or by an organization (including the Borrower) described in Section 501(c)(3) of the Code (including the Borrower) in an unrelated trade or business, in such manner or to such extent as would result in any portion of the Issuer Loan Obligation being treated as an obligation not described in Section 103(a) of the Code.

Section 8.09. Use of Property. The Borrower will not install, use, operate or maintain the Property or any portion thereof improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Loan Agreement or the Tax Regulatory Agreement.

Section 8.10. Maintenance of Business. The Borrower shall not change its business activities in any material respect from the business activities conducted by the Borrower as of the date of this Loan Agreement.

Section 8.11. Restrictive Agreements. The Borrower shall not enter into any agreement containing any provision which would be violated or breached by the performance by the Borrower of its obligations hereunder or under any other Loan Documents or any instrument or document delivered or to be delivered by the Borrower in connection herewith.

Section 8.12. Tax Exempt Status. The Borrower will not take any action that would cause the interest on the Loan to become includable in gross income of the recipient for federal income tax purposes under the Code (including, without limitation, intentional acts under Treas. Reg. § 1.148-2(c) or deliberate action within the meaning of Treas. Reg. § 1.141-2(d)), and the Borrower will take and will cause its officers, employees and agents to take all affirmative actions legally within its power necessary to ensure that the interest on the Loan does not become includable in gross income of the recipient for federal income tax purposes under the Code (including, without limitation, the calculation and payment of any rebate required to preserve such exclusion).

Section 8.13. Federal Reserve Board Regulations. The Borrower will not use any part of the proceeds of the Loan for the purpose of purchasing or carrying any Margin Stock and has not incurred any indebtedness to be reduced, retired or purchased by the Borrower out of such proceeds, and the Borrower does not own and has no intention of acquiring any Margin Stock.

ARTICLE IX

DAMAGE, DESTRUCTION AND CONDEMNATION; USE OF NET PROCEEDS

Section 9.01. Eminent Domain. If all or any portion of the Property shall be taken permanently under the power of eminent domain or sold to a government threatening to exercise the power of eminent domain, the Net Proceeds of any eminent domain award shall be applied to the prepayment of Borrower Loan and the Issuer Loan Obligation in accordance with Section 4.08(b) of this Loan Agreement, unless otherwise agreed to by the Lender and the Issuer, with an approving written opinion of Special Counsel to the effect that under then-existing laws that such action would not cause the interest under this Loan Agreement to become includable in gross income under the Code or adversely affect the validity of this Loan Agreement.

Section 9.02. Application of Net Proceeds.

(a) The Net Proceeds of any insurance award resulting from any damage to or destruction of any portion of the Property or any portion thereof by fire or other casualty, as applicable, of any title insurance award, or of any eminent domain or condemnation award resulting from any event described in Section 9.01 hereof shall be deposited with the Lender, who shall determine the application of such proceeds; provided, however, that if no Event of Default has occurred and is continuing under the Loan Documents, the Lender shall release to Borrower without further limitations all insurance awards of up to \$250,000 received on behalf of Borrower. The Borrower, except as provided below, shall cause the proceeds of insurance or eminent domain or condemnation awards with respect to the Property to be utilized for the repair, reconstruction, or replacement of the damaged or destroyed portion of the Property. Provided that no Event of Default has occurred and is continuing under the Loan Documents, the Lender shall permit withdrawals from time to time of the proceeds received by Lender upon receiving the written request of Borrower, stating that Borrower has expended moneys or incurred liabilities in an amount equal to the amount therein requested to be paid over to it for the purpose of repair, reconstruction or replacement, and specifying the items for which such moneys were expended or such liabilities were incurred. If no Event of Default has occurred and is continuing under the Loan Documents, any balance of the Net Proceeds not required for the repair, reconstruction, or replacement thereof shall be released by Lender to the Borrower. If an Event of Default has occurred and is continuing under the Loan Documents, the Lender may determine the application of the Net Proceeds in any order or priority elected by the Lender in its sole discretion.

(b) Alternatively, Borrower, at its option, and if the proceeds of such insurance or eminent domain or condemnation awards together with any other moneys then available are at least sufficient to prepay the Borrower Loan in full pursuant to Section 4.08(b) hereof, may elect not to repair, reconstruct, or replace the damaged or destroyed portion of the Property, as applicable, and thereupon shall cause the proceeds to be used for the prepayment of the Borrower Loan in full, but not in part. With the written consent of the Lender, the Borrower may elect not to repair, reconstruct or replace

the damaged, destroyed, lost or taken Property and shall apply such proceeds to prepay the Borrower Loan in part.

(c) There shall be no abatement of Payments during any period in which, by reason of damage or destruction, there is substantial interference with the use and occupancy by the Borrower of the Property or any portion thereof.

ARTICLE X

ASSIGNMENT, PARTICIPATION, MORTGAGING AND SELLING

Section 10.01. Assignment by the Lender. This Loan Agreement and related Issuer Loan Obligation and the right to receive Payments from the Borrower hereunder, may be assigned and reassigned in whole to one assignee by the Lender, at any time, without the necessity of obtaining the consent of the Issuer or the Borrower; provided, however, that such assignment or reassignment shall be in accordance with Section 4.09 of this Loan Agreement. The Issuer and the Borrower agree to execute all documents, including notices of assignment and chattel mortgages or financing statements, which may be reasonably requested by the Lender or its assignee to protect its interest in this Loan Agreement. Notwithstanding anything above to the contrary, all Payments and notices shall be delivered to the Lender. The Lender agrees to hold any security interests granted hereunder on behalf of any assignee, subassignee or participant described above.

Section 10.02. No Sale, Assignment or Leasing by Borrower. This Loan Agreement and the interest of the Borrower in the Property may not be sold, assumed, assigned or encumbered by the Borrower other than as expressly permitted in this Loan Agreement or Liens in favor of the Lender and the Issuer. No agreement or interest therein and no improvement shall be subject to involuntary assignment, lease, transfer or sale or to assignment, lease, transfer or sale by operation of law in any manner whatsoever except (i) as expressly provided in this Loan Agreement or (ii) Permitted Encumbrances, and any such attempted assignment, lease, transfer or sale shall be void and of no effect and shall, at the option of the Lender, constitute an Event of Default hereunder. Notwithstanding the foregoing, the Lender hereby approves the each of the leases subordinated by the Lease Subordination Agreements so long as the Lease Subordination Agreement applicable to such lease remains in full force and effect.

ARTICLE XI

EVENTS OF DEFAULT AND REMEDIES

Section 11.01. Events of Default. Upon the expiration of any applicable cure period expressly provided in this Loan Agreement, each of the following shall constitute an “Event of Default” under this Loan Agreement:

(a) failure by the Borrower to pay to the Lender, as assignee of the Issuer any Payment when due, or any Additional Payment or any other amount required to be paid hereunder or under the Security Agreement within ten (10) days of the due date thereof; *provided, however*, that so long as there are sufficient funds available for the Lender to

make automatic draws for interest payments from proceeds of the Loan or from the Interest Reserve Fund in accordance with Section 3.03 hereof, Borrower shall not be deemed in default for failure to make payment of interest with respect to the Loan;

(b) failure by the Borrower to pay any payment required to be paid under any other material agreement between the Lender or any of its affiliates and the Borrower, subject to the applicable cure period set forth in such agreement;

(c) failure by the Borrower to maintain insurance in accordance with Section 7.04 hereof, except for failures that are immaterial and are cured within ten (10) Business Days after receipt of written notice from the Lender to the Borrower;

(d) failure by the Borrower to observe and perform any other covenant, condition or agreement on its part to be observed or performed hereunder for a period of thirty (30) days after written notice is given to the Borrower by the Lender, specifying such failure and requesting that it be remedied; provided, however, if such failure is correctable but cannot be corrected within the applicable period and corrective action is instituted by the Borrower within the applicable period and diligently pursued until corrected, then no Event of Default shall be deemed to have occurred unless such cure has not been completed within sixty (60) days after such written notice (or such longer period as may be permitted by the Lender in writing);

(e) initiation by the Borrower or by others of a proceeding under any Federal or State bankruptcy or insolvency law seeking relief under such laws concerning the indebtedness of the Borrower which proceeding is not dismissed or stayed within sixty (60) days;

(f) the Borrower shall be or become insolvent, or admit in writing its inability to pay its or his debts as they mature, or make an assignment for the benefit of creditors; or the Borrower shall apply for or consent to the appointment of any receiver, trustee or similar officer for it or for all or any substantial part of its property; or such receiver, trustee or similar officer shall be appointed without the application or consent of the Borrower or the Borrower shall institute (by petition, application, answer, consent or otherwise) any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, liquidation or similar proceeding relating to it under the laws of any jurisdiction which proceeding is not dismissed or stayed within sixty (60) days; or any such proceeding shall be instituted (by petition, application or otherwise) against the Borrower and remains undismissed or unstayed for sixty (60) days; or any judgment, writ, warrant of attachment or execution or similar process shall be issued or levied against a substantial part of the property of the Borrower;

(g) The making of any order or the entry of any decree by a court of competent jurisdiction enjoining construction of the Improvements or enjoining or prohibiting the Borrower from performing or satisfying its material covenants, obligations or conditions contained herein and such proceedings are not discontinued or such order or decree is not vacated within thirty (30) days after the making or granting thereof;

(h) the service upon the Lender, in accordance with the laws of the jurisdiction in which the Project is located, of a bonded stop notice from Borrower and within ten (10) business days after the Lender's receipt of such notice either (i) the claim set forth therein is not discharged by Borrower or (ii) if the amount claimed is disputed in good faith by Borrower or the General Contractor, Borrower fails to deliver to the Lender a stop notice release bond, in form and substance and issued by a surety company acceptable to the Lender, insuring the Lender against such claim;

(i) the Borrower (i) is determined by the Lender to have made any material false or misleading statement or representation in connection with this Loan Agreement; or (ii) sells, assigns, leases, or otherwise transfers or encumbers all or any part of its interest in this Loan Agreement, the Improvements or the Property, other than Permitted Encumbrances or in accordance with Section 8.02 hereof;

(j) the occurrence of a default or event of default which represents a liability of the Borrower in the amount of \$250,000 or more under any instrument, agreement or other document evidencing or relating to any indebtedness or other monetary obligation of the Borrower after giving effect to any grace or cure periods applicable under such instruments, agreements or documents; provided, however, nothing herein shall preclude the Borrower's right to contest in good faith by appropriate proceedings any default or event of default;

(k) the sale of the Borrower to, or merger of the Borrower into, any person, or the merger of any other person into the Borrower, or acquisition (in a transaction analogous in purpose or effect to a consolidation or merger) of all or substantially all of the assets of any other person by the Borrower, or another similar material event, without the prior written consent of the Lender, other than as expressly permitted pursuant to Section 8.02 or 8.03 hereof;

(l) the occurrence of a default or event of default on the part of the Borrower under any material lease or other agreement relating to, affecting or pertaining to the possession or use of any of the Property, after the expiration of any applicable cure period related thereto;

(m) the occurrence of a default or event of default under any material agreements or arrangements entered into by the Borrower involving any form of credit accommodations, after the expiration of any applicable cure period related thereto;

(n) this Loan Agreement or any Loan Document, including any pledge or collateral security for the Loan, shall be repudiated by the Borrower or any material provision in any Loan Document shall become unenforceable or incapable of performance in accordance with its terms;

(o) any judgment, writ, warrant of attachment or execution or similar process shall be issued or levied against the Borrower or its assets in excess of \$250,000 which is not covered by insurance or which exceeds any applicable insurance policy by more than \$250,000; provided, however, nothing herein shall preclude the Borrower's right to

contest in good faith by appropriate proceedings any such judgment, writ, warrant of attachment or execution or similar process;

(p) the occurrence of an event of default under the Project Fund Disbursement Agreement; or

(q) the occurrence of an event of default under documents related to a line of credit with Lender or any other material agreement between the Borrower and the Lender after the expiration of any applicable cure period thereunder.

Section 11.02. Remedies on Default. Whenever any Event of Default shall have occurred and be continuing, the Lender shall have the right, at its sole option without any further demand or notice, to take any one or any combination of the following remedial actions insofar as the same are available to secured parties under the laws of the State from time to time and which are otherwise accorded to the Lender:

(a) by notice to the Issuer and the Borrower, declare the entire unpaid principal amount of the Loan (and the related Obligations) then outstanding, all interest accrued and unpaid thereon and all amounts payable under this Loan Agreement to be forthwith due and payable, whereupon such Loan (and the related Obligations), all such accrued interest and all such amounts shall become and be forthwith due and payable, without presentment, notice of dishonor, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower and the Issuer;

(b) the obligation, if any, of the Lender to extend any further credit under any of the Loan Documents shall immediately cease and terminate;

(c) exercise all rights and remedies legally available to the Lender;

(d) proceed by appropriate court action to enforce performance by the Issuer or the Borrower of the applicable covenants of the Loan documents or to recover for the breach thereof, including the payment of all amounts due from the Borrower, in which event the Borrower shall pay or repay to the Lender all costs of such action or court action including without limitation, reasonable attorneys' fees; and

(e) to enforce its rights, in which event the Borrower shall pay or repay to the Lender and the Issuer all costs of such action or court action, including, without limitation, reasonable attorneys' fees.

All proceeds derived from the exercise of any rights and remedies shall be applied in the following manner:

FIRST, to pay the Issuer any Issuer Fees and Expenses;

SECOND, to the United States any rebatable arbitrage due or accrued pursuant to Section 148(f)(4) of the Code;

THIRD, to pay (a) to the Lender the amount of all unpaid Payments, if any, which are then due and owing, together with interest and late charges thereon; and (b) to the Lender any Additional Payments payable to the Lender hereunder;

FOURTH, to pay all proper and reasonable costs and expenses associated with the recovery, repair, storage and sale of the Collateral, including reasonable attorneys' fees and expenses; and

FIFTH, to pay the remainder of any such proceeds, purchase moneys or other amounts paid by a buyer of the Collateral or other person, to the Borrower.

Notwithstanding any other remedy exercised hereunder, the Borrower shall remain obligated to pay to the Lender and the Issuer, as their interests may appear, any unpaid Payments and Additional Payments. To the extent permitted by applicable law, the Borrower hereby waives any rights now or hereafter conferred by statute or otherwise which might require the Lender to use, sell, lease or otherwise dispose of the Property in mitigation of the Lender's damages or which might otherwise limit or modify any of the Lender's rights hereunder.

All rights, powers and remedies of the Lender may be exercised at any time by the Lender, as assignee of the Issuer, and from time to time after the occurrence and continuance of an Event of Default, are cumulative and not exclusive, and shall be in addition to any other rights, powers or remedies provided by law or equity.

The Borrower shall pay or repay to the Lender and the Issuer all costs of such action or court action, including, without limitation, reasonable attorneys' fees.

Section 11.03. The Lender's Right to Perform the Obligations. If the Borrower shall fail, refuse or neglect to make any payment or perform any act required by the Loan Documents to which it is a party, then while any Event of Default exists, and without notice to or demand upon the Borrower and without waiving or releasing any other right, remedy or recourse the Lender may have because of such Event of Default, the Lender may (but shall not be obligated to) make such payment or perform such act for the account of and at the expense of the Borrower and interest on such payment shall accumulate from the date of the advance at the Default Rate until such advance is paid, and shall have the right to enter upon the Property for such purpose and to take all such action thereon and with respect to the Property as it may deem necessary or appropriate. If the Lender shall elect to pay any sum due with reference to the Property, as applicable, the Lender may do so in reliance on any bill, statement or assessment procured from the appropriate Governmental Authority or other issuer thereof without inquiring into the accuracy or validity thereof. Similarly, in making any payments to protect the security intended to be created by this Loan Agreement or the Security Agreement, the Lender shall not be bound to inquire into the validity of any apparent or threatened adverse title, lien, encumbrance, claim or charge before making an advance for the purpose of preventing or removing the same. Additionally, if any Hazardous Materials affect or threaten to affect the Property, the Lender may (but shall not be obligated to) give such notices and take such actions as it deems necessary or advisable in order to abate the discharge of any Hazardous Materials or remove the Hazardous Materials. The Borrower shall indemnify, defend and hold the Lender and the Issuer harmless from and against any and all losses, liabilities, claims, damages, expenses, obligations, penalties,

actions, judgments, suits, costs or disbursements of any kind or nature whatsoever, including reasonable attorneys' fees, incurred or accruing by reason of any acts performed by the Lender pursuant to the provisions of this Section, except as a result of the Lender's gross negligence or willful misconduct.

Section 11.04. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Lender or the Issuer is intended to be exclusive 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. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Lender or the Issuer to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice other than such notice as may be required by this Article XI. All remedies hereby conferred upon or reserved to the Lender or the Issuer shall survive the termination of this Loan Agreement.

Section 11.05. Issuer Enforcement of Rights. In the event that Borrower fails to comply with any covenant or obligation set forth in this Loan Agreement related to Reserved Issuer Rights, the Issuer may enforce the Reserved Issuer Rights by exercising all rights and remedies legally available to it, including proceeding by appropriate court action to enforce performance by the Borrower of such covenants and obligations or to recover for the breach thereof, including the payment of all amounts due from the Borrower, in which event the Borrower shall pay or repay to the Issuer all costs of such action or court action including without limitation, reasonable attorneys' fees (including, without limitation, fees and expenses of the Issuer's in-house and outside counsel and the fees and expenses of the California Department of Justice when acting on behalf of the Issuer).

ARTICLE XII

MISCELLANEOUS

Section 12.01. Disclaimer of Warranties. THE LENDER AND THE ISSUER MAKE NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, COMPLIANCE WITH SPECIFICATIONS, QUALITY OF MATERIALS OR WORKMANSHIP, CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, USE OR OPERATION, SAFETY, PATENT, TRADEMARK OR COPYRIGHT INFRINGEMENTS, TITLE OR FITNESS FOR USE OF THE PROPERTY, OR ANY COMPONENT THEREOF OR ANY OTHER WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, WITH RESPECT THERETO AND, AS TO THE LENDER AND THE ISSUER. All such risks, as between the Lender, the Issuer and the Borrower, are to be borne by the Borrower. Without limiting the foregoing the Lender and the Issuer shall have no responsibility or liability to the Borrower or any other person with respect to any of the following: (a) any liability, loss or damage caused or alleged to be caused directly or indirectly by the Property, any inadequacy thereof, any deficiency or defect (latent or otherwise) therein, or any other circumstances in connection therewith; (b) the use, operation or performance of the Property or any risks relating thereto; (c) any interruption of service, loss of business or anticipated profits or consequential damages; or (d) the delivery, operation, servicing,

maintenance, repair, improvement or replacement of the Property. If, and so long as, no default exists under this Loan Agreement, the Borrower shall be, and hereby is, authorized to assert and enforce, at the Borrower's sole cost and expense, from time to time, whatever claims and rights the Borrower or the Lender may have against any prior title holder or possessor of the Property. In no event shall the Lender or the Issuer be liable for any loss or damage in connection with or arising out of this Loan Agreement or the Property.

Section 12.02. Limitations of Liability. In no event, whether as a result of breach of contract, warranty, tort (including negligence or strict liability), indemnity or otherwise, shall the Lender, its assignees, if any, or the Issuer be liable for any special, consequential, incidental or punitive damages including, but not limited to, a loss of profit or revenue, loss of use of the Property or any associated equipment, service materials or software, damage to associated equipment, service materials or software, cost of capital, cost of substitute equipment, service materials or software, facilities, services or replacement power, down time costs or claims of the Borrower's members for such damages and the Borrower shall indemnify and hold harmless the Lender, its assignees, if any, and the Issuer from any such damages, except to the extent arising from the gross negligence or willful misconduct of the indemnified party or its respective agents, employees or representatives.

Section 12.03. Additional Payments to the Lender. The Borrower shall pay to the Lender the following Additional Payments hereunder, in addition to the Payments payable by the Borrower, in such amounts in each year as shall be required by the Lender in payment of any reasonable costs and expenses, incurred by the Lender in connection with the execution, performance or enforcement of this Loan Agreement, the financing and refinancing of the Project, including but not limited to payment of all reasonable fees, costs and expenses and all reasonable administrative costs of the Lender in connection with the Project, reasonable expense (including, without limitation, reasonable attorneys' fees and disbursements) reasonable fees of auditors, financial consultants, construction consultants or attorneys, insurance premiums not otherwise paid hereunder and all other reasonable, direct and necessary administrative costs of the Lender or charges required to be paid by it in order to comply with the terms of, or to enforce its rights under, this Loan Agreement and any of the other Loan Documents. Such Additional Payments shall be billed to the Borrower by the Lender from time to time, together with a statement certifying that the amount so billed has been paid or incurred by the Lender for one or more of the items described, or that such amount is then payable by the Lender for such items. Amounts so billed shall be due and payable by the Borrower within 30 days after receipt of the bill by the Borrower.

Section 12.04. Notices. All notices, certificates, requests, demands and other communications provided for hereunder or under this Loan Agreement shall be in writing and shall be (a) personally delivered; (b) sent by registered class United States mail; (c) sent by overnight courier of national reputation; or (d) transmitted by telecopy, in each case addressed to the party to whom notice is being given at its address as set forth below and, if telecopied, transmitted to that party at its telecopier number set forth below and confirmed by telephone at the telephone number set forth below or, as to each party, at such other address or telecopier number as may hereafter be designated by such party in a written notice to the other party complying as to delivery with the terms of this Section. All such notices, requests, demands and other communications shall be deemed to have been given on (i) the date received if personally

delivered; (ii) when deposited in the mail if delivered by mail; (iii) the date sent if sent by overnight courier; or (iv) the date of transmission if delivered by telecopy. If notice to the Borrower of any intended disposition of the Property or any other intended actions is required by law in a particular instance, such notice shall be deemed commercially reasonable if given (in the manner specified in this Section) at least 10 calendar days prior to the date of intended disposition or other action.

If to the Borrower: Yeshiva University of Los Angeles Boys High School
9760 West Pico Boulevard
Los Angeles, California 90035
Attention: David Nagel, President
Telephone: (310) 203-3180
Facsimile: (323) 556-6621
Email Address: dnagel@decron.com

With copy to: Yeshiva of Los Angeles Boys High School
9760 West Pico Boulevard
Los Angeles, CA 90035
Attn: Head of School
Facsimile: (310) 203-3199
Email Address: demerson@yula.org

With copy to: David Nagel and Tom Schiff
c/o Decron Properties Corp.
6222 Wilshire Boulevard, Suite 400
Los Angeles, CA 90048
Facsimile: (323) 556-6607
Email Address: tschiff@decron.com

With copy to: Jeffer Mangels Butler & Mitchell LLP
Attention: Seth I. Weissman, Esq.
1900 Avenue of the Stars, Suite 700
Los Angeles, CA 90067
Facsimile: (310) 712-8583
Email: sweissman@jmbm.com

If to Issuer: California Enterprise Development Authority
550 Bercut Drive, Suite G
Sacramento, California 95811
Attention: Chair
Telephone: (916) 448-8252
Facsimile: (916) 448-3811

If to the Lender: California United Bank,
1640 S. Sepulveda Boulevard, Suite 114
Los Angeles, California 90025

Attention: David Peskin
Telephone: (310) 984-3322

Section 12.05. Binding Effect; Time of the Essence. This Loan Agreement shall inure to the benefit of and shall be binding upon the Lender, the Issuer, the Borrower and their respective successors and assigns, if any. Time is of the essence.

Section 12.06. 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 12.07. Amendments. To the extent permitted by law, the terms of this Loan Agreement shall not be waived, altered, modified, supplemented or amended in any manner whatsoever except by written instrument signed by the parties hereto, and then such waiver, consent, modification or change shall be effective only in the specific instance and for the specific purpose given; provided, however, that the consent of the Issuer shall not be required for waivers, alternations, modifications, supplements or amendments of or with respect to Section 7.07, 7.14, 7.16, 7.17, 7.18, 7.20, 7.21, 8.01, 8.04, 8.06 or 8.11 of this Loan Agreement; provided further, however, that prior to the effectiveness of any such waiver, alteration, modification, supplement or amendment, an opinion of Special Counsel shall be delivered to the Issuer to the effect that such waiver, alteration, modification, amendment or supplement complies with the requirements of this Loan Agreement and that such amendment or supplement will not cause interest on the Loan to be included in the gross income of the Lender for federal income tax purposes.

Section 12.08. Execution in Counterparts. This Loan Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument and any of the parties hereto may execute this Loan Agreement by signing any such counterpart.

Section 12.09. Applicable Law. This Loan Agreement is a contract made under the laws of the State of California and shall be governed by and construed in accordance with the Constitution and laws applicable to contracts made and performed in the State of California. This Loan Agreement shall be enforceable in the State of California, and any action arising out of this Loan Agreement shall be filed and maintained in Sacramento County Superior Court, Sacramento, California.

Section 12.10. Jury Trial Waiver. TO THE EXTENT PERMITTED BY LAW, THE LENDER AND THE BORROWER HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO JURY TRIAL OF ANY ACTION, PROCEEDING OR HEARING (HEREINAFTER, A "CLAIM") BASED UPON OR ARISING OUT OF, DIRECTLY OR INDIRECTLY, THIS LOAN AGREEMENT OR ANY OF THE RELATED DOCUMENTS, ANY DEALINGS BETWEEN LENDER OR BORROWER RELATING TO THE SUBJECT MATTER OF THE TRANSACTIONS CONTEMPLATED BY THIS LOAN AGREEMENT OR ANY RELATED TRANSACTIONS, AND/OR THE RELATIONSHIP THAT IS BEING ESTABLISHED BETWEEN THE LENDER AND THE BORROWER. THE SCOPE OF THIS WAIVER IS

INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT (INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS). THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS LOAN AGREEMENT, ANY RELATED DOCUMENTS, OR TO ANY OTHER DOCUMENTS OR SUPPLEMENTS RELATING TO THE TRANSACTIONS CONTEMPLATED BY THIS LOAN AGREEMENT OR ANY RELATED TRANSACTIONS. IN THE EVENT OF LITIGATION, THIS LOAN AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

Section 12.11. Captions. The captions or headings in this Loan Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Loan Agreement.

Section 12.12. Entire Agreement. Except as expressly stated herein, this Loan Agreement, together with the exhibits and attachments hereto and thereto, together with the other Loan Documents, constitutes the entire agreement among the Lender, the Issuer and the Borrower. Except as expressly stated herein, there are no understandings, agreements, representations or warranties, express or implied, not specified herein or therein regarding this Loan Agreement or the Project financed hereunder. Any terms and conditions of any purchase order or other document submitted by the Borrower in connection with this Loan Agreement which are in addition to or inconsistent with the terms and conditions of this Loan Agreement will not be binding on the Lender and will not apply to this Loan Agreement.

Section 12.13. Waiver. The Lender's or the Issuer's failure to enforce at any time or for any period of time any provision of this Loan Agreement shall not be construed to be a waiver of such provision or of the right of the Lender or the Issuer thereafter to enforce each and every provision. No express or implied waiver by the Lender of any Default or remedy of Default shall constitute a waiver of any other Default or remedy of Default or a waiver of any the Lender's rights.

Section 12.14. Survivability. All of the limitations of liability, indemnities and waivers contained in this Loan Agreement shall continue in full force and effect notwithstanding the expiration or early termination of this Loan Agreement and are expressly made for the benefit of, and shall be enforceable by, the Lender and the Issuer, or their successors and assigns.

Section 12.15. Usury. It is the intention of the parties hereto to comply with any applicable usury laws; accordingly, it is agreed that, notwithstanding any provisions to the contrary in this Loan Agreement, in no event shall this Loan Agreement require the payment or permit the collection of interest or any amount in the nature of interest or fees in excess of the maximum permitted by applicable law.

Section 12.16. Third Party Beneficiary. It is the intention of the parties that any Lender hereunder be a third party beneficiary of this Loan Agreement.

Section 12.17. Further Assurance and Corrective Instruments. The parties hereto hereby agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such further acts, instruments, conveyances, transfers and assurances, as any of them reasonably deems necessary or advisable for the implementation, correction, confirmation or perfection of this Loan Agreement or the Tax Regulatory Agreement and any rights of such party hereunder or thereunder.

Section 12.18. Dispute Resolution; Provisional Remedies.

(a) **Judicial Reference.** In the event the jury trial waiver provisions set forth in Section 12.10 are not permitted for any reason and the Borrower fails to waive jury trial, Lender and the Borrower hereby agree: (i) each Claim (as defined in Section 12.10 hereof) shall be determined by a consensual general judicial reference (the “Reference”) pursuant to the provisions of Section 638 et seq. of the California Code of Civil Procedure, as such statutes may be amended or modified from time to time; (ii) upon a written request, or upon an appropriate motion by either the Lender or the Borrower, as applicable, any pending action relating to any Claim and every Claim shall be heard by a single Referee (as defined below) who shall then try all issues (including any and all questions of law and questions of fact relating thereto), and issue findings of fact and conclusions of law and report a statement of decision. The Referee’s statement of decision will constitute the conclusive determination of the Claim. The Lender and the Borrower agree that the Referee shall have the power to issue all legal and equitable relief appropriate under the circumstances before the Referee; (iii) the Lender and the Borrower shall promptly and diligently cooperate with one another, as applicable, and the Referee, and shall perform such acts as may be necessary to obtain prompt and expeditious resolution of all Claims in accordance with the terms of this Section 12.18; (iv) either the Lender or the Borrower, as applicable, may file the Referee’s findings, conclusions and statement with the clerk or judge of any appropriate court, file a motion to confirm the Referee’s report and have judgment entered thereon. If the report is deemed incomplete by such court, the Referee may be required to complete the report and resubmit it; (v) the Lender and the Borrower, as applicable, will each have such rights to assert such objections as are set forth in Section 638 et seq. of the California Code of Civil Procedure; and (vi) all proceedings shall be closed to the public and confidential, and all records relating to the Reference shall be permanently sealed when the order thereon becomes final.

(b) **Selection of Referee; Powers.** The parties to the Reference proceeding shall select a single neutral referee (the “Referee”), who shall be a retired judge or justice of the courts of the State of California, or a federal court judge, in each case, with at least ten (10) years of judicial experience in civil matters. The Referee shall be appointed in accordance with Section 638 of the California Code of Civil Procedure (or pursuant to comparable provisions of federal law if the dispute falls within the exclusive jurisdiction of the federal courts). If within ten (10) days after the request or motion for the Reference, the parties to the Reference proceeding cannot agree upon a Referee, then any party to such proceeding may request or move that the Referee be appointed by the Presiding Judge of the Superior Court of the County of Los Angeles, or of the U.S. District Court for the Central District of California. The Referee shall determine all

issues relating to the applicability, interpretation, legality and enforceability of this Section 12.18(b).

(c) **Provisional Remedies, Self Help and Foreclosure.** No provision of this Section 12.18 shall limit the right of either the Lender, the Issuer, or the Borrower, as the case may be, to (i) exercise such self-help remedies as might otherwise be available under applicable law, (ii) initiate judicial or non-judicial foreclosure against any personal property collateral, (iii) exercise any judicial or power of sale rights, or (iv) obtain or oppose provisional or ancillary remedies, including without limitation injunctive relief, writs of possession, the appointment of a receiver, and/or additional or supplementary remedies from a court of competent jurisdiction before, after, or during the pendency of any Reference. The exercise of, or opposition to, any such remedy does not waive the right of the Lender or the Borrower to the Reference pursuant to this Section 12.18(c).

(d) **Costs and Fees.** Promptly following the selection of the Referee, the parties to such Reference proceeding shall each advance equal portions of the estimated fees and costs of the Referee. In the statement of decision issued by the Referee, the Referee shall award costs, including reasonable attorneys' fees, to the prevailing party, if any, and may order the Referee's fees to be paid or shared by the parties to such Reference proceeding in such manner as the Referee deems just.

Section 12.19. Arm's Length Transaction. The Borrower acknowledges and agrees that (i) the advance of the Loan by the Lender pursuant to this Loan Agreement is an arm's-length commercial transaction between the Borrower and the Lender, (ii) in connection therewith and with the financing discussions, undertakings and procedures leading up to the consummation of such transaction, the Lender is and has been acting solely as a principal and is not acting as the agent or fiduciary of or in any way advising the Borrower, (iii) the Lender has not assumed an advisory or fiduciary responsibility in favor of the Borrower with respect to the financing contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Lender has provided other services or is currently providing other services to the Borrower on other matters) and the Lender has no obligation to the Borrower with respect to the financing contemplated hereby except the obligations expressly set forth in this Loan Agreement and (iv) the Borrower has consulted its own legal, financial and other advisors to the extent it has deemed appropriate.

Section 12.20. Patriot Act. The Lender hereby notifies the Borrower that pursuant to the requirements of the Patriot Act it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow the Lender to identify the Borrower in accordance with the Patriot Act. The Borrower hereby agrees that it shall promptly provide such information upon request by the Lender.

Section 12.21. Imaging. The Lender may create microfilms or optical disks of other electronic images of this Agreement and any Loan Documents that are authoritative copies as defined in applicable law relating to electronic transactions. The Lender may store the authoritative copies of such Agreement and any Loan Documents in their electronic forms and

then destroy the paper originals as part of the Lender's normal business practices. The Lender may control and transfer such authoritative copies as permitted by such law.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Master Loan Agreement to be executed in their respective corporate names by their duly authorized officers or officials all as of the date first written above.

LENDER:

CALIFORNIA UNITED BANK

By _____
David Peskin, Senior Vice President

ISSUER:

CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY

By _____
Gurbax Sahota, Chair

BORROWER:

YESHIVA UNIVERSITY OF LOS ANGELES
BOYS HIGH SCHOOL, a California nonprofit
public benefit corporation

By _____
David Nagel
President of the Board of Directors

By _____
Brian Kleinman, Treasurer

[Signature Page to Master Loan Agreement]

EXHIBIT A

PROPERTY DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED LOS ANGELES, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOTS 1 AND 3 OF TRACT NO. 66144, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN [BOOK 1364, PAGES 82 THROUGH 87, INCLUSIVE OF MAPS](#), IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AND CORRECTED BY CERTIFICATE OF CORRECTION RECORDED [JANUARY 14, 2011 AS INSTRUMENT NO. 20110085948 OF OFFICIAL RECORDS](#).

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES UNDERLYING SAID LAND, AND THE RIGHT TO TAKE THE SAME, BUT WITHOUT RIGHT OF ENTRY UPON THE SURFACE OF SAID LAND FOR SAID PURPOSES, AS RESERVED IN DEED FROM SISTERS OF THE IMMACULATE HEART OF MARY, RECORDED [OCTOBER 05, 1937 IN BOOK 15239, PAGE 303](#) AND RECORDED [JULY 19, 1940 IN BOOK 17669, PAGE 288](#), BOTH OF OFFICIAL RECORDS.

APN: 4307-004-010 & 012

EXHIBIT B

FORM OF INVESTOR LETTER

California Enterprise Development Authority
Sacramento, California

Kutak Rock LLP
Los Angeles, California

Yeshiva University of Los Angeles Boys High School
Los Angeles, California

Re: Master Loan Agreement, dated as of October 1, 2016, by and among California United Bank, California Enterprise Development Authority and Yeshiva University of Los Angeles Boys High School.

Ladies and Gentlemen:

The undersigned is the Lender of the principal amount of up to \$15,000,000 (the “Loan”) issued pursuant to the Master Loan Agreement, dated as of October 1, 2016 (the “Loan Agreement”) by and among the California Enterprise Development Authority (the “Issuer”), Yeshiva University of Los Angeles Boys High School, a California nonprofit public benefit corporation (the “Borrower”) and California United Bank, a California corporation (the “Lender”). Capitalized terms not defined herein shall have the meanings set forth in the Loan Agreement. The undersigned hereby represents and warrants to you that:

The undersigned hereby represents and warrants to you that:

1. The Lender has authority to make the Loan pursuant to the Loan Agreement and to execute this letter and any other instruments and documents required to be executed by the Lender in connection with the Loan.

2. The Lender is a “Qualified Institutional Buyer” and has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations and is capable of evaluating the merits and risks of its investment represented by the Issuer Loan Obligation, the Borrower Loan and the Loan Agreement. The Lender is able to bear the economic risk of, and entire loss of, an investment in the Loan. The definition of Qualified Institutional Buyer is attached hereto.

3. The Loan is being given by the Lender for investment purposes and not with a view to, or for resale in connection with, any distribution of the Issuer Loan Obligation, and the Lender intends to hold the Loan and the Affiliate intends to hold the Interest for its own account and for an indefinite period of time, and do not intend at this time to dispose of all or any part of the Loan or the Interest, as applicable. The Lender and Affiliate understand that they may need to bear the risks of this investment for an indefinite time, since any transfer prior to maturity may not be possible.

4. The Lender understands that the Loan Agreement is not registered under the Securities Act of 1933, as amended; and further understands that the Loan (a) is not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, (c) will not carry a rating from any rating service and (d) will be delivered in a form which may not be readily marketable. The Lender agrees that it will comply with any applicable state and federal securities laws then in effect with respect to any disposition of the Loan by it and with the Issuer’s resale limitations as set forth in the Loan Agreement, and further acknowledges that any current exemption from registration of the Loan does not affect or diminish such requirements.

5. The undersigned is a duly appointed, qualified and acting officer of the Lender and is authorized to cause the Lender to make the certificates, representations and warranties contained herein by execution of this letter on behalf of the Lender.

6. The Lender acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, to which a reasonable Lender would attach significance in making investment decisions, and the Lender has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Borrower, the Project and the Loan and the security therefor so that, as a reasonable investor, the Lender has been able to make a decision to grant the Loan. The Lender acknowledges that it has not relied upon the Issuer for any information in connection with the Lender’s grant of the Loan or with the Loan Documents.

7. The Lender acknowledges that the obligations of the Issuer to make loan payments with respect to the Loan are special, limited obligations payable solely from the Payments and any other amounts paid to the Issuer from the Borrower for such purpose pursuant to the terms of the Loan Agreement, subject to the Reserved Issuer Rights, and the Issuer shall not be directly or indirectly or contingently or morally obligated to use any other moneys or assets of the Issuer for all or any portion of such loan payments.

8. The Lender has made its own inquiry and analysis with respect to the Loan and the security therefor, and other material factors affecting the security and payment of the Loan. The Lender is aware that the business and non-profit activities of the Borrower involve certain economic variables and risks that could adversely affect the security for the Loan.

9. The Lender acknowledges that its right to sell and transfer the Loan is subject to compliance with the transfer restrictions set forth in the Loan Agreement, including the requirement of the delivery to the Issuer and the Borrower of an investor’s letter from the transferee to substantially the same effect as this Investor Letter, with no revisions except as may be approved in writing by the Issuer. Failure to deliver such letter to the Issuer and the Borrower shall cause the purported transfer to be null and void. The Lender agrees to indemnify and hold harmless the Issuer with respect to any claim asserted against the Issuer that is based upon the sale, transfer or other disposition of the Loan in violation of the provisions hereof.

10. None of Kutak Rock LLP (“Lender’s Counsel”), Growth Capital, the Issuer, their members, governing body, or any of their employees, counsel or agents will have any responsibility to the Lender for the accuracy or completeness of information obtained by the

Lender from any source regarding the Borrower or its financial condition, or regarding the ability of the Borrower to pay the Loan, or the sufficiency of any security therefore. No written information has been provided by the Issuer to the Lender with respect to the Loan. The Lender acknowledges that, as between the Lender and all of such parties, the Lender has assumed responsibility for obtaining such information and making such review as the Lender deemed necessary or desirable in connection with its decision to grant the Loan.

[Paragraphs 11-14 only apply to the initial Lender.]

11. The Loan is being granted in a direct, private placement transaction and the terms of the Loan have been established through negotiations between the Lender, the Borrower and the Issuer in an arm's-length transaction.

12. The aggregate price, established as described above, for the Issuer Loan Obligation, to be paid by Lender pursuant to the terms of this letter and the Loan Agreement, is an amount equal to 99.375% of the aggregate principal amount of the Issuer Loan Obligation.

13. As of the date hereof, the price at which the Lender agreed to grant the Loan was, to the best knowledge and judgment of the Lender, the fair market value of the Loan. The Lender acknowledges that such price will be relied on by Lender's Counsel as the "issue price" for establishing the yield on the Loan, for issuance cost limitations and other federal tax requirements based upon the issue price of the Loan.

14. If the Lender transfers, sells or disposes of the Loan, or any interest in the Loan, other than to the Affiliate, either (a) such transfer of any interest in the Loan will not occur within 60 days of the date hereof, during which time the Loan will be held exclusively for our own account and not subject to contractual arrangement for such transfer, or (b) such transfer of the Loan, or interest therein, will be at a price or prices that, in the aggregate (and taking into account any interest in the Loan not transferred), is not in excess of par, unless Lender's Counsel provides a written opinion that the failure to satisfy this paragraph will not adversely affect the exclusion from gross income of interest on the Loan.

We understand that the foregoing information will be relied upon by the Issuer and the Borrower with respect to certain representations in the Tax Regulatory Agreement dated as of the date hereof or the Exhibits thereto and by Lender's Counsel in connection with its opinion as to the exclusion of the interest on the Loan from gross income for Federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended.

Very truly yours,

Attachment to Investor Letter

Exhibit B-1

Qualified Institutional Buyer Definition

A “qualified institutional buyer” as defined in Rule 144A promulgated under the Securities Act of 1933, as in effect on the date hereof, consisting of:

1. Any of the following entities, acting for its own account or the accounts of other qualified institutional buyers, that in the aggregate owns and invests on a discretionary basis at least \$100 million in securities of issuers that are not affiliated with the entity:

(A) Any insurance company as defined in Section 2(13) of the Securities Act of 1933, as amended;

NOTE: A purchase by an insurance company for one or more of its separate accounts, as defined by Section 2(a)(37) of the Investment Company Act of 1940 (the “Investment Company Act”), which are neither registered under Section 8 of the Investment Company Act nor required to be so registered, shall be deemed to be a purchase for the account of such insurance company.

(B) Any investment company registered under the Investment Company Act or any business development company as defined in Section 2(a)(48) of that Act;

(C) Any Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958;

(D) Any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees;

(E) Any employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974;

(F) Any trust fund whose trustee is a bank or trust company and whose participants are exclusively plans of the types identified in paragraph 1(D) or (E) of this section, except trust funds that include as participants individual retirement accounts or H.R. 10 plans;

(G) Any business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940;

(H) Any organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), corporation (other than a bank as defined in Section 3(a)(2) of the Securities Act of 1933, as amended, or a savings and loan association or other institution referenced in Section 3(a)(5)(A) of the Securities Act of

1933, as amended, or a foreign bank or savings and loan association or equivalent institution), partnership, or Massachusetts or similar business trust; and

(I) Any investment adviser registered under the Investment Advisers Act.

2. Any dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934, acting for its own account or the accounts of other qualified institutional buyers, that in the aggregate owns and invests on a discretionary basis at least \$10 million of securities of issuers that are not affiliated with the dealer, provided, that securities constituting the whole or a part of an unsold allotment to or subscription by a dealer as a participant in a public offering shall not be deemed to be owned by such dealer.

3. Any dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934 acting in a riskless principal transaction on behalf of a qualified institutional buyer.

NOTE: A registered dealer may act as agent, on a non-discretionary basis, in a transaction with a qualified institutional buyer without itself having to be a qualified institutional buyer.

4. Any investment company registered under the Investment Company Act, acting for its own account or for the accounts of other qualified institutional buyers, that is part of a family of investment companies which own in the aggregate at least \$100 million in securities of issuers, other than issuers that are affiliated with the investment company or are part of such family of investment companies. "Family of investment companies" means any two or more investment companies registered under the Investment Company Act, except for a unit investment trust whose assets consist solely of shares of one or more registered investment companies, that have the same investment adviser (or, in the case of unit investment trusts, the same depositor), provided that, for purposes of this section:

(A) Each series of a series company (as defined in Rule 18f-2 under the Investment Company Act: 17 CFR 270.18f-2) shall be deemed to be a separate investment company; and

(B) Investment companies shall be deemed to have the same adviser (or depositor) if their advisers (or depositors) are majority-owned subsidiaries of the same parent, or if one investment company's adviser (or depositor) is a majority-owned subsidiary of the other investment company's adviser (or depositor).

5. Any entity, all of the equity owners of which are qualified institutional buyers, acting for its own account or the accounts of other qualified institutional buyers.

6. Any bank as defined in Section 3(a)(2) of the Securities Act of 1933, as amended, any savings and loan association or other institution as referenced in Section 3(a)(5)(A) of the Securities Act of 1933, as amended, or any foreign bank or savings and loan association or equivalent institution, acting for its own account or the accounts of other qualified institutional buyers, that in the aggregate owns and invests on a discretionary basis at least \$100 million in securities of issuers that are not affiliated with it and that has an audited net worth of at least \$25 million as demonstrated in its latest annual financial statements, as of a date not more than 16 months preceding the date of sale under the rule in the case of a U.S. bank or savings and loan

association, and not more than 18 months preceding such date of sale for a foreign bank or savings and loan association or equivalent institution.

In determining the aggregate amount of securities owned and invested on a discretionary basis by an entity, the following instruments and interests shall be excluded: bank deposit notes and certificates of deposit; loan participations; repurchase agreements; securities owned but subject to a repurchase agreement; and currency, interest rate and commodity swaps.

The aggregate value of securities owned and invested on a discretionary basis by an entity shall be the cost of such securities, except where the entity reports its securities holdings in its financial statements on the basis of their market value, and no current information with respect to the cost of those securities has been published. In the latter event, the securities may be valued at market for purposes of this section.

In determining the aggregate amount of securities owned by an entity and invested on a discretionary basis, securities owned by subsidiaries of the entity that are consolidated with the entity in its financial statements prepared in accordance with GAAP may be included if the investments of such subsidiaries are managed under the direction of the entity, except that, unless the entity is a reporting company under Section 13 or 15(d) of the Securities Exchange Act of 1934, securities owned by such subsidiaries may not be included if the entity itself is a majority-owned subsidiary that would be included in the consolidated financial statements of another enterprise.

For purposes of this section, “riskless principal transaction” means a transaction in which a dealer buys a security from any person and makes a simultaneous offsetting sale of such security to a qualified institutional buyer, including another dealer acting as riskless principal for a qualified institutional buyer.

EXHIBIT C

MATTERS TO BE ADDRESSED IN OPINION OF COUNSEL OF THE BORROWER

1. Borrower is a nonprofit public benefit corporation, validly existing and in good standing under the laws of the State of California.

2. Borrower has the corporate power and authority to execute and deliver the Loan Documents and to perform its obligations thereunder. Borrower has taken all corporate action necessary to authorize its execution and delivery of the Loan Documents and the performance of its obligations thereunder. Borrower has duly executed and delivered the Loan Documents. Borrower has all necessary corporate power and authority to conduct the business now being conducted by it, as contemplated by the Loan Documents.

3. The Loan Documents constitute the valid and binding obligations of Borrower, enforceable against Borrower in accordance with their respective terms. Certain remedies, waivers and other provisions of the Loan Documents are, or may be, unenforceable, in whole or in part, under certain laws and judicial decisions; however, subject to the assumptions, qualifications and limitations expressed in this Letter, and except for the economic consequences resulting from any delay imposed, or any procedure required, by applicable laws, rules, regulations, court decisions, the Constitution of the State of California and the Constitution of the United States of America, such unenforceability will not render the Loan Documents invalid as a whole or preclude the acceleration of the payment obligations under the Loan Agreement upon a material breach of a material covenant contained in the Loan Documents.

4. The execution and delivery by the Borrower of the Loan Documents, the consummation of the transactions contemplated therein and the fulfillment of or compliance with the terms and conditions thereof, do not and will not (a) conflict with or constitute on the part of the Borrower a violation or breach of or default (with due notice or the passage of time or both) under (i) the articles of incorporation or bylaws of the Borrower, (ii) any applicable California or federal statutory law or administrative rule or regulation; (iii) to the best of our actual knowledge, any applicable court or administrative decree or order which is directed to or affects the Borrower; or (iv) any material contract, agreement or instrument to which the Borrower is a party or by which the Borrower or its respective properties is otherwise subject or bound; or (b) result in the creation or imposition of any prohibited lien, charge or encumbrance upon any of the property or assets of the Borrower, 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 Loan Documents or the financial condition or operations of the Borrower.

5. The execution and delivery by the Borrower of the Loan Documents does not require any consent, approval, authorization or other action by, or filing with, (a) any trustee or holder of any indebtedness of the Borrower or (b) any governmental authority other than those consents, approvals, authorizations and other actions by, and filings with, any such trustee, holder or governmental authority that have been obtained, taken or made.

6. (a) There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority pending or, to the best of our actual knowledge, threatened against or affecting the Borrower which, if determined adversely to the Borrower, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of the Loan Documents, or upon the financial condition or operations of the Borrower, and (b) the Borrower is not, to the best of our actual knowledge, in 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 Loan Documents or the financial condition or operations of the Borrower.

7. The Security Agreement is in form sufficient to create a security interest, within the meaning of Section 9203(b) of the California UCC, in favor of Lender in any rights of Borrower in the Personal Property Collateral in which a security interest can be created under Division 9 of the California UCC (collectively, the “**Article 9 Collateral**”), as security for the obligations recited in the Security Agreement to be secured thereby.

8. In accordance with Section 9301(1) of the California UCC, the local law of the jurisdiction where Borrower is located governs perfection of Lender’s security interest in the Article 9 Collateral, except for personal property described in Sections 9301(2), 9301(3)(A), 9301(3)(B), 9301(4) and 9303 through 9306, inclusive, of the California UCC. Pursuant to Section 9307(e) of the California UCC, because Borrower is registered as a corporation that is organized under the laws of the State of California, Borrower is located in the State of California. Therefore the law of the State of California will govern perfection of Lender’s security interest in the Article 9 Collateral, except for personal property described in Sections 9301(2), 9301(3)(A), 9301(3)(B), 9301(4) and 9303 through 9306, inclusive, of the California UCC to the extent provided in those sections. Pursuant to the provisions of Division 9 of the California UCC, the filing of the Financing Statement with the California Secretary of State will perfect Lender’s security interest in the Article 9 Collateral that can be perfected solely by the filing of a financing statement under the California UCC.

9. The Borrower is an organization described in Section 501(c)(3) of the United States Internal Revenue Code of 1986, as amended (the “**Code**”), and the Borrower is exempt from federal income taxes under Section 501(a) of the Code, except for unrelated business income subject to taxation under Section 511 of the Code. We have no current actual knowledge of any pending proceedings or threatened proceedings before the Internal Revenue Service (“**IRS**”) to change such status. As used in this Paragraph 11, the term “pending proceeding” means a proceeding pending before the IRS that is, to our current actual knowledge, specifically applicable to Borrower as a named party. As used in this Paragraph 11, the term “threatened proceeding” means a written communication actually delivered to Borrower that overtly threatens the Borrower with commencement by the sender of a proceeding before the IRS. Furthermore, we have no current actual knowledge of any information which would indicate that (1) the Borrower is no longer an organization described in Section 501(c)(3) of the Code, or (2) the Borrower is in violation of the terms, conditions and limitations set forth in the IRS determination letter.

10. The Borrower is an organization that the Franchise Tax Board of the State of California has determined is currently exempt from tax under Section 23701(d) of the California Revenue and Taxation Code, as amended.

11. Assuming the proceeds of the Loan will be allocated and used as described in the Tax Regulatory Agreement, the proceeds of the Loan will not be used by the Borrower in or for any trade or business the conduct of which is not substantially related to the exercise or performance of the purposes or functions constituting the basis for the Borrower's exemption under Section 501(c)(3) of the Code as determined by applying Section 513(a) of the Code and, therefore, will not be used by the Borrower in any "unrelated trade or business" within the meaning of Section 513(a).

12. The Deed of Trust is in a form sufficient to create a legal, valid, and perfected lien on the fee estate of the real property described therein (the "Property") and the rents thereof in favor of the trustee under the Deed of Trust for the benefit of the beneficiary identified in the Deed of Trust. In order to provide constructive notice of any lien created by the Deed of Trust, it is necessary to record the Deed of Trust in the Official Records of Los Angeles County, California in accordance with the recording system established pursuant to applicable law. In rendering the opinion in this Paragraph, we have assumed that the description of the fee estate of the Property is legally sufficient to enable a subsequent purchaser, beneficiary under a mortgage, or mortgagee to identify such fee estate. It is not necessary to re-record, re-register, or re-file the Deed of Trust or to record, register, or file any other or additional documents, instruments, or statements in order to maintain the priority of any liens or security interests to be created in the Property by the Deed of Trust.

13. Borrower has created under the Deed of Trust a valid security interest in that portion of the mortgaged property consisting of personal property and fixtures described in the Deed of Trust in which Borrower has rights to the extent a valid security interest can be created under Division 9 of the California UCC in the same (collectively, the "Personal Property"). Insofar as perfection can be accomplished by recording a fixture filing in the Official Records of Los Angeles County, California or by filing a financing statement with the California Secretary of State pursuant to the California UCC, recording the Deed of Trust in Los Angeles County and filing the California Financing Statements with the California Financing Office constitutes all action is as necessary to perfect the security interest in the Personal Property granted pursuant to the Deed of Trust. No other filing or recording is necessary or advisable to continue the perfection of such security interests.

14. [Others]

EXHIBIT D

SCHEDULE OF PAYMENTS

Borrower shall make principal payments totaling at least \$1,000,000 during each 12-month period that the Loan is outstanding.

EXHIBIT E

ASSIGNMENT LETTER

[DATE]

Yeshiva University of Los Angeles Boys High School
Los Angeles, California

California Enterprise Development Authority
Sacramento, California

Re: Master Loan Agreement, dated as of October 1, 2016, by and among California United Bank (the "Bank"), California Enterprise Development Authority (the "Issuer") and Yeshiva University of Los Angeles Boys High School (the "Borrower")

Ladies and Gentlemen:

The undersigned, a duly authorized representative of the Bank hereby advises you that pursuant to Section 10.01 of the Master Loan Agreement, dated as of October 1, 2016, by and among the Bank, the Issuer and the Borrower (the "Loan Agreement"), a 100% participation interest in the Loan (as defined in the Loan Agreement) made pursuant the Loan Agreement in the aggregate principal amount of \$15,000,000 (the "Loan") has been assigned on this date by the Bank to [_____], a wholly-owned subsidiary of the Bank, and an Affiliate (as defined in the Loan Agreement). The Bank will act as servicer for the Loan.

[LENDER]

By _____
[Name, Title]

EXHIBIT F

FORM OF PROJECT FUND DRAW REQUEST

**PROJECT FUND DRAW REQUEST NO. [] PURSUANT TO
MASTER LOAN AGREEMENT**

by and among

CALIFORNIA UNITED BANK,
Lender

and

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY,
Issuer

and

YESHIVA UNIVERSITY OF LOS ANGELES BOYS HIGH SCHOOL,
as Borrower

Dated as of _____, 20__

THIS PROJECT FUND DRAW REQUEST (this “Draw Request”) is made pursuant to the Section 3.04 of the Loan Agreement identified above (the “Loan Agreement”). Defined terms used but not otherwise defined herein shall have the meaning set forth in the Loan Agreement.

Section 1. The Borrower hereby requests a draw from the Loan in the amount of \$_____, all subject to the provisions of the Loan Agreement for the Project Costs.

Section 2. The undersigned authorized representative, on behalf of Borrower, hereby identifies the Project Costs, as set forth in Schedule I hereto, pertaining to this Draw Request. Attached hereto are invoice(s), contract(s) and, if applicable, evidence of payment relating to such Project Costs.

Section 3. The Borrower hereby certifies that obligations in amounts stated in this Draw Request are a proper charge against the Project Fund.

Section 4. Borrower represents, covenants and warrants that (a) there has not been any Material Adverse Change in its condition, business, operations, performance, properties or prospects since the date of the Loan Agreement, (b) all of its representations and warranties contained in the Loan Agreement were true and accurate as of the date made, remain true and accurate as of the date of this certificate and are hereby reaffirmed; and (c) no event has occurred and is continuing or would result from the loan of Loan Proceeds pursuant to this Draw Request

which constitutes a Default, an Event of Default or a Determination of Taxability, and no condition exists which, after notice or lapse of time, or both, would constitute an Event of Default or an Event of Taxability.

Section 5. Borrower hereby certifies that the Loan Proceeds disbursed pursuant to each prior Draw Request were disbursed in accordance with the terms of each such prior Draw Request.

Section 6. Borrower (to its best knowledge at the time of this Draw Request) hereby certifies that:

(a) all work performed is in substantial accordance with the Plans and Specifications;

(b) all licenses and permits required by any “Governmental Authority” (as hereinafter defined) for the Improvements as then completed have been obtained and will be exhibited to Lender upon request. “Governmental Authority” shall mean (i) any governmental municipality or political subdivision thereof, (ii) any governmental or quasi-governmental agency, authority, board, bureau, commission, department instrumentality or public body, or (iii) any court, administrative tribunal or public utility;

(c) the Improvements as then completed do not violate, and, if further completed in accordance with the Plans and Specifications, will not violate, any applicable law, ordinance, rule or regulation; and

(d) the remaining undisbursed proceeds of the Loan, together with any funds collected by or otherwise available to the Borrower, are or will be sufficient to pay for the completion of the Improvements.

Section 7. Borrower hereby certifies that all conditions precedent to the disbursement of Loan Proceeds pursuant to the Project Fund Disbursement Agreement have been satisfied.

Submitted on _____, 20__ by:

BORROWER:

YESHIVA UNIVERSITY OF LOS ANGELES
BOYS HIGH SCHOOL

By _____
[Name, Title]

Approved as of _____, 20__ by:

LENDER:

CALIFORNIA UNITED BANK

By _____
[Name, Title]

SCHEDULE I

TO DRAW REQUEST NO. _____

PROJECT COSTS

To

Amount

Purpose

EXHIBIT G

AGGREGATE PRINCIPAL AMOUNT OF LOAN OUTSTANDING

Date	Draw Request No. __	Amount (\$) of Draw (Request)
10/07/2016	NA (Escrow Closing Wire and Original Issue Discount)	\$866,279.85
10/07/2016	1	\$489,983.85
TOTAL		\$1,356,262.85

EXHIBIT H

FORM OF REPORTING CERTIFICATE

TO: California United Bank

RE: Master Loan Agreement, dated as of October 1, 2016, by and among California United Bank, California Enterprise Development Authority and Yeshiva University of Los Angeles Boys High School (the "Loan Agreement")

DATE: [Date]

The undersigned Authorized Borrower Representative hereby certifies as of the date hereof that [he/she] is the [_____] of the Borrower, and that, as such, [he/she] is authorized to execute and deliver this Certificate to the Lender on the behalf of the Borrower, and that:

1. The Borrower has delivered the year-end audited financial statements required by Section 7.05(a) of the Loan Agreement for the fiscal year ended as of the above date.

2. A review of the activities of the Borrower during such fiscal year has been made under the supervision of the undersigned with a view to determining whether during such fiscal year the Borrower performed and observed all its obligations under the Loan Agreement, and

[select one:]

[to the best knowledge of the undersigned, during such fiscal year the Borrower performed and observed each covenant and condition of the Loan Agreement applicable to it, and no Default has occurred and is continuing.]

--or--

[to the best knowledge of the undersigned, the following covenants or conditions have not been performed or observed and the following is a list of each such Default and its nature and status:]

3. The financial covenant analyses and information set forth on Schedule A attached hereto are true and accurate on and as of the date of this Certificate.

4. To the best knowledge of the undersigned, no Event of Taxability has occurred.

Defined terms used in this certificate shall have the meaning set forth in the Loan Agreement.

YESHIVA UNIVERSITY OF LOS ANGELES
BOYS HIGH SCHOOL, a California nonprofit
public benefit corporation

By _____
[Name, Title]

Schedule A

Financial Statement Date: [_____, ____] (“Statement Date”)

- A. Change in Unrestricted Net Assets \$_____
- B. + amortization (\$_____)
- C. + depreciation (\$_____)
- D. + interest expense
- E. A + B + C +D \$_____
- F. Then-current portion of long term debt \$_____
- G. + interest expense for the prior twelve months \$_____
- H. F + G \$_____
- I. Debt Service Coverage Ratio (E/H) \$_____

Minimum Debt Service Coverage Ratio Required By Loan Agreement: 1.25:1.00

Borrower in compliance with Section 7.16? Yes ____ No ____

MASTER LOAN AGREEMENT

among

CALIFORNIA UNITED BANK,
as Lender

and

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY,
as Issuer

and

YESHIVA UNIVERSITY OF LOS ANGELES BOYS HIGH SCHOOL,
as Borrower

Dated as of October 1, 2016

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MASTER LOAN AGREEMENT

THIS MASTER LOAN AGREEMENT, dated as of October 1, 2016 (this “Loan Agreement”), among CALIFORNIA UNITED BANK, a California corporation (as further defined herein, the “Lender”), CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY (the “Issuer”), a public entity duly organized and validly existing under the laws of the State of California (the “State”), and YESHIVA UNIVERSITY OF LOS ANGELES BOYS HIGH SCHOOL, a California nonprofit public benefit corporation (as further defined herein, the “Borrower”).

WITNESSETH:

WHEREAS, the Issuer is a joint exercise of powers authority organized and operating under the provisions of Article 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title I of the Government Code of the State of California (the “Act”); and

WHEREAS, the Issuer is authorized by the Act to issue bonds, notes or other evidences of indebtedness, or certificates of participation in leases or other agreements, or enter into loan agreements to, among other things, finance or refinance facilities owned and/or leased and operated by organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, in furtherance of the purposes of the Issuer set forth above, the Issuer proposes to finance the costs of the design, acquisition, construction, installation, equipping or furnishing of the Project (as defined herein) to be owned and operated by the Borrower;

WHEREAS, the Borrower is a nonprofit public benefit corporation duly incorporated and existing under the laws of the State, and an organization described in Section 501(c)(3) of the Code (as defined herein);

WHEREAS, the Borrower desires to finance the Project from time to time on the terms and conditions set forth below;

WHEREAS, in order to finance the Project, the Issuer intends to issue a tax-exempt obligation to the Lender (as further defined herein, the “Issuer Loan Obligation”), the interest on which shall be excluded from income of the Lender for Federal income tax purposes and exempt from State personal income taxes, and lend the proceeds thereof to the Borrower (as further defined herein, the “Borrower Loan”); and

WHEREAS, for and in consideration of such Borrower Loan, the Borrower agrees, inter alia, to make loan payments (as further defined herein, the “Payments”) sufficient to pay on the dates specified herein, the principal of, premium, if any, interest thereon and Additional Payments (as defined herein); and

WHEREAS, the Issuer will assign the Payments due under Borrower Loan pursuant to this Loan Agreement (except any payments due to the Issuer pursuant to Reserved Issuer Rights (as hereinafter defined)) to the Lender to satisfy the Issuer’s obligations under Issuer Loan Obligation; and

WHEREAS, the Borrower shall make Payments directly to the Lender as assignee of the Issuer; and

WHEREAS, the Issuer, the Lender and the Borrower have duly authorized the execution and delivery of this Loan Agreement;

NOW, THEREFORE, in consideration of the payments to be made hereunder and the mutual covenants contained herein, the parties agree as follows:

ARTICLE I

DEFINITIONS

The following terms used herein will have the meanings indicated below unless the context clearly requires otherwise.

“Account Control and Pledge Agreement” means the Account Control and Pledge Agreement, dated as of October 1, 2016, executed by the Borrower in favor of Issuer and Lender.

“Act” means the Joint Powers Act, comprising Articles 1, 2, 3, and 4, of Chapter 5 of Division 7 of Title 1 of the Government Code of the State (commencing with Section 6500), as now in effect.

“Additional Payments” means the amounts, other than Payments, payable by the Borrower pursuant to the provisions of this Loan Agreement, including, without limitation, Issuer Fees and Expenses, amounts pursuant to Section 12.03 hereof, indemnity payments and reimbursement of advances due hereunder.

“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 policies of the second Person, whether through the ownership of voting securities, common directors, trustees or officers, by contract or otherwise and, with respect to the Lender, includes any affiliate of the Lender or any related entity, 100% of whose common stock or ownership interests is directly or indirectly owned by the Lender.

“Anti-Terrorism Laws” has the meaning set forth in Section 2.02(y).

“Applicable Loan Rate” shall have the meaning set forth in Section 4.11 hereof. The Applicable Loan Rate shall be subject to further adjustment in accordance with Section 4.08(e) hereof.

“Architect” means Larry Schlossberg, Gruen Associates, as the architect for the Improvements, and its successors and assigns.

“Assignment Agreement” means the Assignment Agreement, dated as of October 1, 2016, between the Issuer and the Lender.

“*Assignment of Contracts and Permits*” means the Assignment of Contracts and Permits, dated as of the Closing Date, by and between Borrower and Lender and consented to by Contractor and the Architect.

“*Authorized Borrower Representative*” means the President of the Board of Directors of the Borrower, and any other person designated from time to time in writing by the Borrower’s Board of Directors.

“*Borrower*” means (a) Yeshiva University of Los Angeles Boys High School, a California nonprofit public benefit corporation; (b) any surviving, resulting or transferee entity thereof permitted pursuant to the terms of this Loan Agreement; and (c) except where the context requires otherwise, any assignee(s) of the Borrower permitted pursuant to the terms of this Loan Agreement.

“*Borrower Documents*” means this Loan Agreement, the Deed of Trust, the Environmental Indemnity Agreement, the Security Agreement, the Project Fund Disbursement Agreement, the Contracts and Permits Assignment Agreement, the Account Control and Pledge Agreement and the Tax Regulatory Agreement.

“*Borrower Loan*” means the \$15,000,000.00 loan from Issuer to Borrower made under this Loan Agreement.

“*Business Day*” means any day which is not one of the following: (a) a Saturday, Sunday or legal holiday as set forth by the Federal Reserve Bank of San Francisco; (b) any other day on which banks in New York, New York or San Francisco, California, are authorized or required to be closed by the appropriate regulatory authorities; or (c) a day on which the New York Stock Exchange is authorized or required to be closed.

“*Capital Campaign Contributions*” means contributions and pledges associated with any capital campaign of the Borrower.

“*Capital Campaign Fund*” has the meaning set forth in Section 4.15 hereof

“*Cash Flow from Operations*” means the sum of (a) Change in Unrestricted Net Assets, plus (b) amortization, plus (c) depreciation, plus (d) interest expense, during the twelve-month period ending on the date of determination.

“*Change in Unrestricted Net Assets*” means the change in unrestricted net assets of Borrower, including, without limitation, all forms of operating revenue derives from tuition, fees, grants, fundraising (excluding Capital Campaign Contributions), lease or rental income, interest income and other unrestricted net assets as determined in accordance with GAAP.

“*Closing Date*” means October 7, 2016.

“*Code*” means the Internal Revenue Code of 1986, as amended from time to time.

“*Collateral*” means, collectively, the Property (as defined in the Deed of Trust), the Collateral (as defined in the Security Agreement), the Fund Collateral (as defined in Section 4.04 hereof), the Capital Campaign Fund and the Interest Reserve Fund.

“*Completion Guarantor*” means, jointly and severally, (i) David Nagel, an individual, (ii) David Nagel, as trustee of the David Nagel Separate Trust, (iii) David Nagel, as trustee of the David and Marnie Nagel Family Trust, (iv) Jack Nagel, as trustee for the Nagel Family Trust, and (v) Jack Nagel, an individual.

“*Completion Notice*” means a certificate stating that the Improvements are complete and that no further Draw Requests will be submitted.

“*Contractor*” means, collectively or severally, Ed Grush General Contractor, Inc., as the General Contractor for the Improvements, and any other person or entity with whom Borrower contracts for the construction of the Improvements or any portion thereof.

“*Controlled Group*” means all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with the Borrower, are treated as a single employer under Section 414 of the Code.

“*Current Portion of Long-Term Debt*” means the aggregate amount of principal payments payable within one (1) year following the date of determination.

“*Debt Service*” means (a) the aggregate amount of Current Portion of Long-Term Debt plus (b) all interest incurred on borrowed money during the twelve-month period following the date of determination.

“*Debt Service Coverage Ratio*” means for each fiscal year, the ratio of Cash Flow from Operations to Debt Service of the Borrower.

“*Deed of Trust*” means the Construction Deed of Trust with Assignment of Leases and Rents, Security Agreement and Financing Statement, dated as of October 1, 2016, by Borrower for the benefit of the Issuer.

“*Default*” means an event that, with giving of notice or passage of time or both, would constitute an Event of Default as provided in Article XI hereof.

“*Default Rate*” means the Applicable Loan Rate plus 5%, but not to exceed the highest rate permitted by applicable law.

“*Determination of Taxability*” means any determination, decision, decree or advisement by the Commissioner of Internal Revenue, or any District Director of Internal Revenue or any court of competent jurisdiction, or a written opinion obtained by the Lender and provided to the Borrower, of nationally recognized bond counsel qualified in such matters, that an Event of Taxability has occurred. A Determination of Taxability also shall be deemed to have occurred on the first to occur of the following:

(a) the date when the Borrower files any statement, supplemental statement, or other tax schedule, return or document, which discloses that an Event of Taxability has occurred;

(b) the effective date of any federal legislation enacted or federal rule or regulation promulgated after the date of this Loan Agreement that causes an Event of Taxability; or

(c) if upon sale, lease or other deliberate action within the meaning of Treas. Reg. § 1.141-2(d), the failure to receive an unqualified opinion of Special Counsel to the effect that such action will not cause interest on the Issuer Loan Obligation to become includable in the gross income of the recipient.

“*Draw Request*” means a Project Fund Draw Request substantially in the form attached hereto as Exhibit F.

“*Environmental Indemnity Agreement*” means that certain Environmental Indemnity Agreement, dated as of October 1, 2016, entered into by Borrower in favor of the Issuer.

“*Environmental Laws*” means any federal, state or local law (whether imposed by statute, or administrative or judicial order, or common law), now or hereafter enacted, governing health, safety, industrial hygiene, the environment or natural resources, or Hazardous Materials, including, such laws governing or regulating the use, generation, storage, removal, recovery, treatment, handling, transport, disposal, control, discharge of, or exposure to, Hazardous Materials.

“*ERISA*” means the Employee Retirement Income Security Act of 1974, as amended, and any successor statute of similar import, and regulations thereunder, in each case as in effect from time to time. References to Sections of ERISA shall be construed also to refer to any successor Sections.

“*ERISA Event*” means (a) a reportable event (as defined in ERISA) with respect to a Plan; (b) a withdrawal by the Borrower or any member of the Controlled Group from a Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by the Borrower or any member of the Controlled Group or notification that a Plan is in reorganization; (d) the filing of a notice of intent to terminate a Plan, the treatment of a Plan amendment as a termination under Section 4041 or 4041A of ERISA, or the commencement of proceedings by the PBGC to terminate a Plan; (e) an event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan; or (f) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Borrower or any member of the Controlled Group.

“*Event of Default*” has the meaning set forth in Section 11.01.

“*Event of Indirect Taxability*” means the enactment of any federal legislation, or the promulgation of any federal rule or regulation, after the date of this Loan Agreement, that has the effect (no matter how accomplished or implemented) of causing all or any portion of the interest on the Issuer Loan Obligation to be taken into account under any provision of the Code in such manner as to cause an increase in the federal income tax liability of the Lender.

“*Event of Taxability*” means: (a) the application of the proceeds of the Loan, or other amounts treated as “gross proceeds” of the Loan, in such manner that such Loan becomes an “arbitrage bond” within the meaning of Code Sections 103(b)(2) and 148, and with the result that interest on such Issuer Loan Obligation is or becomes includable in the gross income (as defined in Code Section 61) of the Holder of such Issuer Loan Obligation; (b) if as the result of any act, failure to act or use of the proceeds of any portion of the Loan or the Tax-Exempt Financed Property or any misrepresentation or inaccuracy in any of the representations, warranties or covenants contained in this Loan Agreement by the Issuer or the Borrower or the enactment of any federal legislation or the promulgation of any federal rule or regulation after the date of this Loan Agreement, the interest on such Loan is or becomes includable in a Holder’s gross income (as defined in Code Section 61); or (c) any revocation of the determination letter from the Internal Revenue Service regarding status of the Borrower as a 501(c)(3) corporation.

“*Excluded Taxes*” means, with respect to the Lender, (a) taxes imposed on or measured by its overall net income (however denominated), and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which the Lender is organized or in which its principal office is located, and (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which the Borrower is located.

“*Excusable Delay*” shall have the meaning set forth in the Project Fund Disbursement Agreement.

“*Facilities*” means collectively (a) all buildings, structures and other improvements situated, placed or constructed on the Land; and (b) all materials, apparatus and other items of personal property owned by the Borrower and attached to or installed in the buildings, structures and other improvements situated on the Land or used in connection with the buildings, structures and other improvements situated on the Land, including (without limitation) water, gas, electrical, storm and sanitary sewer facilities and all other utilities whether or not situated in easements.

“*Final Appraisal*” means the appraisal conducted by a MAI certified appraiser selected and engaged by the Lender.

“*GAAP*” shall refer to generally accepted accounting principles in the United States as in effect from time to time.

“*General Contractor*” means the general contractor for the Improvements selected by Borrower, and its successors and assigns.

“*Governmental Authority*” means the government of the United States of America or any other nation or any political subdivision thereof or any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, central bank, service, district or other instrumentality of any governmental entity or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or European Central Bank), or any arbitrator, mediator or other Person with authority to bind a party at law.

“*Gross-Up Rate*” means, with respect to the Issuer Loan Obligation, an interest rate equal to the Applicable Loan Rate plus a rate sufficient such that the total interest to be paid on any payment date would, after such interest was reduced by the amount of any U.S. federal, state and local income tax (including any interest or penalties) actually imposed thereon, equal the amount of interest due with respect to such Loan; provided, however, that in no event shall the Gross-Up Rate exceed twelve percent (12%) per annum.

“*Guaranty Agreement*” means, collectively, each Completion Guaranty Agreement, dated as of October 1, 2016, by each Completion Guarantor for the benefit of the Lender.

“*Hazardous Materials*” means any

(a) Substance, product, waste or other material of any nature whatsoever which is or becomes listed, regulated, or addressed pursuant to any or all of the following statutes and regulations, as the same may be amended from time to time:

(i) The Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Sections 9601, et seq. (“CERCLA”);

(ii) The Hazardous Materials Transportation Act, 49 U.S.C. Sections 1801, et seq.;

(iii) The Resource Conservation and Recovery Act, 42 U.S.C. Sections 6901, et seq. (“RCRA”);

(iv) The Toxic Substances Control Act, 15 U.S.C. Sections 2601, et seq.;

(v) The Clean Water Act, 33 U.S.C. Sections 1251, et seq.;

(vi) The California Hazardous Waste Control Act, California Health and Safety Code Sections 25100, et seq.;

(vii) The California Hazardous Substance Account Act, California Health and Safety Code Sections 25300, et seq.;

(viii) The California Safe Drinking Water and Toxic Enforcement Act, California Health and Safety Code Sections 25249.5, et seq.;

(ix) California Health and Safety Code Sections 25280, et seq. (pertaining to underground storage of Hazardous Materials);

(x) The California Hazardous Waste Management Act, California Health and Safety Code Sections 25179.1, et seq.;

(xi) California Health and Safety Code Sections 25500, et seq. (pertaining to hazardous materials response plans and inventory);

(xii) The California Porter-Cologne Water Quality Control Act, California Water Code Sections 13000, et seq.;

(xiii) California Civil Code Section 2929.5 (pertaining to inspections relating to hazardous substances); or

(xiv) All other existing and future federal, state and local laws, ordinances, rules, regulations, orders, requirements, and decrees regulating, relating to, or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or material;

(b) Any substance, product, waste or other material of any nature whatsoever which may give rise to liability (i) under any of the statutes or regulations described in clauses (i) through (xiv) of Section (a) above; or (ii) under any Environmental Law;

(c) Petroleum, petroleum products and by-products, gasoline or crude oil, other than petroleum and petroleum products contained within regularly operated motor vehicles or power tools (including without limitation golf carts and lawn maintenance equipment and vehicles); and

(d) Asbestos or asbestos containing materials.

“*Holder*” means either Lender or an assignee to which the Loan is assigned pursuant to Section 10.01 hereof.

“*Improvements*” means the (i) approximately 17,000 square feet of improvements to be constructed on the Land including a 9,400 square foot gymnasium, an 1,800 square foot collaborative learning center, four classrooms, an art lab, an innovation and robotics lab and other ancillary educational facilities, (ii) an approximately 30,000 square foot subterranean garage to be constructed on the Land including 100 parking spaces and (iii) a courtyard enhancement project to bridge the existing facilities and the new facilities, and (iv) and other ancillary facilities located at the Property and financed with the proceeds of the Loan.

“*Indemnified Taxes*” means Taxes other than Excluded Taxes.

“*Initial Prepayment Date*” means November 1, 2019, unless extended pursuant to Section 4.16 hereof.

“*Initial Rate Period*” means, the period from the Closing Date to and including November 1, 2019; provided, however, that (a) the Initial Rate Period shall end on November 1, 2020 if the Borrower makes the election to extend the Initial Prepayment Date contained in Section 4.16(a) and satisfies the conditions precedent in such extension set forth in Section 4.16(a), and (b) the Initial Rate Period shall end on November 1, 2021 if the Borrower makes the election to extend the Initial Prepayment Date contained in Section 4.16(b) and satisfies the conditions precedent in such extension set forth in Section 4.16(b).

“*Interest Reserve Fund*” shall have the meaning set forth in Section 3.03 hereof.

“*Issuer*” means California Enterprise Development Authority, acting as issuer under this Loan Agreement.

“*Issuer Annual Fee*” means \$1,000 per year, and payable in accordance with Section 3.04 hereof.

“*Issuer Documents*” means this Loan Agreement, the Assignment Agreement and the Tax Regulatory Agreement.

“*Issuer Fees and Expenses*” means, with respect to this Loan Agreement, the fee payable to Issuer for Issuer’s services in connection with the preparation, review and execution of this Loan Agreement and Issuer’s fees, costs and expenses, as further defined in Sections 3.04 and 7.11 hereof.

“*Lender Indemnified Party*” shall have the meaning set forth in Section 7.13(a).

“*Issuer Issuance Fee*” means \$25,000, payable on the Closing Date.

“*Issuer Loan Obligation*” means the \$15,000,000.00 loan from Lender to Issuer made under this Loan Agreement.

“*Land*” means real property identified in Exhibit A hereto, together with any greater estate therein as hereafter may be acquired by the Borrower.

“*Lender*” means (a) California United Bank, a California corporation; (b) any surviving, resulting or transferee corporation of California United Bank; and (c) if this Loan Agreement and the Issuer Loan Obligation have been assigned by the Lender pursuant to Section 10.01 hereof, such assignee shall be considered the Lender with respect to this Loan Agreement and the Issuer Loan Obligation, subject to Section 10.01 hereof.

“*Lender Fees*” means, with respect to this Loan Agreement, the fee payable to the Lender for the Lender’s services in connection with the preparation, review and execution of this Loan Agreement, as further defined in Section 12.03 hereof.

“*Lender Indemnified Person*” shall have the meaning set forth in Section 7.14(a).

“*Lender’s Inspector*” shall have the meaning set forth in Section 3.02(c) hereof.

“*Lien*” shall have the meaning set forth in Section 8.01 hereof.

“*Loan*” means the loan from the Lender to the Issuer evidenced by the Issuer Loan Obligation and by the Issuer to the Borrower evidenced by the Borrower Loan under this Loan Agreement.

“*Loan Agreement*” means, collectively, this Master Loan Agreement, including the Exhibits hereto, as any of the same may be supplemented or amended from time to time in accordance with the terms hereof.

“*Loan Documents*” means, collectively, this Loan Agreement, the Deed of Trust, the Environmental Indemnity Agreement, the Assignment Agreement, the Security Agreement, the Project Fund Disbursement Agreement, the Contracts and Permits Assignment Agreement, the Guaranty Agreements, the Account Control and Pledge Agreement, the Tenant Subordination Agreements and the Tax Regulatory Agreement.

“*Loan Proceeds*” means the amount of \$14,906,250 to be paid or provided to the Borrower (representing the principal amount of the Loan in an amount up to \$15,000,000, less original issue discount of \$93,750).

“*Margin Stock*” shall have the meaning assigned to such term in Regulation U promulgated by the Board of Directors of the Federal Reserve System, as now and hereafter from time to time in effect.

“*Material Adverse Change*” means any change of circumstances or any event which has a Material Adverse Effect.

“*Material Adverse Effect*” means: (a) a material adverse change in, or a material adverse effect upon, the operations, business, properties, liabilities (actual or contingent), condition (financial or otherwise) or prospects of the Borrower; (b) a material impairment of the ability of the Borrower to perform its obligations under any Loan Document; or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against the Borrower of any Loan Document to which it is a party.

“*Maturity Date*” means November 1, 2045; *provided, however*, that the Loan is subject to mandatory prepayment on the Prepayment Date.

“*Net Proceeds*” means any insurance proceeds or condemnation award paid with respect to the Property or any portion thereof, to the extent remaining after payment therefrom of all reasonable expenses incurred in the collection thereof.

“*Obligation*” means Payments and Additional Payments payable by the Borrower pursuant to the provisions of this Loan Agreement.

“*OFAC*” means Office of Foreign Assets Control.

“*Other Taxes*” means all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or

under any other Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Loan Agreement or any other Loan Document.

“*Patriot Act*” means 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.

“*Payments*” means those payments of principal and interest with respect to the Loan (excluding, Additional Payments, Issuer Fees and Expenses and Lender Fees payable to the Lender and the Issuer hereunder) payable by the Borrower pursuant to the provisions of this Loan Agreement. Payments shall be payable by the Borrower directly to the Lender as assignee of the Issuer, in the amounts and at the times as set forth in this Loan Agreement.

“*PBGC*” means the Pension Benefit Guaranty Corporation or any successor thereto.

“*Permitted Encumbrances*” means (a) liens and security interests securing indebtedness owed by the Borrower to the Issuer and/or the Lender, including liens and security interests granted by the Security Agreement and liens securing a line of credit extended by the Lender to the Borrower; (b) liens arising by reason of good faith deposits in connection with tenders, leases of real estate, bids or contracts (other than contracts for the payment of borrowed money); (c) any lien arising by reason of deposits with, or the giving of any form of security to, any governmental agency or any body created or approved by law or governmental regulation for any purpose at any time as required by law or governmental regulation as a condition to the transaction of any business or the exercise of any privilege or license, or to enable the Borrower to maintain self-insurance or to participate in any funds established to cover any insurance risks or in connection with workers’ compensation, unemployment insurance, pensions or profit sharing plans or other social security plans or programs, or to share in the privileges or benefits required for corporations participating in such arrangements; (d) liens arising by reason of good faith deposits made by or to the Borrower in the ordinary course of business (for other than borrowed money), deposits by the Borrower to secure public or statutory obligations or deposits to secure, or in lieu of, surety, stay or appeal bonds, and deposits as security for the payment of taxes or assessments or other similar charges; (e) attachment or judgment liens not constituting a default hereunder or under the Deed of Trust, or any attachment or judgment lien against the Borrower so long as such judgment is being contested in good faith and execution thereon is stayed; (f) rights reserved to or vested in any municipality or public authority by the terms of any right, power, franchise, grant, license, permit or provision of law affecting the Property, to: (1) terminate such right, power, franchise, grant, license, or permit, provided, that the exercise of such right would not materially impair the use of such Property in the ordinary course by the Borrower or materially and adversely affect the value thereof, or (2) purchase, condemn appropriate or recapture, or designate a purchaser of, the Property or any portion thereof; (g) liens for taxes, assessments, or similar charges either not yet delinquent or being contested in good faith; (h) liens of materialmen, mechanics, warehousemen, or carriers, or other like liens arising in the ordinary course of business and securing obligations which are not yet delinquent; or which are being contested in good faith for a period no longer than the ninety (90) days after the due date of such lien; (i) easements, rights-of-way, servitudes, restrictions, deed restrictions, oil, gas, or other mineral reservations and other minor defects, encumbrances, and irregularities in the title to the Property which do not materially impair the use of such Property in the ordinary course by the Borrower or materially and adversely affect the value thereof; (j) rights reserved to

or vested in any municipality or public authority to control or regulate the Property or to use such Property in any manner, which rights do not materially impair the use of such Property or materially and adversely affect the value thereof, to the extent that it affects title to the Property; (k) liens on property received by the Borrower through gifts, grants or bequests, such liens being due to restrictions on such gifts, grants or bequests or the income thereon, so long as the fair market value of any such property is greater than the amount of the indebtedness secured by the lien on such property; (l) the exceptions to coverage to the Title Policy as approved by Lender; and (m) Liens approved in writing by the Lender in its sole discretion on a case-by-case basis.

“*Permitted Investments*” means, with respect to the investment of the amounts in Project Fund, the Capital Campaign Fund and the Interest Reserve Fund, money market accounts held with the Lender or its Affiliates and any other instrument approved by the Lender in writing on a case-by-case basis.

“*Person*” means any individual, corporation, not for profit corporation, partnership, limited liability company, joint venture, association, professional association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other form of entity.

“*Plan*” means, with respect to the Borrower at any time, an employee pension benefit plan which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code and either (i) is maintained, or has within the preceding five plan years been maintained, by a member of the Controlled Group for employees of a member of the Controlled Group of which the Borrower is a part, (ii) is maintained pursuant to a collective bargaining agreement or any other arrangement under which more than one employer makes contributions and to which a member of the Controlled Group of which the Borrower is a part is then making or accruing an obligation to make contributions or has within the preceding five plan years made contributions.

“*Plans and Specifications*” means Borrower’s plans and specifications for the Improvements, as amended from time to time, which include a construction budget for the Improvements and an allocation of the sources and uses of funds for the Improvements.

“*Prepayment Date*” means (i) the Initial Prepayment Date, as may be extended pursuant to Section 4.16 hereof, and (ii) the date provided by the Lender in response to the Borrower’s written request for an extension pursuant to Section 4.08(e) of this Loan Agreement.

“*Prime Rate*” means that floating rate of interest per year identified from time to time as the Prime Rate as published in the “Consumer Rates and Returns to Investor” section of the Wall Street Journal or any successor source for such rate, which at any time may not be the lowest rate charged by Lender. Changes in the rate of interest resulting from a change in the Prime Rate shall take effect one Business Day following the date of each and every announcement of a change in the Prime Rate.

“*Prior Interest Payment*” means a payment of interest on the Issuer Loan Obligation made on or prior to the date of any Determination of Taxability that becomes includable in a Holder’s gross income (as defined in Code Section 61).

“*Prior Obligations*” means that certain promissory note, dated as of June 30, 2008, in the original principal amount of \$1,500,000, made by Borrower in favor of Wells Fargo Bank, National Association.

“*Project*” means (i) financing of design, acquisition, construction, installation, equipping or furnishing of the Improvements, (ii) refunding the Prior Obligations, and (iii) paying certain costs of issuing the Loan.

“*Project Costs*” means the amount paid or to be paid for any portion of the Project incurred by Borrower in connection with the Project and as permitted under the Act, including closing costs for the Loan.

“*Project Fund*” means the Project Fund established pursuant to Section 3.04 of this Loan Agreement.

“*Project Fund Disbursement Agreement*” means the Project Fund Disbursement Agreement dated as of the date hereof by and between the Lender and the Borrower.

“*Property*” means the real property identified as the “Property” in Exhibit A hereto, together with any greater estate therein as hereafter may be acquired by the Borrower.

“*Qualified Institutional Buyer*” shall have the meaning ascribed thereto in Rule 144A of the Securities Act of 1933, as amended.

“*Reserved Issuer Rights*” means the Issuer’s rights to Additional Payments (which include Issuer Fees and Expenses), indemnification, notices, opinions, certifications, information, inspections and consents pursuant to this Loan Agreement and the Tax Regulatory Agreement.

“*Security Agreement*” means the Security Agreement of even date herewith executed and delivered by the Borrower.

“*Special Counsel*” means any firm of nationally recognized municipal bond attorneys, selected by the Issuer and acceptable to the Lender and the Borrower, experienced in the issuance of municipal bonds and matters relating to the exclusion of the interest thereon from gross income for federal income tax purposes.

“*State*” means the State of California.

“*Subsidiary*” of a Person means (i) any corporation more than 50% of the outstanding securities having ordinary voting power of which shall at the time be owned or controlled, directly or indirectly, by such Person or by one or more of its Subsidiaries or by such Person and one or more of its Subsidiaries, or (ii) any partnership, limited liability company, association, joint venture or similar business organization more than 50% of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled.

“*Swap Agreement*” 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.

“*Tax-Exempt Financed Property*” means the portions of the Property used for secular instruction or activities and financed or refinanced with the proceeds of the Issuer Loan Obligation.

“*Tax Regulatory Agreement*” means the Tax Regulatory Agreement dated the Closing Date executed and delivered by the Issuer and the Borrower, together with any supplements or certificates related thereto.

“*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, fines, additions to tax or penalties applicable thereto.

“*Tenant Subordination Agreements*” means (i) the Subordination Agreement, dated as of October 1, 2016, by and among the Lender, the Borrower and Mordechai Leichter, as administrative agent on behalf of the Yeshiva Minyan worshipping at the YULA Ashkenazi Beit Midrash, as lessee, and (ii) the Subordination Agreement, dated as of October 1, 2016, by and among the Lender, the Borrower and The Westside Shul, a California nonprofit public benefit corporation, as lessee.

“*Title Insurer*” means Chicago Title Company.

“*Title Policy*” means an ALTA (or equivalent) mortgagee policy of title insurance with coverage in an amount equal to the principal amount of the Loan, with reinsurance and endorsements as Lender may require, containing no exceptions to title (other than Permitted Encumbrances) which are unacceptable to Lender, and insuring that the Deed of Trust is a first-priority lien on the Property. Without limitation, such policy shall (a) be in the 2006 ALTA form or, if not available, ALTA 1992 form (deleting arbitration and creditors’ rights, if permissible) or, if not available, the form commonly used in the State, insuring Lender and its successors and assigns; and (b) include those endorsements and/or affirmative coverages approved by Lender, as evidenced by the final approved title policy.

“*Treasury Rate*” shall be determined by reference to the average quoted 7-year Treasury Constant Maturity in the Federal Reserve Statistical Release H.15 (or any successor release) at the time of determination.

“*Unfunded Vested Liabilities*” means, with respect to any Plan at any time, the amount (if any) by which (i) the present value of all vested nonforfeitable accrued benefits under such Plan exceeds (ii) the fair market value of all Plan assets allocable to such benefits, all determined as of the then most recent valuation date for such Plan, but only to the extent that such excess represents a potential liability of a member of the Controlled Group to the PBGC or such Plan under Title IV of ERISA.

“*Welfare Plan*” means a “*welfare plan*,” as such term is defined in Section 3(1) of ERISA.

ARTICLE II

REPRESENTATIONS, WARRANTIES AND COVENANTS OF ISSUER AND BORROWER

Section 2.01. Representations, Warranties and Covenants of the Issuer. The Issuer represents, warrants and covenants, for the benefit of the Lender and the Borrower, as follows:

(a) The Issuer is a joint exercise of powers agency duly organized and existing under the laws of the State, and is duly authorized to enter into the Issuer Documents and to perform its obligations under the Issuer Documents. By proper action, the Issuer has duly authorized the execution, delivery and performance of its obligations under the Issuer Documents.

(b) The Issuer represents, covenants and warrants that all requirements have been met and procedures have occurred such that the Issuer Documents are valid and binding obligations of the Issuer enforceable in accordance with their respective terms except as enforcement may be limited by bankruptcy, insolvency, moratorium, or similar laws affecting the enforcement of creditors’ rights generally, by equitable principles, by the exercise of judicial discretion in appropriate cases and by the limitation on legal remedies against agencies of the State. The Issuer has taken all necessary action and has complied with all applicable provisions of the Act, including but not limited to the making of any findings required by the Act, required to make the Issuer Documents the valid and binding obligations of the Issuer.

(c) Pursuant to this Loan Agreement and the Assignment Agreement, the Issuer has assigned to the Lender all of the Issuer’s rights (except Reserved Issuer Rights) in the Project, this Loan Agreement, the Payments and any all other Loan Documents except the Tax Regulatory Agreement, including the assignment of all rights in any security interest granted to the Issuer by the Borrower thereunder.

(d) The execution and delivery of the Loan Agreement and compliance with the provisions of the Loan Agreement under the circumstances contemplated thereby will

not in any respect conflict with, or constitute on the part of the Issuer a material breach or default under any agreement or other instrument to which the Issuer is a party, or any existing law, administrative regulation, court order or consent decree to which the Issuer is subject in a manner that is reasonably likely to have a material adverse effect on the Issuer's ability to issue or deliver the Issuer Loans, or its ability to execute, deliver or comply with the Issuer Documents and the transactions contemplated thereby.

(e) To the current actual knowledge of the officers of the Issuer, there is no action, suit or proceeding pending before or by any court for which service of process has been duly completed as to the Issuer and, to the current actual knowledge of the Issuer's officers, there is no action, suit or proceeding before any court threatened against the Issuer or any proceeding, inquiry or investigation threatened by or pending before any public body against the Issuer, challenging the Issuer's authority to enter into the Issuer Documents or any other action wherein an unfavorable ruling or finding would have a Materially Adverse Effect the enforceability of the Issuer Documents, or the exclusion of the interest from gross income for federal tax purposes under the Code, or would have a Material Adverse Effect on the Issuer's ability to perform its obligations with respect to any of the transactions contemplated by this Loan Agreement.

(f) The Issuer will submit or cause to be submitted to the Internal Revenue Service a Form 8038 (or other information reporting statement) at the time and in the form required by the Code.

(g) To the best knowledge of the Issuer's officers, no officer or other official of the Issuer has any financial interest whatsoever in the Borrower or in the transactions contemplated by this Loan Agreement.

Section 2.02. Representations, Warranties and Covenants of the Borrower. The Borrower represents and warrants, as of the date hereof, and covenants, for the benefit of the Lender and the Issuer as follows:

(a) The Borrower is duly organized and in good standing under the laws of the State of California, authorized to purchase and hold real and personal property and finance or refinance the same, and has full legal right, power and authority to enter into the Loan Documents and to carry out and consummate all transactions contemplated hereby and by the other Loan Documents and by proper corporate action has duly authorized the execution, delivery and performance of the Loan Documents. The Borrower is duly licensed to operate and maintain its existing facilities and has all necessary power and authority to conduct the business now being conducted by it and as contemplated by this Loan Agreement

(b) The Borrower Documents have been duly authorized, executed and delivered by the Borrower.

(c) Assuming due execution and delivery by the other parties, this Loan Agreement and the other Borrower Documents constitute the legal, valid and binding agreements of the Borrower enforceable against the Borrower by the Issuer or the Lender,

as appropriate, in accordance with their respective 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 and by commercial reasonableness.

(d) The execution and delivery of the Loan Documents by the Borrower, the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions hereof and thereof by the Borrower, do 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 and bylaws of the Borrower, or with respect to the Borrower, any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any material indenture, mortgage, deed of trust, loan agreement, lease, contract or other material agreement or instrument to which the Borrower 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 Borrower, other than Permitted Encumbrances, which conflict, violation, breach, default, lien, charge or encumbrance may materially and adversely affect the consummation of the transactions contemplated by the Loan Documents, or the financial condition, operations or business of the Borrower.

(e) As of the date hereof, no consent or approval of any trustee or holder of any indebtedness of the Borrower or any guarantor of indebtedness of or other provider of credit or liquidity to the Borrower, and with respect to the Borrower, 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 Loan 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.

(f) There is no action, suit, proceeding, inquiry or investigation, before or by any court or federal, state, municipal or other Governmental Authority, pending, or to the knowledge of the Borrower, threatened in writing, against or affecting the Borrower or the assets, properties or operations of the Borrower:

(i) to restrain or enjoin the issuance or delivery of any of the Loan Documents or the payment of Payments hereunder;

(ii) in any way contesting or adversely affecting the authority for or the validity of the Loan Documents;

(iii) in any way contesting the corporate existence or powers of the Borrower;

(iv) which, if determined adversely to it, would materially adversely affect the consummation of the transactions contemplated by the Loan Documents or the ability of the Borrower to perform its material obligations hereunder or thereunder; or could reasonably be expected to have a material adverse effect on the financial conditions, the operations or business of the Borrower; or

(v) contesting the Borrower's status as an organization described in Section 501(c)(3) of the Code or which would subject any income of the Borrower to federal income taxation to such extent as would result in loss of the exclusion from gross income for federal income tax purposes of interest on any portion of the Issuer Loan Obligation under Section 103 of the Code.

(g) As of the date hereof, no written information, exhibit or report furnished to the Issuer or the Lender by the Borrower in connection with the negotiation of the Loan Documents or otherwise in connection with the transactions contemplated hereby and thereby, contains any untrue statement of a material fact regarding the Borrower, the Property or the Borrower's business, or omits to state a material fact regarding the Borrower, the Property or the Borrower's business necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. All projections, valuations or pro forma financial statements provided to the Issuer or the Lender by Borrower present Borrower's good faith opinion as to such projections, valuations and pro forma condition and results.

(h) The Borrower has heretofore furnished to the Issuer and the Lender the audited financial statements of the Borrower for its fiscal years ended June 30, 2014 and June 30, 2015, and the related statement of revenues, expenditures, transfer and changes in net assets and changes in financial position for the years then ended and information related to the Project. The information relating to the Project is complete and accurate and those financial statements present fairly, in all material respects, the financial condition of the Borrower on the dates thereof, and the activities and cash flows for the periods then ended were prepared in accordance with GAAP. Since June 30, 2015, there has been no Material Adverse Change in the assets, operations or financial condition of the Borrower, other than as disclosed in writing to the Issuer and the Lender.

(i) As of the Closing Date, the Borrower has good and marketable fee title to the Property free and clear from all encumbrances other than Permitted Encumbrances. The Borrower enjoys the peaceable and undisturbed possession of all real and personal property which is material to its operation.

(j) The Borrower 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) (1) under the Borrower Documents, or (2) with respect to any order or decree of any court binding against the Borrower or any order, regulation or demand of any federal, state, municipal or other Governmental Authority binding against the Borrower, which default could reasonably be expected to have a Material Adverse Effect on the consummation of the transactions contemplated by the Borrower Documents, or the financial condition, operations or business of the Borrower.

(k) All material certificates, approvals, permits and authorizations of applicable local governmental agencies, and agencies of the State and the federal government were obtained, or will be obtained during the course of construction of the Improvements, with respect to the construction and installation of the Facilities and operation of the Facilities, and the Facilities have been or will be constructed, installed operated pursuant to and in accordance with such certificates, approvals, permits and authorizations.

(l) The Borrower acknowledges, represents and warrants that, except for the express representations and warranties of the Issuer set forth herein, it has not relied on the Issuer or Lender for any guidance or expertise in analyzing the financial or other consequences of the transactions contemplated by the Borrower Documents or otherwise relied on the Issuer or Lender for any advice. The Borrower acknowledges that it has been advised by, or has had the opportunity to be advised by, its own financial advisors in connection with the financing and refinancing of the Project.

(m) No portion of the Tax-Exempt Financed Property includes any property used or to be used for sectarian instruction or study, as a place for devotional activities or religious worship, or primarily in connection with any part of the program of a school or department of divinity for any religious denomination.

(n) The Borrower is an organization described in Section 501(c)(3) of the Code, does not constitute a private foundation under Section 509(a) of the Code, and the income of the Borrower is exempt from federal taxation under Section 501(a) of the Code. The Borrower has received a determination from the Internal Revenue Service to the foregoing effect, and none of the bases for such determination have changed since the date thereof.

(o) Environmental Laws.

(i) The Borrower is in compliance in all material respects with all applicable Environmental Laws.

(ii) Neither the Borrower nor the Property 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 Laws or to respond to a release of any Hazardous Materials into the environment.

(iii) The Borrower does not have any material contingent liability in connection with any release of any Hazardous Materials into the environment.

(iv) The Borrower is in compliance with Division 13, commencing with Section 21000, of the Public Resources Code (the "CEQA Requirements") with respect to the Project and has received all documentation evidencing such compliance, or the Project is not defined as a "project" or is "statutorily exempt" or is "categorically exempt" in accordance with the CEQA Requirements.

(p) Neither the Borrower nor any affiliate of the Borrower is 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.

(q) Neither the Borrower nor any of its affiliates is in violation of any laws relating to terrorism or money laundering (“Anti-Terrorism Laws”), including Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the “Executive Order”), and the Patriot Act.

(r) Neither the Borrower nor any of its affiliates is any of the following:

(i) a person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(ii) a person owned or controlled by, or acting for or on behalf of, any person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(iii) a person with which the Lender is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;

(iv) a person that commits, threatens or conspires to commit or supports “terrorism” as defined in the Executive Order; or

(v) a person that is named as a “specially designated national and blocked person” on the most current list published by the Office of Foreign Asset Control or any list of Persons issued by OFAC pursuant to the Executive Order at its official website or any replacement website or other replacement official publication of such list;

(s) Neither the Borrower nor any of its affiliates (i) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any person described in subsection (r)(ii) above, (ii) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order or (iii) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

(t) The Borrower is currently in compliance, and in the future will comply, with all applicable nondiscrimination laws.

(u) The Borrower currently maintains insurance coverage with insurance companies believed by the Borrower to be capable of performing their obligations under the respective insurance policies issued by such insurance companies to the Borrower (as determined in its reasonable discretion) and in full compliance this Loan Agreement.

(v) The representations and warranties of the Borrower contained in the other Borrower Documents, together with the related definitions of terms contained therein, are

hereby incorporated by reference in this Loan Agreement as if each and every such representation and warranty and definition were set forth herein in its entirety, and the representations and warranties made by the Borrower in such Sections are hereby made for the benefit of the Lender. No amendment to or waiver of such representations and warranties or definitions made pursuant to the relevant Borrower Document or incorporated by reference shall be effective to amend such representations and warranties and definitions as incorporated by reference herein without the prior written consent of the Lender.

(w) The Borrower has not taken any action or omitted to take any action, and has no actual knowledge of any action taken or omitted to be taken by any other Person, which action, if taken or omitted, would adversely affect the exclusion of interest on the Issuer Loan Obligation from gross income for federal income tax purposes or the exemption of interest on the Issuer Loan Obligation from State personal income taxes.

(x) To the knowledge of the Borrower, there is no amendment or 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 will have a Material Adverse Effect on the transactions contemplated by this Loan Agreement, the security for any of the obligations owed by the Borrower hereunder, the creation, organization, or existence of the Borrower or the titles to office of any officers executing this Agreement or any other Borrower Documents or the Borrower's ability to repay when due its obligations under this Loan Agreement.

(y) All material taxes, assessments, fees and other governmental charges (other than those presently payable without penalty or interest) upon the Borrower or upon any property thereof, which are due and payable, have been paid prior to delinquency and no material claims are being asserted with respect to any past due taxes, assessments, fees or other governmental charges against the Borrower, except, in each case, as are being contested in good faith by appropriate proceedings for which adequate reserves are being maintained in accordance with GAAP,

(z) None of the directors, officers and employees of the Borrower have not been convicted of, or pleaded *nolo contendere* to, as sex offense against a minor (as such terms are defined in Section 111 of the Sex Offender Registration and Notification Act (42 U.S.C. 16911)).

(aa) The Borrower has no Subsidiaries.

(bb) The Borrower has not entered into any Swap Agreement relating to any indebtedness.

ARTICLE III

ISSUANCE OF LOAN; APPLICATION OF PROCEEDS

Section 3.01. Loan To Refinance Prior Obligations and Finance the Improvements.

(a) The Lender hereby agrees to loan up to \$15,000,000 in the form of the Issuer Loan Obligation to Issuer and Issuer hereby agrees, subject to limitations herein, to borrow such amount from the Lender and to lend the Loan Proceeds to the Borrower for the purposes of refinancing the Prior Obligations, financing the construction of the Improvements and paying certain costs of issuance related to the Loan. The Loan is non-revolving. Any portion of the Loan repaid may not be relent.

(b) Upon fulfillment of the conditions precedent set forth in Section 5.01 hereof, the Lender shall disburse a portion of the Loan Proceeds to the Issuer by transferring the amount of \$772,529.85 to Chicago Title Company, as escrow agent, to refinance the Prior Obligations, credit \$93,750.00 to the Lender as Original Issue Discount, and disburse \$489,983.00 in accordance with a Draw Request dated as of the Closing Date.

(c) The Borrower shall design, acquire, construct, improve and equip the Improvements with all reasonable dispatch, substantially in accordance with the Plans and Specifications. The Borrower shall (a) pay when due all fees, costs and expenses incurred in connection with the foregoing from funds made available therefor in accordance with this Loan Agreement, or otherwise, unless any such fees, costs or expenses are being contested by Borrower in good faith and by appropriate proceedings; (b) as Borrower deems reasonably appropriate and in its best interests, ask, demand, sue for, levy, recover and receive all those sums of money, debts and other demands whatsoever which may be due, owing and payable under the terms of any contract, order, receipt, writing and instruction in connection with the design, construction and equipping of the Improvements; and (c) as Borrower deems reasonably appropriate and in its best interests, enforce the provisions of any contract, agreement, obligation, bond or other performance security with respect thereto. Borrower may revise the Plans and Specifications from time to time, provided that no revision shall be made which would change the purposes of the Improvements to other than purposes permitted by the Act. Upon the completion of the Improvements, Borrower shall provide Lender with a Completion Notice.

(d) Subject to the terms and conditions in Sections 4.03, 5.02 and 5.03 hereof, Lender shall disburse the Loan Proceeds of the Issuer Loan Obligation to Issuer from time to time into the Project Fund pursuant to Draw Requests. The aggregate principal amount of the Loan outstanding under this Loan Agreement is set forth in Exhibit G hereto, as such Exhibit G may be amended from time to time pursuant to Section 5.02(b) hereof.

(e) The Issuer's obligation to repay the Issuer Loan Obligation and the Borrower's obligation to repay the Borrower Loan shall commence, and interest shall begin to accrue, on the date that Loan Proceeds of the Issuer Loan Obligation are disbursed by the Lender to or for the benefit of the Borrower. The execution and delivery of this Loan Agreement shall not obligate the Lender to execute and deliver any Draw Request or to provide any funds with respect to any Draw Request, unless and until such Draw Request and any related documents have been

executed and delivered by all other parties thereto and all conditions set forth in this Loan Agreement have been satisfied

Section 3.02. Establishment and Application of Project Fund.

(a) *Establishment of the Project Fund.* The Borrower shall establish and maintain an account at California United Bank designated as the “Project Fund” and designated as account number 207151654. The Borrower shall maintain a separate record of the Project Fund on its books and shall account for all deposits and withdrawals from the Project Fund in accordance with Borrower’s accounting procedures. The Lender shall deposit, from time to time, a portion of the Loan Proceeds from the Loan into the Project Fund to be used and withdrawn by the Borrower pursuant to a Draw Request to pay Project Costs. No moneys in the Project Fund shall be used to pay Additional Payments. Amounts in the Project Fund may be invested in Permitted Investments as directed by the Borrower.

(b) *Conditions Precedent to Construction Draws.* Other than the disbursement of Loan Proceeds on the Closing Date and subject to the provisions of Section 5.03 of this Loan Agreement, the Lender’s agreement to disburse funds to the Project Fund shall be subject to the further conditions precedent set forth in Section 5.02 of this Loan Agreement and that Borrower shall have met the conditions and requirements set forth in the Project Fund Disbursement Agreement with respect to disbursement of funds to the Project Fund. Upon receipt of a Draw Request to pay for Project Costs from the Borrower and the approval thereof by the Lender, the Lender shall disburse to, or for the account of, the Borrower, Loan Proceeds to pay Project Costs in accordance with the Draw Request.

(c) *Lender’s Inspector.* The Lender shall have the right to retain, at the Borrower’s expense, an inspector (the “Lender’s Inspector”) to review and advise the Lender with respect to all Plans and Specifications, construction, architectural and other design professional contracts, change orders, governmental permits and approvals, and other matters related to the design, construction, operation and use of the Improvements, to monitor the progress of construction and to review on behalf of the Lender all Draw Requests submitted by the Borrower. The Borrower acknowledges that (i) the Lender’s Inspector has been retained by the Lender to act as a consultant, and only as a consultant, to the Lender in connection with the construction of the Improvements, and the Lender’s Inspector may be an employee of the Lender, (ii) the Lender’s Inspector shall in no event have any power or authority to make any decision or to give any approval or consent or to do any other thing which is binding upon the Lender, and any such purported decision, approval, consent or act by the Lender’s Inspector on behalf of the Lender shall be void and of no force or effect, (iii) the Lender reserves the right to make any and all decisions required to be made by the Lender under this Loan Agreement, in its sole and absolute discretion, and without in any instance being bound or limited in any manner whatsoever by any opinion expressed or not expressed by the Lender’s Inspector to the Lender or any other person with respect thereto, and (iv) the Lender reserves the right in its sole and absolute discretion to replace the Lender’s Inspector with another inspector at any time and without prior notice to or approval by the Borrower. All inspections by or on behalf

of the Lender shall be solely for the benefit of the Lender, and the Borrower shall have no right to claim any loss or damage against the Lender or the Lender's Inspector (whether or not an employee of the Lender) arising from any alleged (i) negligence or failure to perform such inspections, (ii) failure to monitor loan disbursements or the progress or quality of construction, or (iii) failure to otherwise properly administer the construction aspects of the Improvements; but excluding the gross negligence or willful misconduct of Lender or Lender's Inspector. Notwithstanding the foregoing, Lender's Inspector shall not perform a physical inspection of the Property more often than once with respect to each Draw Request, except in the event of an emergency or while an Event of Default is continuing.

If required by the Lender upon receiving a Draw Request, the Lender's Inspector may determine prior to any disbursement of Loan Proceeds by the Lender:

(i) whether the work completed to the date of such Draw Request has been done satisfactorily and materially in accordance with the Plans and Specifications;

(ii) the percentage of construction of the Improvements completed as of the date of such Draw Request;

(iii) the hard construction costs actually incurred by the Borrower in connection with the construction of the Improvements for work in place as part of the Improvements as of the date of such Draw Request;

(iv) the actual sum necessary to complete construction of the Improvements in accordance with the Plans and Specifications; and

(i) the amount of time from the date of such Draw Request which will be required to complete construction of the Improvements in accordance with the Plans and Specifications

Section 3.03. Establishment and Application of Interest Reserve Fund. The Borrower authorizes the Lender to automatically draw from the proceeds of the Loan to pay interest on the Loan as it becomes due in accordance with the Project Budget (as defined in the Project Fund Disbursement Agreement). As of the Closing Date, the Lender estimates that such amounts shall equal approximately \$522,000. Should there be insufficient undrawn amounts of proceeds of the Loan allocated in the Project Budget to pay interest thereon, the full amount of such deficiency shall be immediately due and payable by Borrower.

If required pursuant to Section 4.16 or pursuant to the Project Fund Disbursement Agreement, the Borrower shall establish and maintain a separate account at California United Bank designated as "Interest Reserve Fund." If a deposit into the Interest Reserve Fund is required pursuant to Section 4.16 hereof or pursuant to the terms of Project Fund Disbursement Agreement, Borrower shall deposit such funds into the Interest Reserve Fund and thereafter monthly interest payments on the Loan shall be automatically debited by the Lender from the Interest Reserve Fund until the Interest Reserve Fund is depleted. The Borrower shall pay the balance of the interest due on the Loan.

Section 3.04. Term. The term of this Loan Agreement shall commence on the Closing Date and shall terminate upon the earliest to occur of any of the following events:

(a) so long as no Event of Default has occurred and is continuing hereunder, the payment by the Borrower of all Payments and Additional Payments with respect to the Borrower Loan, any rebate payments and any other payments required to be paid by the Borrower hereunder;

(b) so long as no Event of Default has occurred and is continuing hereunder, the prepayment of the entire outstanding principal amount, accrued interest, any Additional Payments, and the other amounts due hereunder; or

(c) The Lender's election to terminate this Loan Agreement under Article XI due to an Event of Default hereunder.

Section 3.05. Costs and Expenses of the Issuer. The Borrower shall pay to the Issuer the following "Issuer Fees and Expenses":

(a) All taxes and assessments of any type or character charged to the Issuer affecting the amount available to the Issuer from payments to be received hereunder or in any way arising due to the transactions contemplated hereby (including taxes and assessments assessed or levied by any public agency or Governmental Authority of whatsoever character having power to levy taxes or assessments) but excluding any taxes based upon the capital or income of any other person other than the Borrower; provided, however, that the Borrower shall have the right to protest any such taxes or assessments and to require the Issuer, at the Borrower's expense, to protest and contest any such taxes or assessments assessed or levied upon them and that the Borrower shall have the right to withhold payment of any such taxes or assessments pending disposition of any such protest or contest unless such withholding, protest or contest would have a Material Adverse Effect on the rights or interests of the Issuer, notwithstanding the provisions of Section 8.01;

(b) The reasonable fees and expenses of such accountants, consultants, attorneys and other experts, including, without limitation, fees and expenses of the Issuer's in-house and outside counsel, if any, as may be engaged by the Issuer to prepare audits, financial statements or opinions or provide such other services as are required in connection with the Loan Documents and the Loan;

(c) The Issuer Issuance Fee, Issuer Annual Fees and the reasonable fees and expenses of the Issuer or any agent or attorney selected by the Issuer to act on its behalf including, without limitation, fees and expenses of the Issuer's in-house and outside counsel, if any, in connection with the Borrower Loan under this Loan Agreement, the Tax Regulatory Agreement or any other documents contemplated hereby or thereby, including, without limitation, any and all reasonable expenses incurred in connection with any inquiry, litigation, investigation, audit or other proceeding which may at any time be instituted involving this Loan Agreement, the Tax Regulatory Agreement or any other documents contemplated hereby or thereby, or in connection with the reasonable

supervision or inspection of the Borrower, its properties, assets or operations or otherwise in connection with the administration of this Loan Agreement, the Tax Regulatory Agreement, or any other documents contemplated hereby or thereby; and

(d) Such amounts as may be necessary to satisfy the rebate requirements in accordance with the Tax Regulatory Agreement and to pay the cost of calculation of such rebate requirements when required by the Code if the Borrower does not do so directly. To the extent the Borrower does not satisfy any of the exceptions to rebate, any rebate calculations must be computed by a third party rebate analyst and may not be computed solely by the Borrower.

The Issuer Fees and Expenses shall be billed to the Borrower by the Issuer from time to time, together with supporting documents for one or more of the above items. Amounts so billed shall be paid by the Borrower within 30 days after receipt of the bill by the Borrower. Notwithstanding the foregoing, the Issuer shall not be required to submit a bill to the Borrower for payment of the Issuer Annual Fee or any amount due with respect to arbitrage rebate under Section 148 of the Code, the calculation and payment for which is the responsibility of the Borrower. The Issuer Issuance Fee shall be paid to the Issuer by the Borrower on the Closing Date. Thereafter, the Issuer Annual Fee shall be due and payable by the Borrower in advance on July 1 of each year, commencing with the first such date following the Closing Date. The Borrower's obligation to pay the Issuer Issuance Fee and the Issuer Annual Fee shall in no way limit amounts payable by the Borrower to the Issuer under the Borrower Documents, including the enforcement thereof.

Section 3.06. Limited Obligations of the Issuer. None of the Issuer, its officers and employees or any person executing this Loan Agreement on behalf of the Issuer shall be liable personally on the Loan or subject to any personal liability or accountability by reason of the execution hereof. The Loan is a limited obligation of the Issuer, payable solely from and secured by the pledge of the Payments hereunder. Neither the Issuer, the members of its Board of Directors, the State of California, nor any of its political subdivisions shall be directly, indirectly, contingently or morally obligated to use any other moneys or assets to pay all or any portion of the debt service due on the Loan, to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment. The Loan is not a pledge of the faith and credit of the Issuer, the State of California or any of its political subdivisions nor do they constitute indebtedness within the meaning of any constitutional or statutory debt limitation. The Issuer has no taxing power.

The Issuer shall not be liable for payment of the principal of or interest on the Loan or any other 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 or any other documents, except only to the extent amounts are received for the payment thereof from the Borrower under this Loan Agreement.

Section 3.07. Invalidity of Borrower Loan. If at any time the Borrower Loan is declared to be invalid or unenforceable for any reason, the Borrower Loan will be deemed to be a direct loan from the Lender to the Borrower. All references herein to "Borrower Loan" and "Issuer Loan Obligation" shall instead refer to the "Loan," a direct Loan from the Lender to the

Borrower. In such an event, the Lender and the Borrower acknowledge that the interest payments with respect to the Loan shall not be excluded from gross income for federal income tax purposes or State of California income taxation and that the Loan shall bear interest at the Gross Up Rate, except as otherwise provided for herein.

ARTICLE IV

REPAYMENT OF THE LOAN

Section 4.01. Interest.

(a) The principal amount of the Loan hereunder outstanding from time to time shall bear interest (computed on the basis of a 360-day year and actual number of days elapsed) at the Applicable Loan Rate. Interest accruing on the aggregate principal balance of the Loan from the Closing Date to the Maturity Date or earlier prepayment as provided herein, and shall be payable monthly by the Borrower in arrears on the first calendar day of each month prior to such date and upon earlier demand in accordance with the terms hereof or prepayment in accordance with Section 4.08 hereof.

(b) Upon the occurrence of a Determination of Taxability, the Borrower shall pay to the Lender, as assignee of the Issuer, future interest payments calculated at the Gross Up Rate as such Payments become due. In addition, the Borrower shall make immediately, upon demand of the Lender, a payment to the Lender sufficient to reimburse the Lender and to supplement Prior Interest Payments to equal the Gross Up Rate applicable to such Prior Interest Payments, and such obligation shall survive the termination of this Loan Agreement. The Lender acknowledges that payments at the Gross-Up Rate may be amounts that are not excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code.

(c) Upon the occurrence of an Event of Indirect Taxability, the Lender shall notify the Borrower and the Issuer of such event and shall have the option, without the consent of the Borrower or the Issuer, to either (i) adjust the Applicable Loan Rate so as to provide the Lender with a yield on the Issuer Loan Obligation, after taking into account the increase in the Lender's federal income tax liability as a result of such Event of Indirect Taxability, that is equivalent to the yield on the Issuer Loan Obligation immediately before such Event of Indirect Taxability, or (ii) to provide for the reimbursement of the Lender for the increase, if any, in its federal income tax liability caused by such Event of Indirect Taxability. Any such adjustment shall be subject to the condition that, prior to such adjustment, the Lender and the Issuer shall have received an opinion of Special Counsel to the effect that such adjustment complies with the requirements of this Loan Agreement and will not, in and of itself, cause interest with respect to the Issuer Loan Obligation to be included in the gross income of the Lender for federal income tax purposes.

Section 4.02. Payments. The Issuer shall pay the principal of and interest on the Issuer Loan Obligation, but only out of Payments made to the Issuer by the Borrower therefor. The

Borrower shall pay to the Lender, as assignee of the Issuer, Payments in the amounts and at such times as set forth in Section 4.01, Section 4.08 and Section 4.10 hereof.

Section 4.03. Draws. Until January 31, 2019, the Borrower and the Lender, without the consent of the Issuer, may from time to time, but no more often than once per calendar month, increase the amount of the Loan outstanding by executing Draw Requests substantially in the form set forth in Exhibit F hereto in accordance with Sections 5.02 hereof. Each Draw Request shall reasonably identify the Project Costs that will be paid with (or for which the Borrower will be reimbursed by) such Draw Request. Draw Requests shall be numbered consecutively beginning with “1.” The maximum aggregate amount of the Issuer Loan Obligation provided for in all Draw Requests after the Closing Date shall be less than or equal to \$13,643,737.15 (consisting of the original principal amount of the Loan of \$15,000,000, less the disbursement of Loan proceeds on the Closing Date of \$1,356,260.85 in accordance with Section 3.01(b).

Section 4.04. Security for the Loan. As security for the repayment of the Issuer Loan Obligation, the Issuer hereby assigns to the Lender all of its right, title and interest in this Loan Agreement except for Reserved Issuer Rights, including the Issuer’s rights to receive Payments with respect to the Borrower Loan (and hereby directs the Borrower to make such Payments directly to, or at the direction of, the Lender), to collect the Payments and any other payments due to the Issuer hereunder the receipt of which is not part of Reserved Issuer Rights, and to sue in any court for such Payments or other payments, to exercise all rights hereunder with respect to the Project, and to withdraw or settle any claims, suits or proceedings pertaining to or arising out of this Loan Agreement and any Borrower Loan upon any terms (other than any claims related to Reserved Issuer Rights). Such assignment by the Issuer to the Lender shall be an absolute assignment without recourse to the Issuer. Such Payments and other payments the receipt of which is not part of Reserved Issuer Rights shall be made by the Borrower directly to the Lender, as the Issuer’s assignee, without the requirement of notice or demand, at the address provided in Section 12.04, or such other place as the Lender may from time to time designate in writing, and shall be credited against the Issuer’s payment obligations under the related Issuer Loan Obligation. No provision, covenant or agreement contained in this Loan Agreement or any obligation herein or therein imposed on the Issuer, or the breach thereof, shall constitute or give rise to or impose upon the Issuer a pecuniary liability, a charge upon its general credit or a pledge of its revenues. In making the agreements, provisions and covenants set forth in this Loan Agreement, the Issuer has not obligated itself except with respect to the application of the Payments to be paid by the Borrower hereunder and thereunder. All amounts required to be paid by the Borrower hereunder shall be paid in lawful money of the United States of America in immediately available funds. No recourse shall be had by the Lender or the Borrower for any claim based on this Loan Agreement against any director, officer, employee or agent of the Issuer alleging personal liability on the part of such person.

To further secure its Obligations and to perform and observe the covenants and agreements contained herein and in Borrower Documents, Borrower hereby pledges to and grants to the Issuer, and the Issuer hereby assigns to the Lender, a first priority lien and security interest, within the meaning of the California Uniform Commercial Code and to the extent permitted by law in all of its right, title and interest, if any, in the Project Fund, the Capital Campaign Fund and the Interest Reserve Fund (collectively, the “Fund Collateral”). The Borrower agrees to execute and authorizes the Lender to file such notices of assignment, chattel

mortgages, financing statements and other documents, in form satisfactory to the Lender, which the Lender deems necessary or appropriate to establish and maintain the Lender's first priority security interest in the Fund Collateral, including proceeds thereof.

Section 4.05. Deed of Trust and Security Agreement.

(a) The Lender shall, at the Borrower's expense, record, or cause the recordation of, the Deed of Trust and all amendments thereto in the Official Records of the Office of the County Recorder of Los Angeles County, California. The Borrower hereby authorizes the Lender to file such financing statements (and all amendments or continuations thereto) as may be necessary to perfect and confirm the Lender's security in a form satisfactory to the Lender.

(b) To further secure the payment obligations of the Borrower hereunder, the Borrower has executed the Security Agreement. The Issuer, the Borrower and the Lender agree that the Deed of Trust, the Security Agreement and UCC-1 financing statement may be amended or terminated at any time with the prior written consent of the Lender. The consent of the Issuer shall not be required for any such amendment or termination.

(c) As additional security for the Issuer Loan Obligation, the Issuer has made a complete assignment to Lender of all of the Issuer's rights, title interest and obligations in, to and under the Deed of Trust, the Security Agreement, pursuant to the Assignment Agreement. The Borrower hereby consents to such assignment, as well as the assignment by the Issuer set forth in Section 4.04 above.

Section 4.06. Payment on Non-Business Days. Whenever any payment to be made hereunder shall be stated to be due on a day which is not a Business Day, such payment may be made on the next succeeding Business Day.

Section 4.07. Borrower Payments To Be Unconditional. The obligations of the Borrower to make Payments required under this Loan Agreement and to make other payments hereunder and thereunder and to perform and observe the covenants and agreements contained herein and therein shall be absolute and unconditional in all events, without abatement, diminution, deduction, setoff or defense for any reason, including (without limitation) any failure of the Project, the Facilities or any improvement to be delivered or installed, any defects, malfunctions, breakdowns or infirmities in the Facilities or the Improvements or any accident, condemnation, destruction or unforeseen circumstances. Notwithstanding any dispute between the Borrower and any of the Issuer, the Lender or any other person, the Borrower shall make all Payments when due and shall not withhold any Payments pending final resolution of such dispute, nor shall the Borrower assert any right of setoff or counterclaim against its obligation to make such payments required under this Loan Agreement.

Section 4.08. Prepayments.

(a) The Issuer shall prepay the Issuer Loan Obligation solely to the extent that Borrower shall prepay the Borrower Loan, and the Borrower may prepay the Borrower Loan in whole or in part, on any date, in advance of the required Payments set forth in Section 4.10 hereof, by paying the outstanding principal amount of the Loan (or the

portion thereof being prepaid), accrued interest to the prepayment date, and any outstanding and unpaid Additional Payments due under this Loan Agreement; *provided, however,* that after any partial prepayment, the remaining outstanding principal amount of the Loan shall not be less than \$100,000. The Borrower shall provide the Lender written notice of any such prepayment at least 10 days in advance thereof. Upon any prepayment in part of the Borrower Loan, the prepayment shall be applied first to interest accrued thereon, and any outstanding and unpaid Additional Payments, and next to the principal component of the Borrower Loan, as applicable, in the inverse order of date due.

(b) The Issuer shall prepay the Issuer Loan Obligation solely to the extent that Borrower shall prepay the Borrower Loan in whole or in part at any time from insurance or condemnation proceeds pursuant to Article IX hereof by paying some or all of the outstanding principal amount of the applicable Loan, accrued interest on the applicable Loan to the prepayment date, and any outstanding and unpaid Additional Payments due under this Loan Agreement.

(c) The Issuer shall prepay the Issuer Loan Obligation solely to the extent that Borrower shall prepay the Borrower Loan, and Borrower shall prepay the Borrower Loan in full immediately upon demand therefor of the Lender to the Issuer after the occurrence of an Event of Default by paying the outstanding principal amount of the Loan, accrued interest to the prepayment date, and any outstanding and unpaid Additional Payments due under this Loan Agreement.

(d) The Issuer shall prepay the Issuer Loan Obligation solely to the extent that Borrower shall prepay the Borrower Loan in full immediately and the Borrower shall prepay the Borrower Loan in full immediately upon demand of the Issuer after the occurrence of a Determination of Taxability by paying the outstanding principal amount of the Loan, interest at the Gross Up Rate to the date of prepayment as required by Section 4.01(b), and any outstanding and unpaid Additional Payments due under this Loan Agreement, plus an amount necessary to supplement the Prior Interest Payments to the Gross-Up Rate pursuant to Section 4.01(b).

(e) On the Prepayment Date (as may be extended pursuant to Section 4.16 hereof), the Issuer shall, to the extent funds are received from the Borrower, prepay the Issuer Loan in full and the Borrower shall, on the Prepayment Date, prepay the Borrower Loan in full, together with all unpaid and accrued interest on the Loan to the Prepayment Date, any Additional Payments then due in accordance with this Loan Agreement and all other amounts payable in accordance with this Loan Agreement. Not later than 180 days prior to the Prepayment Date (as may be extended pursuant to Section 4.16 hereof), the Borrower may in writing request an extension of the Loan to a date up to and including November 1, 2045. The Lender shall, not later than 60 days following receipt of the Borrower's written request for an extension, provide a written response to the Borrower indicating whether such extension is approved and the new Applicable Loan Rate, Prepayment Date, any applicable prepayment premiums and an amended Exhibit D. Any failure of the Lender to respond shall be construed as a denial of the request. If such new Applicable Loan Rate and Prepayment Date are not acceptable to the Borrower, the

Borrower shall prepay the Loan on the Prepayment Date. In connection with the extension of the Loan, the Borrower shall cause to be delivered to the Issuer a notice of such extension and the new Applicable Loan Rate, Prepayment Date and amended Exhibit D, and to the Issuer and the Lender an opinion of Special Counsel that such extension will not, in and of itself, adversely affect the exclusion of the interest on the Issuer Loan from the gross income of the recipients thereof for purposes of federal income taxation. The Lender, the Issuer and the Borrower shall enter into an amendment to this Loan Agreement to reflect the terms of any extension of the Loan pursuant to this Section. Notwithstanding the foregoing, any extension of the Prepayment Date pursuant to Section 4.16 hereof shall not be subject to the conditions of this Section 4.08(e).

Section 4.09. Restrictions on Transfer of Loan.

(a) Notwithstanding any other provision hereof, the Borrower Loan is nontransferable, except in connection with the transfer of the Issuer Loan Obligation. The Issuer Loan Obligation may be transferred, assigned and reassigned in whole (but not in part) by the Lender without the consent of the Issuer or the Borrower, upon 30 days prior written notice to the Issuer and the Borrower, to an Affiliate or a Qualified Institutional Buyer but only in accordance with the requirements of this Section 4.09; *provided, however*, that Lender shall not transfer or assign the Authority Loan prior to the earlier of (i) the date of delivery of a Completion Notice or (ii) January 31, 2019. For purposes of the foregoing sentence, a change of control of the Lender or a sale of substantially all of the Lender's assets or equity shall not be deemed to be a transfer or assignment of the Issuer Loan Obligation. In the event of a sale or transfer to an Affiliate, the Lender shall certify to the Issuer and the Borrower that such transferee is an Affiliate. In the event of a sale, transfer or assignment by the Lender of the Issuer Loan Obligation to a Qualified Institutional Buyer that is not an Affiliate of the Lender, the Lender shall, prior to any such transfer, provide or cause to be provided to the Issuer and the Borrower an investor letter executed by such purchaser or transferee in the form of Exhibit B hereto which shall contain a certification that the purchaser or transferee is a Qualified Institutional Buyer as provided in this Loan Agreement. The provisions of the investor letter may not be revised without the prior written consent of the Issuer. In addition, Lender will provide to the Borrower an Assignment Letter, in the form of Exhibit E hereto, when such assignment is to an Affiliate, and the Borrower shall acknowledge such assignment.

(b) Upon assignment, the Borrower will reflect in a book entry the assignee designated in the written request of assignment or in a written certification of an Affiliate delivered to the Issuer and the Borrower pursuant to this Section, and shall agree to make all payments to the assignee designated in such written request, notwithstanding any claim, defense, setoff or counterclaim whatsoever (whether arising from a breach of this Loan Agreement or otherwise) that the Issuer and the Borrower may from time to time have against the Lender or the assignee.

(c) The Issuer agrees to execute all documents, including notices of assignment, which may be reasonably requested by the Lender or its assignee to protect their interest in the Project and in this Loan Agreement; provided, however, that the

Issuer shall not thereby be required or deemed to waive any rights hereunder or under any other document in connection herewith to which the Issuer is a party or by which it is bound. The Lender or assignee shall pay all reasonable expenses of the Issuer and Borrower, including reasonable fees and expenses of counsel (including those of in-house and outside counsel). Any transfers of interest in the Issuer Loan Obligation shall only be made pursuant to an entry in a registration book by the Borrower pursuant to this Section, as required by Section 149 of the Code.

Section 4.10. Repayment. Payments of interest on Loan shall be payable monthly, beginning on the first day of the month that follows Closing Date, and continuing through the Maturity Date or earlier prepayment as required hereunder. The Borrower shall make principal payments with respect to the Loan in accordance with Exhibit D attached hereto. In addition, Borrower shall repay \$200,000 of the principal amount of the Loan promptly upon reimbursement of such amount from Yeshiva of Los Angeles (“YOLA”) for certain costs included in the Project Budget (as defined in the Project Fund Disbursement Agreement) associated with construction of improvements to an easement for the benefit of YOLA.

Section 4.11. Determining Applicable Loan Rate. During the Initial Rate Period, the Applicable Loan Rate shall be equal to the Prime Rate minus 0.875%. If the Initial Prepayment Date is extended pursuant to Section 4.16(c) hereof, then until the Initial Prepayment Date (as so extended), the Applicable Loan Rate shall, at the option of the Borrower made at the time of such extension, be either (i) equal to the Prime Rate minus 0.875% (the “Floating Rate Option”), or (ii) a fixed rate equal to 70% of the sum of 2.00% plus the Treasury Rate in effect at the time of such extension (the “Fixed Rate Option”), provided that in either case the Applicable Loan Rate shall not be less than 3.15%. The Borrower shall provide a written notice of its election of the Floating Rate Option or the Fixed Rate Option that will apply from the end of the Initial Rate Period to the extended Initial Prepayment Date to the Lender and the Issuer at least 30 days prior to the end of the Initial Rate Period. In the event the Lender and the Issuer have not received a written notice from the Borrower electing the Floating Rate Option or the Fixed Rate Option 30 days prior to the end of the Initial Rate Period, the Applicable Loan Rate shall be the Floating Rate Option.

Section 4.12. Original Issue Discount. The Lender is purchasing the Issuer Loan Obligation at a discount to the principal amount of the Issuer Loan Obligation. The Lender’s purchase price of the Issuer Loan Obligation, and accordingly, the proceeds of the Borrower Loan, shall be equal to \$14,906,250 (representing the principal amount of the Issuer Loan Obligation, less Lender’s original issue discount of \$93,750).

Section 4.13. Late Charge. If the Borrower fails to make any Payment and such failure results in the untimely payment of principal and interest on the Loan, or if the Borrower fails to make any Additional Payment when due, in each case, taking into account a ten (10) grace period allowed for such Payment, the Borrower shall pay to the Lender or the Issuer a late charge equal to 5% of the past due payment; provided that such late charge shall not be applicable to any balloon payment of principal due on the Prepayment Date or Maturity Date, as the same may be accelerated hereunder.

Section 4.14. Default Rate. If (a) the Borrower shall fail to pay the principal and accrued interest on the Borrower Loan when the same shall become due under this Loan Agreement, or (b) a notice of default is issued under the Security Agreement, then the Applicable Loan Rate hereunder shall increase to the Default Rate. All amounts not paid when due under this Loan Agreement (subject to any applicable grace periods) shall be added to the unpaid principal amount hereunder and shall bear interest at the Default Rate until such time as the payment default is cured.

Section 4.15. Capital Campaign Fund. The Borrower shall establish and maintain at California United Bank a separate account designated as the “Capital Campaign Fund” and designated as account number 235303116. Following the Closing Date, the Borrower shall deposit all moneys received in respect of Capital Campaign Contributions into the Capital Campaign Fund. All such moneys shall be deposited into the Capital Campaign Fund no later than two (2) Business Days following the receipt of such moneys by the Borrower. Amounts in the Capital Campaign Fund shall be invested in Permitted Investments as directed in writing by the Borrower. In the absence of written directions from the Borrower, the funds in the Capital Campaign Fund shall be uninvested. The Borrower hereby assigns, transfers and grants to the Lender, as assignee of the Issuer, and there is hereby created in favor of the Lender, a first priority security interest under the California Uniform Commercial Code in and to the Capital Campaign Fund, the funds therein, interest earned on the funds on deposit in the Capital Campaign Fund and all contracts, rights, claims and privileges in respect to the Capital Campaign Fund and funds on deposit therein, and subject to the terms set forth in the Account Control and Pledge Agreement.

Section 4.16. Extension of Initial Prepayment Date.

(a) At the election of the Borrower, the Initial Prepayment Date shall be extended to November 1, 2020 if Borrower provides the Lender with written notice of such election not less than 60 days prior to the Initial Prepayment Date, and the following conditions are satisfied prior to the Initial Prepayment Date:

(i) the outstanding principal amount of the Loan does not exceed \$10,000,000;

(ii) the Borrower has deposited into the Interest Reserve Fund, an amount equal to 12 months of interest on the portion of the Loan in excess of \$5,000,000 at the Applicable Loan Rate in effect one week prior to the Initial Prepayment Date to be applied in accordance with Section 3.03 of this Loan Agreement;

(iii) a Completion Notice is filed with respect to the Improvements;

(iv) the Title Company has issued a re-write of the Title Policy or such endorsements to the Title Policy as the Lender may reasonably request;

(v) the Borrower shall have delivered a certificate of occupancy is issued for the Improvements (or its equivalent as determined by Lender, as

confirmation that the final inspection of the Improvements has been satisfactorily completed); and

(vi) the Borrower has paid to the Lender an extension fee equal to 0.125% of the outstanding principal amount of the Loan.

(b) At the election of the Borrower, if the Initial Prepayment Date shall have already been extended pursuant to Section 4.16(a) above, the Initial Prepayment Date shall be further extended to November 1, 2021 if Borrower provides the Lender with written notice of such election not less than 60 days prior to the Initial Prepayment Date, and the following conditions are satisfied prior to the Initial Prepayment Date:

(i) the outstanding principal amount of the Loan does not exceed \$10,000,000;

(ii) the Borrower has deposited into the Interest Reserve Fund, an amount equal to 12 months of interest on the portion of the Loan in excess of \$5,000,000 at the Applicable Loan Rate in effect one week prior to the Initial Prepayment Date to be applied in accordance with Section 3.03 of this Loan Agreement; and

(iii) the Borrower has paid to the Lender an extension fee equal to 0.125% of the outstanding principal amount of the Loan.

(c) At the election of the Borrower, the Initial Prepayment Date, shall be extended to November 1, 2026 (or, if the Borrower has previously elected to extend the Initial Prepayment Date pursuant to Section 4.16(a), to November 1, 2027, and if the Borrower has previously elected to extend the Initial Prepayment Date pursuant to Section 4.16(b), to November 1, 2028) if the Borrower provides the Lender with written notice of such election not less than 60 days prior to the Initial Prepayment Date, and the following conditions are satisfied prior to the Initial Prepayment Date:

(i) the outstanding principal amount of the Loan does not exceed \$5,000,000;

(ii) the Borrower demonstrates, to the Lender's reasonable satisfaction, that the projected Debt Service Coverage Ratio immediately following such extension will be not less than 1.10 to 1.00 (with principal payment on the Loan calculated assuming an Applicable Loan Rate of 3.15% per annum and 25-year amortization);

(iii) a revised payment schedule is attached as Exhibit D hereto, reflecting the amortization of outstanding principal amount of the Loan over a 25 year term; and

(iv) the Borrower has paid to the Lender an extension fee equal to 0.75% of the outstanding principal amount of the Loan.

Section 4.17. Net of Taxes, Etc.

(a) Any and all payments to the Lender hereunder or with respect to the Loan shall be made free and clear of and without deduction or withholding for any and all Indemnified Taxes. If the Borrower shall be required by law to deduct or withhold any Indemnified Taxes imposed by the United States of America or any political subdivision thereof from or in respect of any sum payable hereunder or with respect to the Loan, then (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Lender receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall timely pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law. If the Borrower shall make any payment under this Section to or for the benefit of the Lender with respect to Indemnified Taxes and if the Lender shall claim any credit or deduction for such Indemnified Taxes against any other taxes payable by the Lender to any taxing jurisdiction in the United States of America then the Lender shall pay to the Borrower an amount equal to the amount by which such other taxes are actually reduced; *provided*, that the aggregate amount payable by the Lender pursuant to this sentence shall not exceed the aggregate amount previously paid by the Borrower with respect to such Indemnified Taxes. In addition, the Borrower agrees to pay any present or future stamp, recording or documentary taxes and any other excise or property taxes, charges or similar levies that arise under the laws of the United States of America or any state of the United States from any payment made hereunder or under the Loan or from the execution or delivery of this Agreement or the Loan, or otherwise with respect to this Agreement or the Loan (hereinafter referred to as “*Other Taxes*”). The Lender shall provide to the Borrower within a reasonable time a copy of any written notification it receives with respect to Indemnified Taxes or Other Taxes owing by the Borrower to the Lender hereunder; *provided*, that the Lender’s failure to send such notice shall not relieve the Borrower of its obligation to pay such amounts hereunder.

(b) The Borrower shall, to the fullest extent permitted by law and subject to the provisions hereof, pay the Lender for the full amount of Indemnified Taxes and Other Taxes including any Indemnified Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section paid by the Lender or any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally asserted; *provided*, that the Borrower shall not be obligated to pay the Lender for any penalties, interest or expenses relating to Indemnified Taxes or Other Taxes arising from the Lender’s gross negligence or willful misconduct. The Lender agrees to give notice to the Borrower of the assertion of any claim against the Lender relating to such Indemnified Taxes or Other Taxes as promptly as is practicable after being notified of such assertion. Payments by the Borrower pursuant to this Section shall be made within thirty (30) days from the date the Lender makes written demand therefor, which demand shall be accompanied by a certificate describing in reasonable detail the basis thereof. Notwithstanding anything herein to the contrary, the Borrower shall not be obligated to pay the Lender for any Indemnified Taxes or Other Taxes paid by the Lender more than three (3) years prior to

the demand by the Lender under this Section. The Lender agrees to repay to the Borrower any refund (including that portion of any interest that was included as part of such refund) with respect to Indemnified Taxes or Other Taxes paid by the Borrower pursuant to this Section received by the Lender for Indemnified Taxes or Other Taxes that were paid by the Borrower pursuant to this Section and to contest, with the cooperation and at the expense of the Borrower, any such Indemnified Taxes or Other Taxes which the Lender or the Borrower reasonably believes not to have been properly assessed.

(c) Within thirty (30) days after the date of any payment of Indemnified Taxes by the Borrower, the Borrower shall furnish to the Lender the original or a certified copy of a receipt evidencing payment thereof.

(d) Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower contained in this Section shall survive the termination of this Loan Agreement and the payment in full of the Loan.

ARTICLE V

CONDITIONS PRECEDENT

Section 5.01. Conditions Precedent to Loan Agreement. The Issuer's agreement to enter into this Loan Agreement and provide the financing contemplated hereby shall be subject to the condition precedent that the Issuer shall have received, or waived the requirement for, the items listed in Section 5.01(a)-(p), (w), (x), (y), (aa) and (dd), each in form and substance satisfactory to the Issuer. The Lender's agreement to enter into this Loan Agreement and provide the financing contemplated hereby shall be subject to the condition precedent that the Lender shall have received or waived the requirement for, all of the following, each in form and substance satisfactory to the Lender:

(a) this Loan Agreement, properly executed on behalf of the Issuer, the Borrower and the Lender, and, if applicable, each of the Exhibits hereto properly completed;

(b) the Tax Regulatory Agreement, properly executed on behalf of the Borrower and the Issuer;

(c) the Assignment Agreement; properly executed on behalf of the Issuer and the Lender;

(d) the Security Agreement, properly executed on behalf of the Borrower;

(e) the Deed of Trust, properly executed on behalf of the Borrower;

(f) the Environmental Indemnity Agreement, properly executed by the Borrower;

(g) the Project Fund Disbursement Agreement, properly executed on behalf of the Borrower and the Lender;

(h) the Assignment of Contracts and Permits executed by Borrower and Lender and acknowledged by the Architect and the Contractor;

(i) each Guaranty Agreement, properly executed by the applicable Completion Guarantor;

(j) reserved;

(k) the Account Control and Pledge Agreement, properly executed by the Borrower;

(l) reserved;

(m) a certificate of the Borrower, certifying as to (i) the resolutions of the Board of Directors or Executive Committee, if so authorized by the Board of Directors, of the Borrower, authorizing the execution, delivery and performance of the Borrower Documents and any related documents, (ii) the Bylaws of the Borrower, and (iii) the signatures of the officers or agents of the Borrower authorized to execute and deliver the Borrower Documents and other instruments, agreements and certificates on behalf of the Borrower;

(n) copies of the Articles of Incorporation of the Borrower, certified within 30 days of the Closing Date;

(o) a certificate of good standing issued as to the Borrower by the Secretary of State of the State dated not more than thirty (30) days prior to the Closing Date;

(p) a certificate of good standing or exemption issued as to the Borrower by the Franchise Tax Board of the State dated not more than thirty (30) days prior to the Closing Date;

(q) a resolution adopted by the Issuer authorizing the Borrower Loan and the Issuer Loan Obligation and the transactions contemplated hereunder;

(r) a closing certificate of the Issuer in a form reasonably acceptable to Lender's Counsel;

(s) evidence that the financing of the Project has been approved by the "applicable elected representative" of the governmental approver pursuant to the Tax Equity and Fiscal Responsibility Act, after a public hearing held upon reasonable notice;

(t) UCC-1 financing statement(s) as required by the Lender to perfect the security interests of the Issuer and assignment to the Lender;

(u) current searches of appropriate filing offices showing that (i) no state or federal tax liens have been filed and remain in effect against the Borrower, (ii) no financing statements have been filed and remain in effect against the Borrower relating to the Project except those financing statements filed by the Lender, or financing statements which will be terminated upon closing of the financing contemplated hereunder, and (iii) the Lender has duly filed all financing statements necessary to perfect the security interest created pursuant to this Loan Agreement to the extent such interest can be perfected by filing a financing statement;

(v) a completed and executed Form 8038 or evidence of filing thereof with the Secretary of Treasury;

(w) an opinion of counsel to the Borrower, addressed to Kutak Rock LLP, as Lender's Counsel, the Lender and the Issuer, in form and substance acceptable to the Lender and the Issuer and addressing the matters described in Exhibit C hereto;

(x) an opinion of Lender's Counsel addressed to the Lender and Issuer, in form and substance acceptable to the Lender and the Issuer;

(y) evidence of payment of the Issuer's closing fees and the fees of the Issuer's counsel;

(z) evidence of payment to the Lender of the Lender's costs and expenses in connection with the execution of the Loan Documents;

(aa) an investor letter of representations executed by the Lender, in the form attached hereto as Exhibit B and such other certificates of the Lender reasonably requested by Lender's Counsel and counsel to the Issuer;

(bb) the Final Appraisal of the Property evidencing that the loan-to-value ratio, based on the fair market value of the Property that will secure the Loan as set forth in the Final Appraisal, is acceptable to the Lender;

(cc) certificates of the insurance required under Section 7.04 of this Loan Agreement containing a lender's loss payable clause or endorsement in favor of the Lender;

(dd) evidence satisfactory to the Issuer that the Borrower has retained the services of a rebate consultant for purposes of compliance with certain requirements of the Tax Regulatory Agreement;

(ee) a Docket Search of the Superior Court in the County of Los Angeles and the United States District Court for the Central District of California with respect to Borrower;

(ff) the Title Policy, or evidence satisfactory to the Lender in its sole discretion of the Title Insurer's irrevocable commitment to issue the Title Policy immediately upon closing; and

(gg) any other documents or items reasonably required by the Lender or the Issuer.

Section 5.02. Conditions Precedent to Subsequent Draw Requests.

Other than the initial disbursement of Loan Proceeds on the Closing Date, Lender's agreement to disburse the Loan Proceeds shall be subject to the conditions precedent that Borrower shall have obtained the building permit(s) and any other permits, licenses and approvals that may be required for the commencement of the construction of the Improvements, in form and substance satisfactory to Lender. In addition, other than the initial disbursement of Loan Proceeds on the Closing Date, Lender's agreement to disburse the Loan Proceeds shall be subject to the further conditions precedent that Lender shall have received or waived the requirement for all of the following for each Draw Request, each in form and substance satisfactory to Lender:

- (a) an updated Exhibit G to this Loan Agreement, as applicable;
- (b) a fully executed Draw Request substantially in the form attached hereto as Exhibit F, with all appropriate supporting documents attached thereto;
- (c) payment of Lender Fees, commissions and expenses required by Section 12.03 hereof;
- (d) copies of fully executed applications for payments submitted by the General Contractor, and at Lender's option, from the "Major Subcontractors" (defined for purposes of this section and elsewhere herein as subcontractors performing work in excess of \$50,000.00), on AIA Document 702 and 703, with all supporting documentations required thereby;
- (e) the certification by Borrower that no Event of Default exists, and, to the best of its knowledge, no event has occurred and no condition exists that, after notice or lapse of time, or both, would constitute an Event of Default; and
- (f) such other information and documents required pursuant to the Project Fund Disbursement Agreement or as Lender may reasonably require related to such disbursement request.

Section 5.03. Limitations to Disbursement. Notwithstanding anything to the contrary contained in this Loan Agreement, other than the initial disbursement of Loan Proceeds on the Closing Date, the Lender need not make any further disbursements pursuant to a Draw Request or allow any withdrawal from the Project Fund at any time if:

- (a) the Facilities or Improvements are materially damaged by fire or other casualty and not repaired and restored in all material respects, unless Lender actually receives insurance proceeds or a cash deposit from Borrower sufficient in Lender's reasonable judgment to pay for the complete repair or replacement of the Improvements in a timely manner;

(b) the Lender reasonably believes that withholding disbursement in whole or in part is required by applicable mechanics' lien or stop notice laws (unless the Borrower has obtained a bond reasonably satisfactory to the Lender sufficient to allow the Lender to make such disbursement in accordance with California law);

(c) the Borrower has not obtained or is not materially in compliance with all required governmental approvals, including without limitation all necessary building permits, or has not complied with all applicable regulations, laws, ordinances (including without limitation environmental and subdivision map requirements and conditions of approval) to permit the construction of the Improvements according to the Plans and Specifications;

(d) the Borrower fails timely to proceed with completion of construction of the Improvements substantially in accordance with the Plans and Specifications approved by the Lender, subject to Excusable Delay; or

(e) an Event of Default has occurred under this Loan Agreement, any of the other Loan Document, any other agreement between Lender and Borrower, or Borrower is in default beyond applicable cure periods under any other agreement regarding the development of the Facilities or the Improvements, including without limitation, any subdivision agreement, improvement agreement, or development agreement.

Section 5.04. Post-Closing Conditions. Lender's agreement to disburse the Loan Proceeds shall be subject to the following conditions:

(a) by November 6, 2016, Borrower shall have the building permit(s) and any other permits, licenses and approvals (collectively, the "Permits") that may be required for the commencement of the construction of the Improvements, in form and substance satisfactory to Lender; and

(b) by October 24, 2016, Borrower shall have delivered to Lender both Tenant Subordination Agreements, properly executed by the Borrower and the applicable tenant, notarized, and in proper form for recording in the real property records of Los Angeles County.

ARTICLE VI

SECURITY INTEREST

Section 6.01. Change in Name or Corporate Structure of the Borrower; Change in Location of the Borrower's Principal Place of Business. The Borrower's chief executive office is located at the address set forth in Section 12.04 hereof, and all of the Borrower's records relating to its business are kept at such location. The Borrower hereby agrees to provide written notice to the Lender and the Issuer of any change or proposed change in its name, corporate structure, state of its incorporation or organization, place of business, chief executive office or tax identification number. Such notice shall be provided 30 days in advance of the date that such change or proposed change is planned to take effect.

Section 6.02. Security Interest. The Borrower hereby authorizes the Lender to file any financing statement (and any amendments or continuations to any financing statement) necessary to perfect the security interest granted in this Loan Agreement under the laws of the State. Pursuant to Section 5451 of the Government Code of the State, the pledge of the Payments by the Issuer for the repayment of the principal of, premium, if any, and interest on the Issuer Loan Obligation constitutes a first lien and security interest which immediately attaches to such Payments, and is effective and binding against the Issuer, the Borrower, their successors, creditors and all others asserting rights therein irrespective of whether those parties have notice of the pledge, irrespective of whether such amounts are or may be deemed to be a fixture and without the need for physical delivery, recordation, filing or further act.

Section 6.03. Assignment of Insurance. As additional security for the payment and performance of the Borrower's obligations under this Loan Agreement, the Borrower hereby assigns to the Issuer, and the Issuer hereby assigns to the Lender, a security interest in any and all moneys (including, without limitation, proceeds of insurance) due or to become due under, and all other rights of the Borrower with respect to, any and all policies of insurance now or at any time hereafter covering the Property or any evidence thereof or any business records or valuable papers pertaining thereto, and the Borrower shall direct the issuer of any such policy to pay all such moneys directly to the Lender for application in accordance with Article IX. The Borrower hereby assigns to the Issuer, and the Issuer hereby assigns to the Lender, any and all moneys due or to become due with respect to any condemnation proceeding affecting the Property. Net Proceeds of any insurance award resulting from any damage to or destruction of any portion of the Property by fire or other casualty, as applicable, of any title insurance award, or of any eminent domain or condemnation award resulting from any event described in Section 9.01 hereof shall be applied as provided in Section 9.02 hereof. At any time, whether before or after the occurrence of any Event of Default, the Lender may (but need not) in furtherance of rights pursuant to Article IX hereof, in the Lender's name or in the Borrower's name, execute and deliver proof of claim, receive all such moneys, endorse checks and other instruments representing payment of such moneys, and adjust, litigate, compromise or release any claim against the issuer of any such policy or party in any condemnation proceeding.

ARTICLE VII

AFFIRMATIVE COVENANTS OF BORROWER

Section 7.01. Maintenance of Property.

(a) The Borrower shall, at its own commercially reasonable expense, maintain, preserve and keep the Property in good repair, working order and condition consistent with its past practice, and shall from time to time make all reasonable repairs and replacements necessary to keep the Property in such condition, and in compliance with State and federal laws, ordinary wear and tear excepted. In the event that any parts or accessories forming part of any item or items of Property become worn out, lost, destroyed, damaged beyond repair or otherwise rendered unfit for use, the Borrower, at its own commercially reasonable expense and expeditiously, will replace or cause the replacement of such parts or accessories by replacement parts or accessories free and clear of all liens and encumbrances and with a value and utility at least equal to that of

the parts or accessories being replaced (assuming that such replaced parts and accessories were otherwise in good working order and repair). All such replacement parts and accessories shall be deemed to be incorporated immediately into and to constitute an integral portion of the Property and, as such, shall be subject to the terms of this Loan Agreement. Neither the Issuer nor the Lender shall have any responsibility in any of these matters, or for the making of repairs to the Property or additions to the Property.

(b) The Borrower shall observe and comply in all material respects with all legal requirements applicable to the ownership, use and operation of the Property, including the terms and conditions set forth in this Loan Agreement, the Deed of Trust and the Tax Regulatory Agreement. The Borrower shall permit the Lender and its agents, representatives and employees, upon reasonable prior notice to the Borrower, to inspect the Property and conduct such environmental and engineering studies as the Lender may reasonably require, provided such inspections and studies are conducted during normal business hours and do not materially interfere with the use and operation of the Property. Such environmental and engineering studies shall be at Borrower's commercially reasonable expense, provided that Lender provides Borrower with evidence of Lender's reasonable belief that there is an environmental or structural condition at the Property that could have a Material Adverse Effect on the Lender's security under the Loan Documents.

(c) The Borrower will defend the Property against all claims or demands of all persons (other than the Lender hereunder and other than Permitted Encumbrances) claiming the Property or any interest therein.

Section 7.02. Compliance with Laws and Obligations. The Borrower will comply with the requirements of applicable laws and regulations and material contractual obligations, the noncompliance with which would materially and adversely affect its business or its financial condition; provided, however, nothing herein shall preclude the Borrower's right to contest in good faith by appropriate proceedings any claim of noncompliance or breach.

Section 7.03. Payment of Taxes and Other Claims. The Borrower will pay or discharge, when due, (a) all taxes, assessments and governmental charges levied or imposed upon it or upon its income or profits, upon any properties belonging to it (including, without limitation, the Property) or upon or against the creation, perfection or continuance of the security interest created pursuant to this Loan Agreement or any of the Loan Documents, prior to the date on which penalties attach thereto; (b) all federal, state and local taxes required to be withheld by it; and (c) all lawful claims for labor, materials and supplies which, if unpaid, might by law become a lien or charge upon any properties of the Borrower; provided, that the Borrower shall not be required to pay any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate proceedings. The Borrower will pay, as the same respectively come due, all gas, water, steam, electricity, heat, power, telephone, utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Property; provided, that the Borrower shall not be required to pay any such charge whose amount, applicability or validity is being contested in good faith by appropriate proceedings.

Section 7.04. Insurance; Indemnity.

(a) During the construction of the Improvements or of any improvements to the Property with an aggregate cost in excess of \$250,000, Borrower shall maintain builder's risk insurance, including theft, to insure, without limitation, all buildings, materials, supplies, temporary structures, foundations, other underground property, tenant improvements, and all other property on-site and while in transit which is to be used in fabrication, construction, and completion of such Improvements being constructed, and to remain in effect until all such Improvements being constructed have been completed and accepted by Borrower and the Lender (or the Lender's designee) and a certificate of occupancy has been issued. Such insurance shall be in an amount not less than \$15,000,000 and be provided on a replacement cost value basis and shall (i) be on a non-reporting, completed value, form; (ii) cover damage to landscaping and debris removal expense (including removal of pollutants as available by standard underwriting placements); (iii) provide that Borrower can complete and occupy the premises without further written consent from the insurer; (iv) not exclude losses due to explosions, collapses, or underground hazards; (v) cover soft costs and continuing expenses not directly involved in the direct cost of construction or renovation, including interest on money borrowed to finance construction or renovation, advertising, promotion, real estate taxes and other assessments, the cost of renegotiating leases, architectural and engineering costs, legal and accounting costs, and other expenses incurred as the result of property loss or destruction by the insured peril; (vi) cover riots, civil commotion, vandalism, and malicious mischief; (vii) not contain any safeguard warranties that are not fulfilled prior to policy placement; and (viii) not contain any monthly limitation. The Borrower shall provide or cause to be provided to the Lender a copy of the builder's risk insurance policy prior to the commencement of the construction of any improvements with an aggregate cost in excess of \$250,000.

(b) If requested by the Lender with respect to any time any Improvements with an aggregate cost in excess of \$250,000 are under construction, Borrower shall cause each Contractor performing any of such construction work to maintain worker's compensation insurance or other applicable insurance providing coverage for injuries to such Contractor's personnel, auto liability insurance, and general liability insurance, all in the amounts and providing coverage as is reasonably acceptable to the Lender.

(c) The Borrower shall, at its own expense, maintain and keep in force commercial comprehensive general liability and automobile liability insurance against claims arising in, on or about the Property, including in, on or about the sidewalks or premises adjacent to the Property, providing coverage limits not less than \$1,000,000 per occurrence and \$2,000,000 in aggregate.

(d) In addition, the Borrower shall, at its own expense, maintain and keep in force insurance of the types and in amounts customarily carried by institutions similar to the Borrower, including but not limited to fire and extended all-risk coverage (in an amount not less than the full replacement cost of the Facilities, without deductions for depreciation, and including all fixtures and personal property and endorsements for any non-conforming uses), flood (if the Borrower's property is located in a flood zone),

property damage, workers' compensation, business interruption, and abuse or molestation liability coverage, covering, among other items, negligence in employing, investigation, retaining, and supervising "employees" or volunteer workers with all such insurance carried with companies, in amounts and with deductible amounts reasonably satisfactory to the Lender, and deliver to the Lender from time to time at the Lender's request schedules setting forth all insurance then in effect. Alternatively, upon the written approval of the Lender, the Borrower may insure the Facilities under a blanket insurance policy or policies which cover not only the Facilities, but also other properties of the Borrower or, upon prior written approval of the Lender, may provide self-insurance acceptable to the Lender.

(e) All of the insurance policies required hereunder shall be issued by corporate insurers licensed to do business in the State and rated A or better by A.M. Best Company, shall contain a waiver of subrogation endorsement, and shall be in form acceptable to the Lender.

(f) All certificates of insurance and "blanket" insurance policies shall reference the specific project being covered by name and address and shall name the Lender as an additional loss payee. The insurance shall be evidenced by the original policy or a true and certified copy of the original policy, or in the case of liability insurance, by certificates of insurance. The insurance policies (or true and certified copies thereof) or certificates of all insurance required to be maintained hereunder shall be delivered to the Lender contemporaneously with the Borrower's execution of this Loan Agreement. The Borrower shall use its best efforts to deliver originals of all policies and renewals (or certificates evidencing the same), marked "paid" (or evidence satisfactory to the Lender of the continuing coverage) to the Lender at least thirty (30) days before the expiration of existing policies and, in any event, the Borrower shall deliver originals of such policies or certificates (or other proof of insurance acceptable to Lender) to the Lender at least fifteen (15) days before the expiration of existing policies. If the Lender has not received satisfactory evidence of such renewal or substitute insurance in the time frame herein specified, the Lender shall have the right, but not the obligation, to purchase such insurance for the Lender's interest only. Nothing contained in this Section shall require the Lender to incur any expense or take any action hereunder, and inaction by the Lender shall never be considered a waiver of any right accruing to the Lender on account of this Section. If any loss shall occur at any time while an Event of Default shall have occurred and be continuing, the Lender shall be entitled to the benefit of all insurance policies held or maintained by the Borrower, to the same extent as if same had been made payable to the Lender. The Lender shall have the right, but not the obligation to make premium payments, at the Borrower's expense, to prevent any cancellation, endorsement, alteration or reissuance of any policy of insurance maintained by the Borrower, and such payments shall be accepted by the insurer to prevent same.

(g) The Borrower shall give to the Lender immediate notice of any loss with an estimated replacement value in excess of \$100,000 occurring on or with respect to the Property. The Borrower shall furnish to the Lender, upon request, certificates of insurance evidencing such coverage while the Loan is outstanding.

(h) Any insurance policy carried or maintained pursuant to this Section (other than the worker's compensation policy) shall be so written or endorsed as to make losses, if any, payable to the Lender and the Issuer or the Borrower, as their respective interests may appear and naming the Lender as additional insured for liability. The Net Proceeds of the insurance required in this Section shall be applied as provided in Article IX hereof. Each property or liability insurance policy provided for in this Section shall contain a provision to the effect that the insurance company providing such policy shall not either cancel the policy or modify the policy materially and adversely to the interest of the Lender without first giving concurrent written notice thereof to the Lender.

(i) As among the Lender, the Issuer and the Borrower, the Borrower assumes all risks and liabilities from any cause whatsoever, whether or not covered by insurance, for loss or damage to the Facilities, and for injury to or death of any person or damage to any property on or about the Facilities, whether such injury or death be with respect to agents or employees of the Borrower or of third parties, and whether such property damage be to the Borrower's property or the property of others. Whether or not covered by insurance, the Borrower hereby assumes responsibility for and agrees to reimburse the Lender and the Issuer for and will indemnify, defend and hold the Lender and the Issuer and any of their assignees, agents, employees, officers and directors harmless from and against all liabilities, obligations, losses, damages, penalties, claims, actions, costs and expenses (including reasonable attorneys' fees) of whatsoever kind and nature, imposed on, incurred by or asserted against the Lender or the Issuer or their assignees, agents, employees, officers and directors that in any way relate to or arise out of this Loan Agreement or the Loan, the transactions contemplated hereby and thereby and the Property, including but not limited to, (i) the ownership of the Property, (ii) the delivery, lease, possession, maintenance, use condition, return or operation of components of the Property, (iii) the conduct of the Borrower, its officers, employees and agents, (iv) a breach by the Borrower of any of its covenants or obligations hereunder, and (v) any claim, loss, cost or expense involving alleged damage to the environment relating to the Property, including, but not limited to investigation, removal, cleanup and remedial costs. All amounts payable by the Borrower pursuant to the immediately preceding sentence shall be paid immediately upon demand of the Issuer or the Lender or their assignees, agents, employees, officers and directors, as the case may be. Notwithstanding the foregoing, the Borrower's indemnification obligations hereunder shall not apply to claims, liabilities, costs, damages or losses to the extent arising from the gross negligence or willful misconduct of the indemnified party or its respective agents, officers or employees. This provision shall survive the termination of this Loan Agreement for any reason.

Section 7.05. Reporting Requirements. The Borrower will deliver, or cause to be delivered, to the Lender, and to the Issuer if requested by the Issuer, each of the following, which shall be in form and detail reasonably acceptable to the Lender and the Issuer, as to information requested by the Issuer:

(a) not later than 180 days after and as of each fiscal years, commencing the fiscal year ending June 30, 2016, audited financial statements of the Borrower, including therein a balance sheet, income statement, statement of cash flows and reconciliation of

the Borrower's net assets, reviewed by independent certified public accountants reasonably acceptable to the Lender and certified, without any qualifications, by such accountants to have been prepared in accordance with GAAP consistently applied, together, with a certificate of an Authorized Borrower Representative addressed to the Lender stating that such Authorized Borrower Representative does not have knowledge of the existence of any event or condition constituting an uncured Default or an Event of Default;

(b) contemporaneously with the submittal of the financial statement required by subsection (a) above, a certificate of the Authorized Borrower Representative substantially in the form attached hereto as Exhibit H stating all relevant facts in reasonable detail to evidence, and the computations as to, whether the Borrower is in compliance with the requirements set forth in Section 7.16 hereof applicable to the period covered by the accompanying financial statements or bank statements, as applicable;

(c) not later than 30 days after filing, the annual tax returns and all K-1 schedules for the Borrower, until such time as a Completion Notice has been delivered, each Completion Guarantor;

(d) until such time as a Completion Notice has been delivered, by April 30 of each year, each Completion Guarantor's personal financial statements in form reasonably acceptable to Lender;

(e) not later than 30 days after the beginning of each fiscal year, the Borrower's annual operating budget for such fiscal year;

(f) not later than 30 days after the beginning of each fiscal quarter, a report on the status of Capital Campaign Contributions pledged to and collected by the Borrower in the prior fiscal quarter, in form reasonably acceptable to the Lender;

(g) promptly upon the occurrence and nature of any Reportable Event or Prohibited Transaction, each as defined in the Employee Retirement Income Security Act of 1974, as amended or recodified from time to time ("ERISA"), or any funding deficiency with respect to any defined employee pension benefit plan (as defined in ERISA) maintained or contributed to by the Borrower;

(h) promptly upon knowledge thereof, notice of any loss or destruction of or damage to any portion of Facilities in excess of \$250,000 or of any Material Adverse Change in the Facilities;

(i) promptly after the amending thereof, copies of any and all amendments to the Borrower's articles of incorporation or bylaws;

(j) promptly upon receipt of notice or knowledge thereof by an Authorized Borrower Representative, notice of the violation by the Borrower of any law, rule or regulation, the violation of which would have a Material Adverse Effect on the financial or operating condition of the Borrower;

(k) promptly upon written notice or knowledge thereof, any termination or cancellation of any insurance policy which the Borrower is required to maintain hereunder, or any uninsured or partially uninsured loss through liability or property damage, or through fire, theft or any other cause affecting the Borrower's property in excess of an aggregate of \$250,000;

(l) immediately upon the Borrower's actual knowledge thereof, notice in writing of all litigation and of all proceedings before any governmental or regulatory agency affecting the Borrower which seek a monetary recovery against the Borrower in excess of \$250,000;

(m) as promptly as practicable (but in any event not later than ten Business Days) after an Authorized Borrower Representative obtains knowledge of the occurrence of any event that constitutes a Default or an Event of Default under the Loan Documents, notice of such occurrence, together with a detailed statement by an Authorized Borrower Representative of the steps being taken by the Borrower to cure the effect of such Default or Event of Default;

(n) within 60 days of receipt of a written request from the Issuer, a written report, as of the end of the Borrower's prior fiscal year, stating the status of the Project and the unpaid outstanding balance of the Loan; and

(o) from time to time such other information as the Lender or the Issuer may reasonably request, including, without limitation, other information with respect to any Collateral.

Section 7.06. Books and Records; Inspection and Examination. The Borrower will keep accurate books of record and account for itself separate and apart from those of its affiliates, including its officers, pertaining to the Property and pertaining to the Borrower's business and financial condition and such other matters as the Lender and/or the Issuer may from time to time reasonably request in which true and complete entries will be made in accordance with GAAP consistently applied and, upon written request of the Lender not more than once per calendar year, at any time after the occurrence of an Event of Default or as often as the Lender reasonably deems necessary to determine whether the Borrower is in compliance with Environmental Laws, will permit any officer, employee, attorney or accountant for the Lender and/or the Issuer or, at the written request of the Issuer to the Borrower and only pursuant to a request from the Internal Revenue Service, a representative of the Internal Revenue Service, to audit, review, make extracts from, or copy any and all organization and financial books and records and properties of the Borrower and to examine and inspect the Property and the Collateral, and to discuss the affairs of the Borrower with any of its officers, employees or agents at all times during ordinary business hours (a) within two Business Days of a written request by the Lender and/or the Issuer, (b) at any time after the occurrence of an Event of Default, or (c) as often as the Lender and/or Issuer reasonably deem necessary to determine whether the Borrower is in compliance with Environmental Laws.

Section 7.07. Performance by the Lender. If the Borrower at any time fails to perform or observe any of the covenants or agreements contained in the Loan Documents (except for the

Tax Regulatory Agreement), immediately upon the occurrence of such failure, without notice or lapse of time, but after giving effect to any applicable cure periods or contest rights of the Borrower pursuant to the terms such covenants or agreements, the Lender may, but need not, perform or observe such covenant on behalf and in the name, place and stead of the Borrower (or, at the Lender's option, in the Lender's name) and may, but need not, take any and all other actions which the Lender may reasonably deem necessary to cure or correct such failure (including, without limitation, the payment of taxes, the satisfaction of security interests, liens or encumbrances, the performance of obligations owed to account debtors or other obligors, the procurement and maintenance of insurance, the execution of assignments, security agreements and financing statements, and the endorsement of instruments); and the Borrower shall thereupon pay to the Lender on demand the amount of all moneys expended and all reasonable costs and expenses (including reasonable attorneys' fees and legal expenses) incurred by the Lender in connection with or as a result of the performance or observance of such agreements or the taking of such action by the Lender, together with interest thereon from the date of demand at the Default Rate. In furtherance of the foregoing, the Borrower hereby irrevocably appoints the Lender, or the delegate of the Lender, acting alone, as the attorney in fact of the Borrower, with a limited power of attorney, coupled with an interest, with the right (but not the duty) from time to time to create, prepare, complete, execute, deliver, endorse or file in the name and on behalf of the Borrower any and all instruments, documents, assignments, security agreements, financing statements, applications for insurance and other agreements and writings relating to the Property required to be obtained, executed, delivered or endorsed by the Borrower under this Loan Agreement.

Notwithstanding anything herein to the contrary, the Issuer shall have the right to enforce Borrower's covenants, agreements and representations in the Tax Regulatory Agreement against Borrower pursuant to the terms thereof.

Section 7.08. Preservation of Existence. The Borrower will preserve and maintain its existence, its status as a nonprofit public benefit corporation and an organization described in Section 501(c)(3) of the Code, and all of its rights, privileges and franchises necessary or desirable in the normal conduct of its business; and shall conduct its business in an orderly, efficient and regular manner. The Borrower shall hold itself out to the public as a legal entity separate and distinct from any other entity (including any affiliate thereof). So long as the Issuer Loan Obligation remains outstanding, the Borrower will be qualified to transact business in the State and will be engaged in business in the State.

Section 7.09. No Liability for Consents or Appointments. Whenever any provision herein provides for the giving of consent or direction by the Issuer, the Issuer shall not be liable to the Borrower or to the Lender for the giving of such consent or direction or for the withholding of such consent or direction. The Issuer shall have no liability for appointments which are required to be made by it under this Loan Agreement or any related documents.

Section 7.10. Non-Liability of the Issuer. No agreements or provisions contained in this Loan Agreement nor any agreement, covenant, or undertaking by the Issuer in connection herewith shall give rise to any pecuniary liability of the Issuer or a charge against its general credit, or shall obligate the Issuer financially in any way, except as may be payable from Payments made pursuant to the Borrower Loan and their application as provided herein. No

failure of the Issuer to comply with any term, covenant, or agreement contained herein, or in any document executed by the Issuer in connection herewith, shall subject the Issuer to liability for any claim for damages, costs, or other financial or pecuniary charge, except to the extent that the same can be paid or recovered from Payments made pursuant to the Borrower Loan. Nothing herein shall preclude a proper party in interest from seeking and obtaining, to the extent permitted by law, specific performance against the Issuer for any failure to comply with any term, condition, covenant or agreement contained herein, or any obligations imposed upon the Issuer pursuant hereto, or the breach thereof. In making the agreements and provisions set forth in this Loan Agreement, the Issuer has not obligated itself, except with respect to the application of Payments made pursuant to the Borrower Loan hereunder.

Section 7.11. Expenses. The Borrower covenants and agrees to pay, and to indemnify Issuer against all reasonable costs, charges and expenses, including fees and disbursements of attorneys, including, without limitation, fees and expenses of the Issuer's in-house and outside counsel, accountants, consultants and other experts, incurred by the Issuer in good faith in connection with the Loan and the Loan Documents.

Section 7.12. No Personal Liability.

(a) The Issuer shall not be obligated to pay the principal of or interest on the Issuer Loan Obligation, except from Payments under the Borrower Loan and any other moneys and assets received by the Issuer for such purpose pursuant to this Loan Agreement (but expressly excluding any Additional Payments due to the Issuer). Neither the faith and credit nor the taxing power of the State or any political subdivision thereof, nor the faith and credit of the Issuer is pledged to the payment of the principal or interest on the Issuer Loan Obligation. Neither the Issuer nor its officers, directors, agents or employees or their successors and assigns shall be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind or any conceivable theory, under, by reason of or in connection with this Loan Agreement or the Issuer Loan Obligation, except if and only to the extent amounts are received for the payment thereof from the Borrower under this Loan Agreement.

(b) The Lender and the Borrower hereby acknowledge that the Issuer's sole source of moneys to repay the Issuer Loan Obligation will be provided by Payments made by the Borrower under the Borrower Loan pursuant to this Loan Agreement, and Borrower hereby agrees that if the payments to be made hereunder shall ever prove insufficient to pay all principal and interest on the Issuer Loan Obligation as the same shall become due (whether by maturity, redemption, acceleration or otherwise), the Borrower shall pay such amounts as are required from time to time to prevent any deficiency or default in the payment of such principal or interest, including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of the Borrower, the Issuer or any third party, subject to any right of reimbursement from the Issuer or any such third party, as the case may be, therefor but solely, in the case of the Issuer, from the Payments or Additional Payments (other than funds paid to the Issuer pursuant to Reserved Issuer Rights), other than with respect to any deficiency caused by the willful misconduct of the Issuer.

(c) No director, member, officer, agent or employee of the Issuer or any director, officer, agent or employee of the Borrower shall be individually or personally liable for the payment of any principal or interest on the Issuer Loan Obligation or any other sum hereunder 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 7.13. The Borrower Indemnification of the Issuer. The Borrower covenants and agrees as follows:

(a) To the fullest extent permitted by law, the Borrower agrees to indemnify, hold harmless and defend the Issuer, and each of its past, present and future officers, governing directors, officials, employees, attorneys and agents (collectively, the “Issuer 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, including, without limitation, fees and expenses of the Issuer’s in-house and outside counsel, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments) to which the Issuer Indemnified Parties, or any of them, may become subject under or 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 Loan or the Loan Documents or the execution or amendment hereof or thereof or in connection with transactions contemplated hereby or thereby;

(ii) any act or omission of the Borrower or any of its agents, contractors, servants, employees, tenants) or licensees in connection with the Project, the Improvements or the Property, the operation of the Improvements or the Property, 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, the Improvements or the Property or any part thereof;

(iii) any Lien or charge upon payments by the Borrower to the Issuer hereunder, or any taxes (including, without limitation, all ad valorem taxes and sales taxes), assessments, impositions and other charges imposed on the Issuer in respect of any portion of the Project, the Improvements or the Property;

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

(v) the defeasance or prepayment, in whole or in part, of the Loan;

(vi) any Determination of Taxability of interest on the Loan, or allegations that interest on the Loan is taxable or any regulatory audit or inquiry regarding whether interest in the Loan is taxable;

(vii) any untrue statement or misleading statement or alleged untrue statement or alleged misleading statement of a material fact contained in any offering statement or disclosure or continuing disclosure document for the Loan or any of the documents relating to the Loan, or any omission or alleged omission from any offering statement or disclosure or continuing disclosure document for the Loan 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;

provided that the foregoing indemnification shall not be available to the extent such damages are caused by the gross negligence or willful misconduct of such Issuer 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 Borrower, upon written notice from the Issuer Indemnified Party, shall assume the investigation and defense thereof, including the employment of counsel selected by the Borrower and reasonably approved by the Issuer Indemnified Party, and shall assume the payment of all expenses related thereto, whether incurred or paid prior to or following receipt by Borrower of such written notice, with full power to litigate, compromise or settle the same in its sole discretion; provided that the Issuer Indemnified Party shall have the right to review and approve or disapprove any such compromise or settlement. Each Issuer 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 Borrower shall pay the reasonable fees and expenses of such separate counsel; provided, however, that such Issuer Indemnified Party may only employ separate counsel at the expense of the Borrower if in the reasonable judgment of such Issuer Indemnified Party a conflict of interest exists by reason of common representation or if all parties commonly represented do not reasonably agree as to the action (or inaction) of counsel.

(b) The rights of any persons to indemnity hereunder and rights to payment of fees and reimbursement of expenses pursuant to this Loan Agreement shall survive the final payment or prepayment of the Issuer Loan Obligation. The provisions of this Section shall survive the termination of this Loan Agreement.

Section 7.14. The Borrower Indemnification of the Lender. The Borrower covenants and agrees as follows:

(a) to indemnify and hold harmless, to the extent permitted by law, the Lender and its affiliates, their respective incorporators, members, commissioners, directors, officers, agents and employees (collectively, the “Lender Indemnified Persons”) against all liability, losses, damages, all reasonable costs and charges (including reasonable fees and disbursements of attorneys, accountants, consultants and other experts), taxes, causes of action, suits, claims, demands and judgments of every conceivable kind, character and nature whatsoever, by or on behalf of any person arising in any manner from the transaction of which this Loan Agreement is a part or arising in any manner in connection

with the Project and/or Property, including, but not limited to, losses, claims, damages, liabilities or reasonable expenses arising out of, resulting from or in any way connected with (i) the work done on the Property or the operation of the Property during the term of this Loan Agreement, including, without limitation, any liability for any loss or damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to the Property; (ii) any violation of contract, agreement (including the Loan Documents) or restriction relating to the Property; (iii) any violation of law, ordinance or regulation affecting the Property or any part thereof or the ownership or occupancy or use thereof; or (iv) the carrying out of any of the transactions contemplated by this Loan Agreement and all related documents;

(b) promptly after receipt by a Lender Indemnified Person of notice of the commencement of any action in respect of which indemnification may be sought under this Section 7.14, the Lender Indemnified Person shall promptly notify the Borrower in writing, but the delay to so notify the Borrower will not relieve the Borrower from any liability which it may have to any Lender Indemnified Person under this Section 7.14 other than to the extent of prejudice caused directly or indirectly by such delay nor affect any rights it may have to participate in and/or assume the defense of any action brought against any Lender Indemnified Person. In case such claim or action is brought against any Lender Indemnified Person, and such Lender Indemnified Person notifies the Borrower of the commencement thereof, the Borrower will be entitled to participate in and, to the extent that it chooses so to do, to assume the investigation and defense thereof (including the employment of counsel reasonably satisfactory to Lender), and the Borrower shall assume the payment of all fees and expenses relating to such investigation and defense and shall have the right to negotiate and consent to settlement thereof. Each Lender Indemnified Person shall have the right to employ separate counsel in any such action and to participate in the defense thereof, and after notice from the Borrower of its election to assume the defense thereof, the fees and expenses of such separate counsel shall be at the expense of the Borrower, if such Lender Indemnified Person reasonably determines, with the advice of counsel, that a conflict of interest exists between such party and the Borrower in connection with such action. The Borrower shall not be obligated to any Lender Indemnified Party pursuant to this paragraph if it has not received notice of the action with respect to which indemnification is sought. The Borrower shall not be liable for any settlement of any such action effected without its consent, but, if settled with the consent of the Borrower or if there be a final judgment for the plaintiff in any such action as to which the Borrower has received notice in writing as hereinabove required, the Borrower agrees to indemnify and hold harmless the Indemnified Person from and against any loss or liability by reason of such settlement or judgment to the extent provided in this Section 7.14; and

(c) notwithstanding the previous provisions of this Section 7.14, the Borrower is not liable for or obligated to indemnify any Lender Indemnified Person harmless against any loss or damage to property or injury or death to any person or any other loss or liability if and to the extent such loss, damage, liability, injury or death results from the gross negligence or willful misconduct of any Lender Indemnified Person seeking such indemnification.

All indemnifications by the Borrower in this Section 7.14 shall survive the termination of this Loan Agreement and payment of the indebtedness hereunder.

Section 7.15. Covenant to Enter into Agreement or Contract to Provide Ongoing Disclosure. The Borrower and the Lender intend that this Loan Agreement be exempt from the requirements of Paragraph (b)(5)(i) of the Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, § 240.15c2-12) (the “Rule”). The Borrower hereby covenants and agrees that if this Loan Agreement ceases to be exempt under the Rule, the Borrower will enter into an agreement or contract, constituting an undertaking, to provide ongoing disclosure as may be necessary to comply with the Rule as then in effect. Absent an express statutory or regulatory requirement, in no event will the Issuer have any liability or obligation to provide disclosure under the Rule or to enforce any obligations of Borrower to provide disclosure under the Rule.

Section 7.16. Financial Covenants. From and after the extension of the Initial Prepayment Date pursuant to Section 4.16(c) hereof, the Borrower shall maintain a Debt Service Coverage Ratio of not less than 1.10 to 1.00, measured annually based on the audited financial statements of Borrower as of the end of each fiscal year.

Section 7.17. Deposit Relationship. The Borrower and Lender agree as follows:

(a) So long as the Loan is outstanding and California United Bank or an Affiliate thereof is the Lender hereunder, the Borrower shall maintain its primary checking and other general deposit accounts (but excluding Borrower’s endowment fund), as well as the Project Fund, the Interest Reserve Fund, if applicable, and the Capital Campaign Fund, with Lender.

(b) Other than the payment of interest on the Loan funded from the proceeds of the Loan, the Borrower authorizes the Lender to make automatic deductions from the following deposit account (“Account”) maintained by Borrower at Lender’s offices in order to pay, when and as due, all of the Payments that the Borrower is required or obligated to make under this Loan Agreement:

Account No: 263424588

Without limiting any of the terms of the Borrower Documents, the Borrower acknowledges and agrees that if the Borrower defaults in its obligation to make a Payment because the collected funds in the Account are insufficient to make such Payment in full on the date that such Payment is due, then the Borrower shall be responsible for all late payment charges and other consequences of such default by the Borrower under the terms of the Borrower Documents.

(c) Subject to subparagraph (d) below, this authorization shall continue in full force and effect until the date which is five (5) Business Days after the date on which Lender actually receives written notice from the Borrower expressly revoking the authority granted to Lender to charge the Account for Payments in connection with the Loan. No such revocation by the Borrower shall in any way release the Borrower from or otherwise affect the Borrower’s obligations under the Borrower Documents, including

the Borrower's obligations to continue to make all Payments required under the terms of this Loan Agreement.

(d) The Lender, so long as California United Bank is the Lender hereunder, at its option and in its discretion, reserves the right to terminate the arrangement for automatic deductions from the Account pursuant to this subparagraph (d) at any time effective upon written notice of such election (a "Termination Notice") given by Lender to the Borrower. Without limiting the generality of the immediately preceding sentence, the Lender may elect to give a Termination Notice to the Borrower if the Borrower fails to comply with any of the Lender's rules, regulations, or policies relating to the Account, including requirements regarding minimum balance, service charges, overdrafts, insufficient funds, uncollected funds, returned items, and limitations on withdrawals.

Section 7.18. Reserved.

Section 7.19. Tax Covenants of the Issuer and the Borrower.

(a) The Issuer covenants as follows:

(i) The Issuer shall not take any action, or fail to take any action within its control and required of it by the Issuer Documents, if such action or failure to take such action would result in the interest on the Loan not being excluded from gross income for federal income tax purposes under Section 103 of the Code. Without limiting the generality of the foregoing, the Issuer covenants that it will comply with the requirements of the Tax Regulatory Agreement applicable to it which is incorporated herein as if fully set forth herein; provided, however, that with regard to the covenants of the Issuer to act or refuse to act in a certain manner in the future pursuant to this section or the Tax Regulatory Agreement, the Issuer is relying exclusively on the Borrower to act or refuse to act in the appropriate manner except to the extent a particular affirmative action by the Issuer is required or prohibited. Any requirement that the Issuer will not permit or allow an action, or similar requirement, shall pertain solely to the actions of the Issuer and the Issuer shall have no obligation to prevent, or to attempt to prevent, any action by the Borrower. This covenant shall survive the payment in full and prepayment of the Issuer Loan.

(ii) In the event that at any time the Issuer is of the opinion that for purposes of this Section it is necessary or helpful to restrict or limit the yield on the investment of any moneys under this Loan Agreement, the Issuer shall so instruct the Borrower in writing accompanied by a supporting opinion of Special Counsel, and the Borrower shall take such action as may be directed by the Issuer.

(iii) Notwithstanding any provisions of this Section, if the Issuer provides to the Borrower an opinion of Special Counsel to the effect that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Loan, the Borrower may conclusively rely on such

opinion in complying with the requirements of this Section and the Tax Regulatory Agreement, and the covenants hereunder shall be deemed to be modified to that extent.

(b) The Borrower covenants as follows:

(i) The Borrower will not take any action that would cause the interest on the Loan to become includable in gross income of the recipient for federal income tax purposes under the Code (including, without limitation, intentional acts under Treas. Reg. § 1.148-2(c) or deliberate action within the meaning of Treas. Reg. § 1.141-2(d)), and the Borrower will take and will cause its officers, employees and agents to take all affirmative actions legally within its power necessary to ensure that the interest on the Loan does not become includable in gross income of the recipient for federal income tax purposes under the Code (including, without limitation, the calculation and payment of any rebate required to preserve such exclusion). Without limiting the generality of the foregoing, the Borrower covenants that it shall comply with the requirements of the Tax Regulatory Agreement, which is incorporated herein as if fully set forth herein. This covenant shall survive the payment in full and prepayment of the Loan.

(ii) The Issuer has covenanted in this Loan Agreement to take any and all actions within its control necessary to assure compliance with Section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such Section is applicable to the Loan. In furtherance of this covenant, the Borrower, on behalf of the Issuer, hereby covenants (A) initially, on or before December 1, 2020 and on or before December 1 of every fifth year thereafter, to calculate, or cause to be calculated, the “rebate amount” in accordance with Section 148(f) and Section 1.148-2 of the Regulations, (B) to provide such calculations to the Issuer within 30 days of each calculation date, and (C) to pay the federal government any such “rebate amount” so calculated to the extent required by Section 148(f) of the Code. The Borrower further agrees to comply with the provisions and requirements of the Tax Regulatory Agreement relating to the Issuer’s obligation to pay the rebate amount as required hereunder and under Section 148 of the Code.

(iii) Notwithstanding any provisions of this Section, if the Borrower provides to the Issuer an opinion of Special Counsel to the effect that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Loan, the Issuer may conclusively rely on such opinion in complying with the requirements of this Section and the Tax Regulatory Agreement, and the covenants hereunder shall be deemed to be modified to that extent.

Notwithstanding anything herein to the contrary, the Issuer shall have the right to enforce the Borrower’s covenants, agreements and representations in the Tax Regulatory Agreement against the Borrower pursuant to the terms thereof.

Section 7.20. Office of Foreign Assets Control; Patriot Act Compliance.

(a) The Borrower is not an entity (i) whose property or interest in property is blocked or subject to blocking pursuant to Section 1 of Executive Order 13224 of September 23, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001)), (ii) who engages in any dealings or transactions prohibited by Section 2 of such executive order, or is otherwise associated with any such Person in any manner violate of such Section 2, or (iii) who is on the list of Specially Designated Nationals and Blocked Persons or subject to the limitations or prohibitions under any other U.S. Department of Treasury's Office of Foreign Assets Control regulation or executive order.

(b) The Borrower is in compliance with the Patriot Act. No proceeds of the Borrower Loan will be used, directly or indirectly, for payments to any governmental official or employee, political party or its officials, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

Section 7.21. Compliance With Documents. The Borrower agrees that it will perform and comply with each and every covenant and agreement required to be performed or observed by it in each of the Loan Documents to which it is a party, 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 against the Borrower. To the extent that any such incorporated provision permits the Borrower or any other party to waive compliance with such provision or requires that a document, opinion or other instrument or any event or condition be acceptable or satisfactory to the Borrower or any other party, for purposes of this Loan Agreement, such provision shall be complied with unless it is specifically waived by the Lender in writing and such document, opinion or other instrument and such event or condition shall be acceptable or satisfactory only if it is acceptable or satisfactory to the Lender which shall only be evidenced by the written approval by Lender of the same. No termination or amendment to such covenants and agreements or defined terms or release of the Borrower with respect thereto made pursuant to the Loan Documents to which the Borrower is a party, shall be effective to terminate or amend such covenants and agreements and defined terms or release the Borrower with respect thereto in each case as incorporated by reference herein without the prior written consent of the Lender. Notwithstanding any termination or expiration of such other Loan Document to which the Lender is a party, the Borrower shall continue to observe the covenants therein contained for the benefit of the Lender until the termination of this Loan Agreement and the payment in full of the Loan and all other Obligations. All such incorporated covenants shall be in addition to the express covenants contained herein and shall not be limited by the express covenants contained herein nor shall such incorporated covenants be a limitation on the express covenants contained herein.

Section 7.22. Compliance with ERISA. Except as would not reasonably be expected to result in a Material Adverse Effect, the Borrower and each member of the Controlled Group shall (i) remain at all times in compliance with all applicable Laws (including any legally available

grace periods) with respect to any Plan, (ii) at no time maintain any Plan that has Unfunded Vested Liabilities and (iii) maintain each Plan as to which it may have any liability in compliance in all material respects with the applicable provisions of ERISA, the failure to comply with which could subject the Borrower or a member of its Controlled Group to any tax or penalty.

Section 7.23. Environmental Laws. The Borrower 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 Borrower back into compliance with Environmental Laws and to comply with any cleanup orders issued by a Governmental Authority having jurisdiction there over. The Borrower shall at all times use commercially reasonable efforts to render or maintain any real property owned, leased, occupied or operated by the Borrower safe and fit for its intended uses. The Borrower shall also promptly 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.

ARTICLE VIII

NEGATIVE COVENANTS OF BORROWER

So long as the Borrower Loan shall remain unpaid, the Borrower agrees that:

Section 8.01. Lien. The Borrower shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Property or any portion thereof, or any other real or personal property of the Borrower, whether now owned or hereafter acquired (each, a “Lien” and together, “Liens”), other than the rights of the Lender or the Issuer as herein provided and the Permitted Encumbrances. The Borrower shall promptly, at its own expense, take such action as may be necessary duly to discharge or remove any such unpermitted Lien. The Borrower shall reimburse the Lender for any expenses incurred by the Lender to discharge or remove any unpermitted Lien.

“Lien Claims” means all claims (including mechanics liens and claims for labor, services, materials and supplies) that by law have or may become a lien upon any of the Collateral or the Borrower’s interest in the Property or any other property or assets of the Borrower. “Impositions” means all rents, taxes, assessments and premiums attributable to the Property. “Lien Claims” do not, however, include any claims or liens which are Permitted Encumbrances.

Notwithstanding anything herein or in any of the other Loan Documents to the contrary (except as set forth in Section 3.04(a)), the Borrower shall not be required to pay, discharge or remove any Imposition or Lien Claim so long as the following criteria (the “Lien Contest Criteria”) shall be satisfied as to the same: (i) the Borrower shall contest in good faith the validity, applicability or amount of the Imposition or Lien Claim by an appropriate legal proceeding which operates to prevent the collection of the secured amounts and the sale of the Property or any portion thereof, and (ii) prior to the date on which such Imposition or Lien Claim would otherwise have become delinquent, the Borrower shall have given the Lender and the Issuer written notice of its intent to contest said Imposition or Lien Claim, and (iii) the Borrower either shall have complied with the Statutory Bond Criteria set forth below or shall have

deposited with the Lender (or with a court of competent jurisdiction or other appropriate body approved by the Lender and the Issuer) such additional amounts as are necessary to keep on deposit at all times, an amount equal to at least one hundred twenty five percent (125%) (or such higher amount as may be required by applicable law) of the total of the balance of such Imposition or Lien Claim then remaining unpaid, plus all interest, penalties, costs and charges having accrued or accumulated thereon, and (iv) in the reasonable judgment of the Lender, no risk of sale, forfeiture or loss of the Borrower's or the Lender's interest in the Property or any part thereof within thirty (30) days arises at any time, and (v) such contest does not, in the Lender's reasonable discretion, have a material adverse effect on the Borrower's operations or financial condition, and (vi) such contest is based on bona fide claims or defenses, and (vii) the Borrower shall prosecute any such contest with due diligence, and (viii) the Borrower shall promptly pay the amount of such Imposition or Lien Claim as finally determined, together with all interest and penalties payable in connection therewith. Anything to the contrary notwithstanding, the Lender shall have full power and authority, but no obligation, to advance funds or to apply any amount deposited with the Lender under this Section to the payment of any unpaid Imposition or Lien Claim at any time if an Event of Default is continuing, or if the Lender reasonably determines that a risk of sale, forfeiture or loss of any interest in the Property or any part thereof within 30 days has arisen. The Borrower shall reimburse the Lender on demand for all such advances, together with interest thereon at the Applicable Loan Rate. Any surplus retained by the Lender after payment of the Imposition or Lien Claim for which a deposit was made shall be promptly repaid to the Borrower unless an Event of Default shall have occurred, in which case said surplus may be retained by the Lender and applied by the Lender to any of Obligations, as the Lender may determine in its sole discretion. The "Statutory Bond Criteria" will be deemed satisfied if (i) by statute in the jurisdiction where the Property is located, a bond may be given as security for the particular form of Imposition or Lien Claim in question, with the effect that the Property shall be forever released from any Lien securing such Imposition or Lien Claim, and (ii) the Borrower shall cause such a bond to be issued, and the Borrower shall comply with all other requirements of law such that the Property shall be forever released from such Lien, and (iii) the Borrower shall provide to the Issuer and the Lender such evidence of the foregoing as the Issuer and/or the Lender may reasonably request.

Section 8.02. Sale of Assets. The Borrower will not sell, lease, assign, transfer or otherwise dispose of all or substantially all of its assets (other than in the ordinary course of business or equipment or other personal property which has become inadequate, obsolete, worn out, unsuitable, unprofitable, undesirable or unnecessary and the disposition thereof will not impair the operations of the Borrower) or of any of the Property or any interest therein (whether in one transaction or in a series of transactions), other than Permitted Encumbrances, without the prior written consent of the Lender (which consent will not be unreasonably withheld, conditioned or delayed) and the delivery to the Issuer and the Lender of an opinion of Special Counsel to the effect that any such sale, lease, assignment, transfer or other disposition will not cause the interest on the Issuer Loan Obligation to be included in gross income of the owners thereof. Notwithstanding the previous sentence, the Issuer Loan Obligation and the Borrower Loan shall become due and payable upon the sale, assignment, transfer or other disposition of the Property or any portion thereof. The Borrower shall provide the Issuer and the Lender with prior written notice of its intention to sell, lease, assign, transfer or otherwise dispose of the Property or any interest therein and shall agree in writing to remain liable under the Loan Documents. In the event of a sale, assignment or transfer of the Property or any portion thereof to an affiliate of

the Borrower (which shall also be subject to the Lender's prior written consent, which shall not be unreasonably withheld, conditioned or delayed), such purchaser, assignee or transferee shall assume in writing the Borrower's obligations under the Loan Documents.

Section 8.03. Consolidation and Merger. The Borrower will not consolidate with or merge into any person, or permit any other person to merge into it, or acquire (in a transaction analogous in purpose or effect to a consolidation or merger) all or substantially all of the assets of any other person without the prior written consent of the Lender (which consent will not be unreasonably withheld, conditioned or delayed) and the Issuer; provided, however, that the Borrower may consolidate or merge into any person, or permit any other person to merge into it, or acquire (in a transaction analogous in purpose or effect to a consolidation or merger) all or substantially all of the assets of any other person if (a) the Borrower is the surviving organization; (b) the Lender and the Issuer shall have received prior written notice of any such merger or consolidation and an opinion of Special Counsel, in form and substance reasonably acceptable to the Lender and the Issuer, to the effect that under then-existing laws the consummation of such merger, consolidation, sale or conveyance would not cause the interest under this Loan Agreement to become includable in gross income under the Code or adversely affect the validity of this Loan Agreement; (c) such merger or consolidation would not have a material adverse effect on the Borrower's financial or operating condition; (d) the Lender's security interests and liens on the collateral for the Borrower Loan (and the priority thereof) will not be materially prejudiced by such merger or consolidation; and (e) no Default or Event of Default exists or would result from any such merger or consolidation.

Section 8.04. Accounting. The Borrower will not adopt, permit or consent to any material change in accounting principles other than as required or permitted by GAAP or adopt, permit or consent to any change in its fiscal year unless the Borrower provides the Lender restated financial statements in comparative form.

Section 8.05. Transfers. Other than as expressly permitted by this Loan Agreement, the Borrower will not in any manner transfer any property, other than in the ordinary course of business or equipment or other tangible personal property which has become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary and the disposition thereof will not impair the operations of the Borrowers, without prior or present receipt of full and adequate consideration; provided, that, the restriction contained in this Section shall not prohibit the Borrower from making transfers in furtherance of its public or charitable purposes.

Section 8.06. Other Indebtedness. Other than (i) the Borrower Loan, (ii) a line of credit provided by the Lender, (iii) trade debt and other unsecured trade payables incurred in the ordinary course of business, and (iv) up to \$100,000 in aggregate outstanding principal amount of financing for equipment and other personal property used at the Property which is unsecured or secured solely by the equipment or personal property so financed, the Borrower shall not, without the prior written consent of the Lender, incur any additional indebtedness for borrowed money, secured or unsecured, direct or contingent.

Section 8.07. Other Defaults. The Borrower will not permit any material breach, default or event of default to occur beyond any applicable cure period under any note, loan agreement, indenture, lease, mortgage, contract for deed, security agreement or other contractual

obligation binding upon the Borrower or any judgment, decree, order or determination applicable to the Borrower; provided, however, nothing herein shall preclude the Borrower's right to contest in good faith by appropriate proceedings any breach, default or event of default; provided, such contest shall not, and shall not have the potential to, adversely affect the Lender's or the Issuer's interests hereunder or under any of the other Loan Documents.

Section 8.08. Prohibited Uses. The Borrower shall not use any portion of the proceeds of the Borrower Loan to finance or refinance any facility, place or building used or to be used (a) for sectarian instruction or study or as a place for devotional activities or religious worship, or (b) by a Person that is not a 501(c)(3) organization or a governmental entity or by an organization (including the Borrower) described in Section 501(c)(3) of the Code (including the Borrower) in an unrelated trade or business, in such manner or to such extent as would result in any portion of the Issuer Loan Obligation being treated as an obligation not described in Section 103(a) of the Code.

Section 8.09. Use of Property. The Borrower will not install, use, operate or maintain the Property or any portion thereof improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Loan Agreement or the Tax Regulatory Agreement.

Section 8.10. Maintenance of Business. The Borrower shall not change its business activities in any material respect from the business activities conducted by the Borrower as of the date of this Loan Agreement.

Section 8.11. Restrictive Agreements. The Borrower shall not enter into any agreement containing any provision which would be violated or breached by the performance by the Borrower of its obligations hereunder or under any other Loan Documents or any instrument or document delivered or to be delivered by the Borrower in connection herewith.

Section 8.12. Tax Exempt Status. The Borrower will not take any action that would cause the interest on the Loan to become includable in gross income of the recipient for federal income tax purposes under the Code (including, without limitation, intentional acts under Treas. Reg. § 1.148-2(c) or deliberate action within the meaning of Treas. Reg. § 1.141-2(d)), and the Borrower will take and will cause its officers, employees and agents to take all affirmative actions legally within its power necessary to ensure that the interest on the Loan does not become includable in gross income of the recipient for federal income tax purposes under the Code (including, without limitation, the calculation and payment of any rebate required to preserve such exclusion).

Section 8.13. Federal Reserve Board Regulations. The Borrower will not use any part of the proceeds of the Loan for the purpose of purchasing or carrying any Margin Stock and has not incurred any indebtedness to be reduced, retired or purchased by the Borrower out of such proceeds, and the Borrower does not own and has no intention of acquiring any Margin Stock.

ARTICLE IX

DAMAGE, DESTRUCTION AND CONDEMNATION; USE OF NET PROCEEDS

Section 9.01. Eminent Domain. If all or any portion of the Property shall be taken permanently under the power of eminent domain or sold to a government threatening to exercise the power of eminent domain, the Net Proceeds of any eminent domain award shall be applied to the prepayment of Borrower Loan and the Issuer Loan Obligation in accordance with Section 4.08(b) of this Loan Agreement, unless otherwise agreed to by the Lender and the Issuer, with an approving written opinion of Special Counsel to the effect that under then-existing laws that such action would not cause the interest under this Loan Agreement to become includable in gross income under the Code or adversely affect the validity of this Loan Agreement.

Section 9.02. Application of Net Proceeds.

(a) The Net Proceeds of any insurance award resulting from any damage to or destruction of any portion of the Property or any portion thereof by fire or other casualty, as applicable, of any title insurance award, or of any eminent domain or condemnation award resulting from any event described in Section 9.01 hereof shall be deposited with the Lender, who shall determine the application of such proceeds; provided, however, that if no Event of Default has occurred and is continuing under the Loan Documents, the Lender shall release to Borrower without further limitations all insurance awards of up to \$250,000 received on behalf of Borrower. The Borrower, except as provided below, shall cause the proceeds of insurance or eminent domain or condemnation awards with respect to the Property to be utilized for the repair, reconstruction, or replacement of the damaged or destroyed portion of the Property. Provided that no Event of Default has occurred and is continuing under the Loan Documents, the Lender shall permit withdrawals from time to time of the proceeds received by Lender upon receiving the written request of Borrower, stating that Borrower has expended moneys or incurred liabilities in an amount equal to the amount therein requested to be paid over to it for the purpose of repair, reconstruction or replacement, and specifying the items for which such moneys were expended or such liabilities were incurred. If no Event of Default has occurred and is continuing under the Loan Documents, any balance of the Net Proceeds not required for the repair, reconstruction, or replacement thereof shall be released by Lender to the Borrower. If an Event of Default has occurred and is continuing under the Loan Documents, the Lender may determine the application of the Net Proceeds in any order or priority elected by the Lender in its sole discretion.

(b) Alternatively, Borrower, at its option, and if the proceeds of such insurance or eminent domain or condemnation awards together with any other moneys then available are at least sufficient to prepay the Borrower Loan in full pursuant to Section 4.08(b) hereof, may elect not to repair, reconstruct, or replace the damaged or destroyed portion of the Property, as applicable, and thereupon shall cause the proceeds to be used for the prepayment of the Borrower Loan in full, but not in part. With the written consent of the Lender, the Borrower may elect not to repair, reconstruct or replace

the damaged, destroyed, lost or taken Property and shall apply such proceeds to prepay the Borrower Loan in part.

(c) There shall be no abatement of Payments during any period in which, by reason of damage or destruction, there is substantial interference with the use and occupancy by the Borrower of the Property or any portion thereof.

ARTICLE X

ASSIGNMENT, PARTICIPATION, MORTGAGING AND SELLING

Section 10.01. Assignment by the Lender. This Loan Agreement and related Issuer Loan Obligation and the right to receive Payments from the Borrower hereunder, may be assigned and reassigned in whole to one assignee by the Lender, at any time, without the necessity of obtaining the consent of the Issuer or the Borrower; provided, however, that such assignment or reassignment shall be in accordance with Section 4.09 of this Loan Agreement. The Issuer and the Borrower agree to execute all documents, including notices of assignment and chattel mortgages or financing statements, which may be reasonably requested by the Lender or its assignee to protect its interest in this Loan Agreement. Notwithstanding anything above to the contrary, all Payments and notices shall be delivered to the Lender. The Lender agrees to hold any security interests granted hereunder on behalf of any assignee, subassignee or participant described above.

Section 10.02. No Sale, Assignment or Leasing by Borrower. This Loan Agreement and the interest of the Borrower in the Property may not be sold, assumed, assigned or encumbered by the Borrower other than as expressly permitted in this Loan Agreement or Liens in favor of the Lender and the Issuer. No agreement or interest therein and no improvement shall be subject to involuntary assignment, lease, transfer or sale or to assignment, lease, transfer or sale by operation of law in any manner whatsoever except (i) as expressly provided in this Loan Agreement or (ii) Permitted Encumbrances, and any such attempted assignment, lease, transfer or sale shall be void and of no effect and shall, at the option of the Lender, constitute an Event of Default hereunder. Notwithstanding the foregoing, the Lender hereby approves the each of the leases subordinated by the Lease Subordination Agreements so long as the Lease Subordination Agreement applicable to such lease remains in full force and effect.

ARTICLE XI

EVENTS OF DEFAULT AND REMEDIES

Section 11.01. Events of Default. Upon the expiration of any applicable cure period expressly provided in this Loan Agreement, each of the following shall constitute an “Event of Default” under this Loan Agreement:

(a) failure by the Borrower to pay to the Lender, as assignee of the Issuer any Payment when due, or any Additional Payment or any other amount required to be paid hereunder or under the Security Agreement within ten (10) days of the due date thereof; *provided, however*, that so long as there are sufficient funds available for the Lender to

make automatic draws for interest payments from proceeds of the Loan or from the Interest Reserve Fund in accordance with Section 3.03 hereof, Borrower shall not be deemed in default for failure to make payment of interest with respect to the Loan;

(b) failure by the Borrower to pay any payment required to be paid under any other material agreement between the Lender or any of its affiliates and the Borrower, subject to the applicable cure period set forth in such agreement;

(c) failure by the Borrower to maintain insurance in accordance with Section 7.04 hereof, except for failures that are immaterial and are cured within ten (10) Business Days after receipt of written notice from the Lender to the Borrower;

(d) failure by the Borrower to observe and perform any other covenant, condition or agreement on its part to be observed or performed hereunder for a period of thirty (30) days after written notice is given to the Borrower by the Lender, specifying such failure and requesting that it be remedied; provided, however, if such failure is correctable but cannot be corrected within the applicable period and corrective action is instituted by the Borrower within the applicable period and diligently pursued until corrected, then no Event of Default shall be deemed to have occurred unless such cure has not been completed within sixty (60) days after such written notice (or such longer period as may be permitted by the Lender in writing);

(e) initiation by the Borrower or by others of a proceeding under any Federal or State bankruptcy or insolvency law seeking relief under such laws concerning the indebtedness of the Borrower which proceeding is not dismissed or stayed within sixty (60) days;

(f) the Borrower shall be or become insolvent, or admit in writing its inability to pay its or his debts as they mature, or make an assignment for the benefit of creditors; or the Borrower shall apply for or consent to the appointment of any receiver, trustee or similar officer for it or for all or any substantial part of its property; or such receiver, trustee or similar officer shall be appointed without the application or consent of the Borrower or the Borrower shall institute (by petition, application, answer, consent or otherwise) any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, liquidation or similar proceeding relating to it under the laws of any jurisdiction which proceeding is not dismissed or stayed within sixty (60) days; or any such proceeding shall be instituted (by petition, application or otherwise) against the Borrower and remains undismissed or unstayed for sixty (60) days; or any judgment, writ, warrant of attachment or execution or similar process shall be issued or levied against a substantial part of the property of the Borrower;

(g) The making of any order or the entry of any decree by a court of competent jurisdiction enjoining construction of the Improvements or enjoining or prohibiting the Borrower from performing or satisfying its material covenants, obligations or conditions contained herein and such proceedings are not discontinued or such order or decree is not vacated within thirty (30) days after the making or granting thereof;

(h) the service upon the Lender, in accordance with the laws of the jurisdiction in which the Project is located, of a bonded stop notice from Borrower and within ten (10) business days after the Lender's receipt of such notice either (i) the claim set forth therein is not discharged by Borrower or (ii) if the amount claimed is disputed in good faith by Borrower or the General Contractor, Borrower fails to deliver to the Lender a stop notice release bond, in form and substance and issued by a surety company acceptable to the Lender, insuring the Lender against such claim;

(i) the Borrower (i) is determined by the Lender to have made any material false or misleading statement or representation in connection with this Loan Agreement; or (ii) sells, assigns, leases, or otherwise transfers or encumbers all or any part of its interest in this Loan Agreement, the Improvements or the Property, other than Permitted Encumbrances or in accordance with Section 8.02 hereof;

(j) the occurrence of a default or event of default which represents a liability of the Borrower in the amount of \$250,000 or more under any instrument, agreement or other document evidencing or relating to any indebtedness or other monetary obligation of the Borrower after giving effect to any grace or cure periods applicable under such instruments, agreements or documents; provided, however, nothing herein shall preclude the Borrower's right to contest in good faith by appropriate proceedings any default or event of default;

(k) the sale of the Borrower to, or merger of the Borrower into, any person, or the merger of any other person into the Borrower, or acquisition (in a transaction analogous in purpose or effect to a consolidation or merger) of all or substantially all of the assets of any other person by the Borrower, or another similar material event, without the prior written consent of the Lender, other than as expressly permitted pursuant to Section 8.02 or 8.03 hereof;

(l) the occurrence of a default or event of default on the part of the Borrower under any material lease or other agreement relating to, affecting or pertaining to the possession or use of any of the Property, after the expiration of any applicable cure period related thereto;

(m) the occurrence of a default or event of default under any material agreements or arrangements entered into by the Borrower involving any form of credit accommodations, after the expiration of any applicable cure period related thereto;

(n) this Loan Agreement or any Loan Document, including any pledge or collateral security for the Loan, shall be repudiated by the Borrower or any material provision in any Loan Document shall become unenforceable or incapable of performance in accordance with its terms;

(o) any judgment, writ, warrant of attachment or execution or similar process shall be issued or levied against the Borrower or its assets in excess of \$250,000 which is not covered by insurance or which exceeds any applicable insurance policy by more than \$250,000; provided, however, nothing herein shall preclude the Borrower's right to

contest in good faith by appropriate proceedings any such judgment, writ, warrant of attachment or execution or similar process;

(p) the occurrence of an event of default under the Project Fund Disbursement Agreement; or

(q) the occurrence of an event of default under documents related to a line of credit with Lender or any other material agreement between the Borrower and the Lender after the expiration of any applicable cure period thereunder.

Section 11.02. Remedies on Default. Whenever any Event of Default shall have occurred and be continuing, the Lender shall have the right, at its sole option without any further demand or notice, to take any one or any combination of the following remedial actions insofar as the same are available to secured parties under the laws of the State from time to time and which are otherwise accorded to the Lender:

(a) by notice to the Issuer and the Borrower, declare the entire unpaid principal amount of the Loan (and the related Obligations) then outstanding, all interest accrued and unpaid thereon and all amounts payable under this Loan Agreement to be forthwith due and payable, whereupon such Loan (and the related Obligations), all such accrued interest and all such amounts shall become and be forthwith due and payable, without presentment, notice of dishonor, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower and the Issuer;

(b) the obligation, if any, of the Lender to extend any further credit under any of the Loan Documents shall immediately cease and terminate;

(c) exercise all rights and remedies legally available to the Lender;

(d) proceed by appropriate court action to enforce performance by the Issuer or the Borrower of the applicable covenants of the Loan documents or to recover for the breach thereof, including the payment of all amounts due from the Borrower, in which event the Borrower shall pay or repay to the Lender all costs of such action or court action including without limitation, reasonable attorneys' fees; and

(e) to enforce its rights, in which event the Borrower shall pay or repay to the Lender and the Issuer all costs of such action or court action, including, without limitation, reasonable attorneys' fees.

All proceeds derived from the exercise of any rights and remedies shall be applied in the following manner:

FIRST, to pay the Issuer any Issuer Fees and Expenses;

SECOND, to the United States any rebatable arbitrage due or accrued pursuant to Section 148(f)(4) of the Code;

THIRD, to pay (a) to the Lender the amount of all unpaid Payments, if any, which are then due and owing, together with interest and late charges thereon; and (b) to the Lender any Additional Payments payable to the Lender hereunder;

FOURTH, to pay all proper and reasonable costs and expenses associated with the recovery, repair, storage and sale of the Collateral, including reasonable attorneys' fees and expenses; and

FIFTH, to pay the remainder of any such proceeds, purchase moneys or other amounts paid by a buyer of the Collateral or other person, to the Borrower.

Notwithstanding any other remedy exercised hereunder, the Borrower shall remain obligated to pay to the Lender and the Issuer, as their interests may appear, any unpaid Payments and Additional Payments. To the extent permitted by applicable law, the Borrower hereby waives any rights now or hereafter conferred by statute or otherwise which might require the Lender to use, sell, lease or otherwise dispose of the Property in mitigation of the Lender's damages or which might otherwise limit or modify any of the Lender's rights hereunder.

All rights, powers and remedies of the Lender may be exercised at any time by the Lender, as assignee of the Issuer, and from time to time after the occurrence and continuance of an Event of Default, are cumulative and not exclusive, and shall be in addition to any other rights, powers or remedies provided by law or equity.

The Borrower shall pay or repay to the Lender and the Issuer all costs of such action or court action, including, without limitation, reasonable attorneys' fees.

Section 11.03. The Lender's Right to Perform the Obligations. If the Borrower shall fail, refuse or neglect to make any payment or perform any act required by the Loan Documents to which it is a party, then while any Event of Default exists, and without notice to or demand upon the Borrower and without waiving or releasing any other right, remedy or recourse the Lender may have because of such Event of Default, the Lender may (but shall not be obligated to) make such payment or perform such act for the account of and at the expense of the Borrower and interest on such payment shall accumulate from the date of the advance at the Default Rate until such advance is paid, and shall have the right to enter upon the Property for such purpose and to take all such action thereon and with respect to the Property as it may deem necessary or appropriate. If the Lender shall elect to pay any sum due with reference to the Property, as applicable, the Lender may do so in reliance on any bill, statement or assessment procured from the appropriate Governmental Authority or other issuer thereof without inquiring into the accuracy or validity thereof. Similarly, in making any payments to protect the security intended to be created by this Loan Agreement or the Security Agreement, the Lender shall not be bound to inquire into the validity of any apparent or threatened adverse title, lien, encumbrance, claim or charge before making an advance for the purpose of preventing or removing the same. Additionally, if any Hazardous Materials affect or threaten to affect the Property, the Lender may (but shall not be obligated to) give such notices and take such actions as it deems necessary or advisable in order to abate the discharge of any Hazardous Materials or remove the Hazardous Materials. The Borrower shall indemnify, defend and hold the Lender and the Issuer harmless from and against any and all losses, liabilities, claims, damages, expenses, obligations, penalties,

actions, judgments, suits, costs or disbursements of any kind or nature whatsoever, including reasonable attorneys' fees, incurred or accruing by reason of any acts performed by the Lender pursuant to the provisions of this Section, except as a result of the Lender's gross negligence or willful misconduct.

Section 11.04. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Lender or the Issuer is intended to be exclusive 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. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Lender or the Issuer to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice other than such notice as may be required by this Article XI. All remedies hereby conferred upon or reserved to the Lender or the Issuer shall survive the termination of this Loan Agreement.

Section 11.05. Issuer Enforcement of Rights. In the event that Borrower fails to comply with any covenant or obligation set forth in this Loan Agreement related to Reserved Issuer Rights, the Issuer may enforce the Reserved Issuer Rights by exercising all rights and remedies legally available to it, including proceeding by appropriate court action to enforce performance by the Borrower of such covenants and obligations or to recover for the breach thereof, including the payment of all amounts due from the Borrower, in which event the Borrower shall pay or repay to the Issuer all costs of such action or court action including without limitation, reasonable attorneys' fees (including, without limitation, fees and expenses of the Issuer's in-house and outside counsel and the fees and expenses of the California Department of Justice when acting on behalf of the Issuer).

ARTICLE XII

MISCELLANEOUS

Section 12.01. Disclaimer of Warranties. THE LENDER AND THE ISSUER MAKE NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, COMPLIANCE WITH SPECIFICATIONS, QUALITY OF MATERIALS OR WORKMANSHIP, CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, USE OR OPERATION, SAFETY, PATENT, TRADEMARK OR COPYRIGHT INFRINGEMENTS, TITLE OR FITNESS FOR USE OF THE PROPERTY, OR ANY COMPONENT THEREOF OR ANY OTHER WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, WITH RESPECT THERETO AND, AS TO THE LENDER AND THE ISSUER. All such risks, as between the Lender, the Issuer and the Borrower, are to be borne by the Borrower. Without limiting the foregoing the Lender and the Issuer shall have no responsibility or liability to the Borrower or any other person with respect to any of the following: (a) any liability, loss or damage caused or alleged to be caused directly or indirectly by the Property, any inadequacy thereof, any deficiency or defect (latent or otherwise) therein, or any other circumstances in connection therewith; (b) the use, operation or performance of the Property or any risks relating thereto; (c) any interruption of service, loss of business or anticipated profits or consequential damages; or (d) the delivery, operation, servicing,

maintenance, repair, improvement or replacement of the Property. If, and so long as, no default exists under this Loan Agreement, the Borrower shall be, and hereby is, authorized to assert and enforce, at the Borrower's sole cost and expense, from time to time, whatever claims and rights the Borrower or the Lender may have against any prior title holder or possessor of the Property. In no event shall the Lender or the Issuer be liable for any loss or damage in connection with or arising out of this Loan Agreement or the Property.

Section 12.02. Limitations of Liability. In no event, whether as a result of breach of contract, warranty, tort (including negligence or strict liability), indemnity or otherwise, shall the Lender, its assignees, if any, or the Issuer be liable for any special, consequential, incidental or punitive damages including, but not limited to, a loss of profit or revenue, loss of use of the Property or any associated equipment, service materials or software, damage to associated equipment, service materials or software, cost of capital, cost of substitute equipment, service materials or software, facilities, services or replacement power, down time costs or claims of the Borrower's members for such damages and the Borrower shall indemnify and hold harmless the Lender, its assignees, if any, and the Issuer from any such damages, except to the extent arising from the gross negligence or willful misconduct of the indemnified party or its respective agents, employees or representatives.

Section 12.03. Additional Payments to the Lender. The Borrower shall pay to the Lender the following Additional Payments hereunder, in addition to the Payments payable by the Borrower, in such amounts in each year as shall be required by the Lender in payment of any reasonable costs and expenses, incurred by the Lender in connection with the execution, performance or enforcement of this Loan Agreement, the financing and refinancing of the Project, including but not limited to payment of all reasonable fees, costs and expenses and all reasonable administrative costs of the Lender in connection with the Project, reasonable expense (including, without limitation, reasonable attorneys' fees and disbursements) reasonable fees of auditors, financial consultants, construction consultants or attorneys, insurance premiums not otherwise paid hereunder and all other reasonable, direct and necessary administrative costs of the Lender or charges required to be paid by it in order to comply with the terms of, or to enforce its rights under, this Loan Agreement and any of the other Loan Documents. Such Additional Payments shall be billed to the Borrower by the Lender from time to time, together with a statement certifying that the amount so billed has been paid or incurred by the Lender for one or more of the items described, or that such amount is then payable by the Lender for such items. Amounts so billed shall be due and payable by the Borrower within 30 days after receipt of the bill by the Borrower.

Section 12.04. Notices. All notices, certificates, requests, demands and other communications provided for hereunder or under this Loan Agreement shall be in writing and shall be (a) personally delivered; (b) sent by registered class United States mail; (c) sent by overnight courier of national reputation; or (d) transmitted by telecopy, in each case addressed to the party to whom notice is being given at its address as set forth below and, if telecopied, transmitted to that party at its telecopier number set forth below and confirmed by telephone at the telephone number set forth below or, as to each party, at such other address or telecopier number as may hereafter be designated by such party in a written notice to the other party complying as to delivery with the terms of this Section. All such notices, requests, demands and other communications shall be deemed to have been given on (i) the date received if personally

delivered; (ii) when deposited in the mail if delivered by mail; (iii) the date sent if sent by overnight courier; or (iv) the date of transmission if delivered by telecopy. If notice to the Borrower of any intended disposition of the Property or any other intended actions is required by law in a particular instance, such notice shall be deemed commercially reasonable if given (in the manner specified in this Section) at least 10 calendar days prior to the date of intended disposition or other action.

If to the Borrower: Yeshiva University of Los Angeles Boys High School
9760 West Pico Boulevard
Los Angeles, California 90035
Attention: David Nagel, President
Telephone: (310) 203-3180
Facsimile: (323) 556-6621
Email Address: dnagel@decron.com

With copy to: Yeshiva of Los Angeles Boys High School
9760 West Pico Boulevard
Los Angeles, CA 90035
Attn: Head of School
Facsimile: (310) 203-3199
Email Address: demerson@yula.org

With copy to: David Nagel and Tom Schiff
c/o Decron Properties Corp.
6222 Wilshire Boulevard, Suite 400
Los Angeles, CA 90048
Facsimile: (323) 556-6607
Email Address: tschiff@decron.com

With copy to: Jeffer Mangels Butler & Mitchell LLP
Attention: Seth I. Weissman, Esq.
1900 Avenue of the Stars, Suite 700
Los Angeles, CA 90067
Facsimile: (310) 712-8583
Email: sweissman@jmbm.com

If to Issuer: California Enterprise Development Authority
550 Bercut Drive, Suite G
Sacramento, California 95811
Attention: Chair
Telephone: (916) 448-8252
Facsimile: (916) 448-3811

If to the Lender: California United Bank,
1640 S. Sepulveda Boulevard, Suite 114
Los Angeles, California 90025

Attention: David Peskin
Telephone: (310) 984-3322

Section 12.05. Binding Effect; Time of the Essence. This Loan Agreement shall inure to the benefit of and shall be binding upon the Lender, the Issuer, the Borrower and their respective successors and assigns, if any. Time is of the essence.

Section 12.06. 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 12.07. Amendments. To the extent permitted by law, the terms of this Loan Agreement shall not be waived, altered, modified, supplemented or amended in any manner whatsoever except by written instrument signed by the parties hereto, and then such waiver, consent, modification or change shall be effective only in the specific instance and for the specific purpose given; provided, however, that the consent of the Issuer shall not be required for waivers, alternations, modifications, supplements or amendments of or with respect to Section 7.07, 7.14, 7.16, 7.17, 7.18, 7.20, 7.21, 8.01, 8.04, 8.06 or 8.11 of this Loan Agreement; provided further, however, that prior to the effectiveness of any such waiver, alteration, modification, supplement or amendment, an opinion of Special Counsel shall be delivered to the Issuer to the effect that such waiver, alteration, modification, amendment or supplement complies with the requirements of this Loan Agreement and that such amendment or supplement will not cause interest on the Loan to be included in the gross income of the Lender for federal income tax purposes.

Section 12.08. Execution in Counterparts. This Loan Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument and any of the parties hereto may execute this Loan Agreement by signing any such counterpart.

Section 12.09. Applicable Law. This Loan Agreement is a contract made under the laws of the State of California and shall be governed by and construed in accordance with the Constitution and laws applicable to contracts made and performed in the State of California. This Loan Agreement shall be enforceable in the State of California, and any action arising out of this Loan Agreement shall be filed and maintained in Sacramento County Superior Court, Sacramento, California.

Section 12.10. Jury Trial Waiver. TO THE EXTENT PERMITTED BY LAW, THE LENDER AND THE BORROWER HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO JURY TRIAL OF ANY ACTION, PROCEEDING OR HEARING (HEREINAFTER, A "CLAIM") BASED UPON OR ARISING OUT OF, DIRECTLY OR INDIRECTLY, THIS LOAN AGREEMENT OR ANY OF THE RELATED DOCUMENTS, ANY DEALINGS BETWEEN LENDER OR BORROWER RELATING TO THE SUBJECT MATTER OF THE TRANSACTIONS CONTEMPLATED BY THIS LOAN AGREEMENT OR ANY RELATED TRANSACTIONS, AND/OR THE RELATIONSHIP THAT IS BEING ESTABLISHED BETWEEN THE LENDER AND THE BORROWER. THE SCOPE OF THIS WAIVER IS

INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT (INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS). THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS LOAN AGREEMENT, ANY RELATED DOCUMENTS, OR TO ANY OTHER DOCUMENTS OR SUPPLEMENTS RELATING TO THE TRANSACTIONS CONTEMPLATED BY THIS LOAN AGREEMENT OR ANY RELATED TRANSACTIONS. IN THE EVENT OF LITIGATION, THIS LOAN AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

Section 12.11. Captions. The captions or headings in this Loan Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Loan Agreement.

Section 12.12. Entire Agreement. Except as expressly stated herein, this Loan Agreement, together with the exhibits and attachments hereto and thereto, together with the other Loan Documents, constitutes the entire agreement among the Lender, the Issuer and the Borrower. Except as expressly stated herein, there are no understandings, agreements, representations or warranties, express or implied, not specified herein or therein regarding this Loan Agreement or the Project financed hereunder. Any terms and conditions of any purchase order or other document submitted by the Borrower in connection with this Loan Agreement which are in addition to or inconsistent with the terms and conditions of this Loan Agreement will not be binding on the Lender and will not apply to this Loan Agreement.

Section 12.13. Waiver. The Lender's or the Issuer's failure to enforce at any time or for any period of time any provision of this Loan Agreement shall not be construed to be a waiver of such provision or of the right of the Lender or the Issuer thereafter to enforce each and every provision. No express or implied waiver by the Lender of any Default or remedy of Default shall constitute a waiver of any other Default or remedy of Default or a waiver of any the Lender's rights.

Section 12.14. Survivability. All of the limitations of liability, indemnities and waivers contained in this Loan Agreement shall continue in full force and effect notwithstanding the expiration or early termination of this Loan Agreement and are expressly made for the benefit of, and shall be enforceable by, the Lender and the Issuer, or their successors and assigns.

Section 12.15. Usury. It is the intention of the parties hereto to comply with any applicable usury laws; accordingly, it is agreed that, notwithstanding any provisions to the contrary in this Loan Agreement, in no event shall this Loan Agreement require the payment or permit the collection of interest or any amount in the nature of interest or fees in excess of the maximum permitted by applicable law.

Section 12.16. Third Party Beneficiary. It is the intention of the parties that any Lender hereunder be a third party beneficiary of this Loan Agreement.

Section 12.17. Further Assurance and Corrective Instruments. The parties hereto hereby agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such further acts, instruments, conveyances, transfers and assurances, as any of them reasonably deems necessary or advisable for the implementation, correction, confirmation or perfection of this Loan Agreement or the Tax Regulatory Agreement and any rights of such party hereunder or thereunder.

Section 12.18. Dispute Resolution; Provisional Remedies.

(a) **Judicial Reference.** In the event the jury trial waiver provisions set forth in Section 12.10 are not permitted for any reason and the Borrower fails to waive jury trial, Lender and the Borrower hereby agree: (i) each Claim (as defined in Section 12.10 hereof) shall be determined by a consensual general judicial reference (the "Reference") pursuant to the provisions of Section 638 et seq. of the California Code of Civil Procedure, as such statutes may be amended or modified from time to time; (ii) upon a written request, or upon an appropriate motion by either the Lender or the Borrower, as applicable, any pending action relating to any Claim and every Claim shall be heard by a single Referee (as defined below) who shall then try all issues (including any and all questions of law and questions of fact relating thereto), and issue findings of fact and conclusions of law and report a statement of decision. The Referee's statement of decision will constitute the conclusive determination of the Claim. The Lender and the Borrower agree that the Referee shall have the power to issue all legal and equitable relief appropriate under the circumstances before the Referee; (iii) the Lender and the Borrower shall promptly and diligently cooperate with one another, as applicable, and the Referee, and shall perform such acts as may be necessary to obtain prompt and expeditious resolution of all Claims in accordance with the terms of this Section 12.18; (iv) either the Lender or the Borrower, as applicable, may file the Referee's findings, conclusions and statement with the clerk or judge of any appropriate court, file a motion to confirm the Referee's report and have judgment entered thereon. If the report is deemed incomplete by such court, the Referee may be required to complete the report and resubmit it; (v) the Lender and the Borrower, as applicable, will each have such rights to assert such objections as are set forth in Section 638 et seq. of the California Code of Civil Procedure; and (vi) all proceedings shall be closed to the public and confidential, and all records relating to the Reference shall be permanently sealed when the order thereon becomes final.

(b) **Selection of Referee; Powers.** The parties to the Reference proceeding shall select a single neutral referee (the "Referee"), who shall be a retired judge or justice of the courts of the State of California, or a federal court judge, in each case, with at least ten (10) years of judicial experience in civil matters. The Referee shall be appointed in accordance with Section 638 of the California Code of Civil Procedure (or pursuant to comparable provisions of federal law if the dispute falls within the exclusive jurisdiction of the federal courts). If within ten (10) days after the request or motion for the Reference, the parties to the Reference proceeding cannot agree upon a Referee, then any party to such proceeding may request or move that the Referee be appointed by the Presiding Judge of the Superior Court of the County of Los Angeles, or of the U.S. District Court for the Central District of California. The Referee shall determine all

issues relating to the applicability, interpretation, legality and enforceability of this Section 12.18(b).

(c) **Provisional Remedies, Self Help and Foreclosure.** No provision of this Section 12.18 shall limit the right of either the Lender, the Issuer, or the Borrower, as the case may be, to (i) exercise such self-help remedies as might otherwise be available under applicable law, (ii) initiate judicial or non-judicial foreclosure against any personal property collateral, (iii) exercise any judicial or power of sale rights, or (iv) obtain or oppose provisional or ancillary remedies, including without limitation injunctive relief, writs of possession, the appointment of a receiver, and/or additional or supplementary remedies from a court of competent jurisdiction before, after, or during the pendency of any Reference. The exercise of, or opposition to, any such remedy does not waive the right of the Lender or the Borrower to the Reference pursuant to this Section 12.18(c).

(d) **Costs and Fees.** Promptly following the selection of the Referee, the parties to such Reference proceeding shall each advance equal portions of the estimated fees and costs of the Referee. In the statement of decision issued by the Referee, the Referee shall award costs, including reasonable attorneys' fees, to the prevailing party, if any, and may order the Referee's fees to be paid or shared by the parties to such Reference proceeding in such manner as the Referee deems just.

Section 12.19. Arm's Length Transaction. The Borrower acknowledges and agrees that (i) the advance of the Loan by the Lender pursuant to this Loan Agreement is an arm's-length commercial transaction between the Borrower and the Lender, (ii) in connection therewith and with the financing discussions, undertakings and procedures leading up to the consummation of such transaction, the Lender is and has been acting solely as a principal and is not acting as the agent or fiduciary of or in any way advising the Borrower, (iii) the Lender has not assumed an advisory or fiduciary responsibility in favor of the Borrower with respect to the financing contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Lender has provided other services or is currently providing other services to the Borrower on other matters) and the Lender has no obligation to the Borrower with respect to the financing contemplated hereby except the obligations expressly set forth in this Loan Agreement and (iv) the Borrower has consulted its own legal, financial and other advisors to the extent it has deemed appropriate.

Section 12.20. Patriot Act. The Lender hereby notifies the Borrower that pursuant to the requirements of the Patriot Act it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow the Lender to identify the Borrower in accordance with the Patriot Act. The Borrower hereby agrees that it shall promptly provide such information upon request by the Lender.

Section 12.21. Imaging. The Lender may create microfilms or optical disks of other electronic images of this Agreement and any Loan Documents that are authoritative copies as defined in applicable law relating to electronic transactions. The Lender may store the authoritative copies of such Agreement and any Loan Documents in their electronic forms and

then destroy the paper originals as part of the Lender's normal business practices. The Lender may control and transfer such authoritative copies as permitted by such law.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Master Loan Agreement to be executed in their respective corporate names by their duly authorized officers or officials all as of the date first written above.

LENDER:

CALIFORNIA UNITED BANK

By _____
David Peskin, Senior Vice President

ISSUER:

CALIFORNIA ENTERPRISE
DEVELOPMENT AUTHORITY

By _____
Gurbax Sahota, Chair

BORROWER:

YESHIVA UNIVERSITY OF LOS ANGELES
BOYS HIGH SCHOOL, a California nonprofit
public benefit corporation

By _____
David Nagel
President of the Board of Directors

By _____
Brian Kleinman, Treasurer

[Signature Page to Master Loan Agreement]

EXHIBIT A

PROPERTY DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED LOS ANGELES, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOTS 1 AND 3 OF TRACT NO. 66144, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN [BOOK 1364, PAGES 82 THROUGH 87, INCLUSIVE OF MAPS](#), IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AND CORRECTED BY CERTIFICATE OF CORRECTION RECORDED [JANUARY 14, 2011 AS INSTRUMENT NO. 20110085948 OF OFFICIAL RECORDS](#).

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES UNDERLYING SAID LAND, AND THE RIGHT TO TAKE THE SAME, BUT WITHOUT RIGHT OF ENTRY UPON THE SURFACE OF SAID LAND FOR SAID PURPOSES, AS RESERVED IN DEED FROM SISTERS OF THE IMMACULATE HEART OF MARY, RECORDED [OCTOBER 05, 1937 IN BOOK 15239, PAGE 303](#) AND RECORDED [JULY 19, 1940 IN BOOK 17669, PAGE 288](#), BOTH OF OFFICIAL RECORDS.

APN: 4307-004-010 & 012

EXHIBIT B

FORM OF INVESTOR LETTER

California Enterprise Development Authority
Sacramento, California

Kutak Rock LLP
Los Angeles, California

Yeshiva University of Los Angeles Boys High School
Los Angeles, California

Re: Master Loan Agreement, dated as of October 1, 2016, by and among California United Bank, California Enterprise Development Authority and Yeshiva University of Los Angeles Boys High School.

Ladies and Gentlemen:

The undersigned is the Lender of the principal amount of up to \$15,000,000 (the “Loan”) issued pursuant to the Master Loan Agreement, dated as of October 1, 2016 (the “Loan Agreement”) by and among the California Enterprise Development Authority (the “Issuer”), Yeshiva University of Los Angeles Boys High School, a California nonprofit public benefit corporation (the “Borrower”) and California United Bank, a California corporation (the “Lender”). Capitalized terms not defined herein shall have the meanings set forth in the Loan Agreement. The undersigned hereby represents and warrants to you that:

The undersigned hereby represents and warrants to you that:

1. The Lender has authority to make the Loan pursuant to the Loan Agreement and to execute this letter and any other instruments and documents required to be executed by the Lender in connection with the Loan.

2. The Lender is a “Qualified Institutional Buyer” and has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations and is capable of evaluating the merits and risks of its investment represented by the Issuer Loan Obligation, the Borrower Loan and the Loan Agreement. The Lender is able to bear the economic risk of, and entire loss of, an investment in the Loan. The definition of Qualified Institutional Buyer is attached hereto.

3. The Loan is being given by the Lender for investment purposes and not with a view to, or for resale in connection with, any distribution of the Issuer Loan Obligation, and the Lender intends to hold the Loan and the Affiliate intends to hold the Interest for its own account and for an indefinite period of time, and do not intend at this time to dispose of all or any part of the Loan or the Interest, as applicable. The Lender and Affiliate understand that they may need to bear the risks of this investment for an indefinite time, since any transfer prior to maturity may not be possible.

4. The Lender understands that the Loan Agreement is not registered under the Securities Act of 1933, as amended; and further understands that the Loan (a) is not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) will not be listed in any stock or other securities exchange, (c) will not carry a rating from any rating service and (d) will be delivered in a form which may not be readily marketable. The Lender agrees that it will comply with any applicable state and federal securities laws then in effect with respect to any disposition of the Loan by it and with the Issuer’s resale limitations as set forth in the Loan Agreement, and further acknowledges that any current exemption from registration of the Loan does not affect or diminish such requirements.

5. The undersigned is a duly appointed, qualified and acting officer of the Lender and is authorized to cause the Lender to make the certificates, representations and warranties contained herein by execution of this letter on behalf of the Lender.

6. The Lender acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, to which a reasonable Lender would attach significance in making investment decisions, and the Lender has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Borrower, the Project and the Loan and the security therefor so that, as a reasonable investor, the Lender has been able to make a decision to grant the Loan. The Lender acknowledges that it has not relied upon the Issuer for any information in connection with the Lender’s grant of the Loan or with the Loan Documents.

7. The Lender acknowledges that the obligations of the Issuer to make loan payments with respect to the Loan are special, limited obligations payable solely from the Payments and any other amounts paid to the Issuer from the Borrower for such purpose pursuant to the terms of the Loan Agreement, subject to the Reserved Issuer Rights, and the Issuer shall not be directly or indirectly or contingently or morally obligated to use any other moneys or assets of the Issuer for all or any portion of such loan payments.

8. The Lender has made its own inquiry and analysis with respect to the Loan and the security therefor, and other material factors affecting the security and payment of the Loan. The Lender is aware that the business and non-profit activities of the Borrower involve certain economic variables and risks that could adversely affect the security for the Loan.

9. The Lender acknowledges that its right to sell and transfer the Loan is subject to compliance with the transfer restrictions set forth in the Loan Agreement, including the requirement of the delivery to the Issuer and the Borrower of an investor’s letter from the transferee to substantially the same effect as this Investor Letter, with no revisions except as may be approved in writing by the Issuer. Failure to deliver such letter to the Issuer and the Borrower shall cause the purported transfer to be null and void. The Lender agrees to indemnify and hold harmless the Issuer with respect to any claim asserted against the Issuer that is based upon the sale, transfer or other disposition of the Loan in violation of the provisions hereof.

10. None of Kutak Rock LLP (“Lender’s Counsel”), Growth Capital, the Issuer, their members, governing body, or any of their employees, counsel or agents will have any responsibility to the Lender for the accuracy or completeness of information obtained by the

Lender from any source regarding the Borrower or its financial condition, or regarding the ability of the Borrower to pay the Loan, or the sufficiency of any security therefore. No written information has been provided by the Issuer to the Lender with respect to the Loan. The Lender acknowledges that, as between the Lender and all of such parties, the Lender has assumed responsibility for obtaining such information and making such review as the Lender deemed necessary or desirable in connection with its decision to grant the Loan.

[Paragraphs 11-14 only apply to the initial Lender.]

11. The Loan is being granted in a direct, private placement transaction and the terms of the Loan have been established through negotiations between the Lender, the Borrower and the Issuer in an arm's-length transaction.

12. The aggregate price, established as described above, for the Issuer Loan Obligation, to be paid by Lender pursuant to the terms of this letter and the Loan Agreement, is an amount equal to 99.375% of the aggregate principal amount of the Issuer Loan Obligation.

13. As of the date hereof, the price at which the Lender agreed to grant the Loan was, to the best knowledge and judgment of the Lender, the fair market value of the Loan. The Lender acknowledges that such price will be relied on by Lender's Counsel as the "issue price" for establishing the yield on the Loan, for issuance cost limitations and other federal tax requirements based upon the issue price of the Loan.

14. If the Lender transfers, sells or disposes of the Loan, or any interest in the Loan, other than to the Affiliate, either (a) such transfer of any interest in the Loan will not occur within 60 days of the date hereof, during which time the Loan will be held exclusively for our own account and not subject to contractual arrangement for such transfer, or (b) such transfer of the Loan, or interest therein, will be at a price or prices that, in the aggregate (and taking into account any interest in the Loan not transferred), is not in excess of par, unless Lender's Counsel provides a written opinion that the failure to satisfy this paragraph will not adversely affect the exclusion from gross income of interest on the Loan.

We understand that the foregoing information will be relied upon by the Issuer and the Borrower with respect to certain representations in the Tax Regulatory Agreement dated as of the date hereof or the Exhibits thereto and by Lender's Counsel in connection with its opinion as to the exclusion of the interest on the Loan from gross income for Federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended.

Very truly yours,

Attachment to Investor Letter

Exhibit B-1

Qualified Institutional Buyer Definition

A “qualified institutional buyer” as defined in Rule 144A promulgated under the Securities Act of 1933, as in effect on the date hereof, consisting of:

1. Any of the following entities, acting for its own account or the accounts of other qualified institutional buyers, that in the aggregate owns and invests on a discretionary basis at least \$100 million in securities of issuers that are not affiliated with the entity:

(A) Any insurance company as defined in Section 2(13) of the Securities Act of 1933, as amended;

NOTE: A purchase by an insurance company for one or more of its separate accounts, as defined by Section 2(a)(37) of the Investment Company Act of 1940 (the “Investment Company Act”), which are neither registered under Section 8 of the Investment Company Act nor required to be so registered, shall be deemed to be a purchase for the account of such insurance company.

(B) Any investment company registered under the Investment Company Act or any business development company as defined in Section 2(a)(48) of that Act;

(C) Any Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958;

(D) Any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees;

(E) Any employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974;

(F) Any trust fund whose trustee is a bank or trust company and whose participants are exclusively plans of the types identified in paragraph 1(D) or (E) of this section, except trust funds that include as participants individual retirement accounts or H.R. 10 plans;

(G) Any business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940;

(H) Any organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), corporation (other than a bank as defined in Section 3(a)(2) of the Securities Act of 1933, as amended, or a savings and loan association or other institution referenced in Section 3(a)(5)(A) of the Securities Act of

1933, as amended, or a foreign bank or savings and loan association or equivalent institution), partnership, or Massachusetts or similar business trust; and

(I) Any investment adviser registered under the Investment Advisers Act.

2. Any dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934, acting for its own account or the accounts of other qualified institutional buyers, that in the aggregate owns and invests on a discretionary basis at least \$10 million of securities of issuers that are not affiliated with the dealer, provided, that securities constituting the whole or a part of an unsold allotment to or subscription by a dealer as a participant in a public offering shall not be deemed to be owned by such dealer.

3. Any dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934 acting in a riskless principal transaction on behalf of a qualified institutional buyer.

NOTE: A registered dealer may act as agent, on a non-discretionary basis, in a transaction with a qualified institutional buyer without itself having to be a qualified institutional buyer.

4. Any investment company registered under the Investment Company Act, acting for its own account or for the accounts of other qualified institutional buyers, that is part of a family of investment companies which own in the aggregate at least \$100 million in securities of issuers, other than issuers that are affiliated with the investment company or are part of such family of investment companies. "Family of investment companies" means any two or more investment companies registered under the Investment Company Act, except for a unit investment trust whose assets consist solely of shares of one or more registered investment companies, that have the same investment adviser (or, in the case of unit investment trusts, the same depositor), provided that, for purposes of this section:

(A) Each series of a series company (as defined in Rule 18f-2 under the Investment Company Act: 17 CFR 270.18f-2) shall be deemed to be a separate investment company; and

(B) Investment companies shall be deemed to have the same adviser (or depositor) if their advisers (or depositors) are majority-owned subsidiaries of the same parent, or if one investment company's adviser (or depositor) is a majority-owned subsidiary of the other investment company's adviser (or depositor).

5. Any entity, all of the equity owners of which are qualified institutional buyers, acting for its own account or the accounts of other qualified institutional buyers.

6. Any bank as defined in Section 3(a)(2) of the Securities Act of 1933, as amended, any savings and loan association or other institution as referenced in Section 3(a)(5)(A) of the Securities Act of 1933, as amended, or any foreign bank or savings and loan association or equivalent institution, acting for its own account or the accounts of other qualified institutional buyers, that in the aggregate owns and invests on a discretionary basis at least \$100 million in securities of issuers that are not affiliated with it and that has an audited net worth of at least \$25 million as demonstrated in its latest annual financial statements, as of a date not more than 16 months preceding the date of sale under the rule in the case of a U.S. bank or savings and loan

association, and not more than 18 months preceding such date of sale for a foreign bank or savings and loan association or equivalent institution.

In determining the aggregate amount of securities owned and invested on a discretionary basis by an entity, the following instruments and interests shall be excluded: bank deposit notes and certificates of deposit; loan participations; repurchase agreements; securities owned but subject to a repurchase agreement; and currency, interest rate and commodity swaps.

The aggregate value of securities owned and invested on a discretionary basis by an entity shall be the cost of such securities, except where the entity reports its securities holdings in its financial statements on the basis of their market value, and no current information with respect to the cost of those securities has been published. In the latter event, the securities may be valued at market for purposes of this section.

In determining the aggregate amount of securities owned by an entity and invested on a discretionary basis, securities owned by subsidiaries of the entity that are consolidated with the entity in its financial statements prepared in accordance with GAAP may be included if the investments of such subsidiaries are managed under the direction of the entity, except that, unless the entity is a reporting company under Section 13 or 15(d) of the Securities Exchange Act of 1934, securities owned by such subsidiaries may not be included if the entity itself is a majority-owned subsidiary that would be included in the consolidated financial statements of another enterprise.

For purposes of this section, “riskless principal transaction” means a transaction in which a dealer buys a security from any person and makes a simultaneous offsetting sale of such security to a qualified institutional buyer, including another dealer acting as riskless principal for a qualified institutional buyer.

EXHIBIT C

MATTERS TO BE ADDRESSED IN OPINION OF COUNSEL OF THE BORROWER

1. Borrower is a nonprofit public benefit corporation, validly existing and in good standing under the laws of the State of California.

2. Borrower has the corporate power and authority to execute and deliver the Loan Documents and to perform its obligations thereunder. Borrower has taken all corporate action necessary to authorize its execution and delivery of the Loan Documents and the performance of its obligations thereunder. Borrower has duly executed and delivered the Loan Documents. Borrower has all necessary corporate power and authority to conduct the business now being conducted by it, as contemplated by the Loan Documents.

3. The Loan Documents constitute the valid and binding obligations of Borrower, enforceable against Borrower in accordance with their respective terms. Certain remedies, waivers and other provisions of the Loan Documents are, or may be, unenforceable, in whole or in part, under certain laws and judicial decisions; however, subject to the assumptions, qualifications and limitations expressed in this Letter, and except for the economic consequences resulting from any delay imposed, or any procedure required, by applicable laws, rules, regulations, court decisions, the Constitution of the State of California and the Constitution of the United States of America, such unenforceability will not render the Loan Documents invalid as a whole or preclude the acceleration of the payment obligations under the Loan Agreement upon a material breach of a material covenant contained in the Loan Documents.

4. The execution and delivery by the Borrower of the Loan Documents, the consummation of the transactions contemplated therein and the fulfillment of or compliance with the terms and conditions thereof, do not and will not (a) conflict with or constitute on the part of the Borrower a violation or breach of or default (with due notice or the passage of time or both) under (i) the articles of incorporation or bylaws of the Borrower, (ii) any applicable California or federal statutory law or administrative rule or regulation; (iii) to the best of our actual knowledge, any applicable court or administrative decree or order which is directed to or affects the Borrower; or (iv) any material contract, agreement or instrument to which the Borrower is a party or by which the Borrower or its respective properties is otherwise subject or bound; or (b) result in the creation or imposition of any prohibited lien, charge or encumbrance upon any of the property or assets of the Borrower, 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 Loan Documents or the financial condition or operations of the Borrower.

5. The execution and delivery by the Borrower of the Loan Documents does not require any consent, approval, authorization or other action by, or filing with, (a) any trustee or holder of any indebtedness of the Borrower or (b) any governmental authority other than those consents, approvals, authorizations and other actions by, and filings with, any such trustee, holder or governmental authority that have been obtained, taken or made.

6. (a) There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority pending or, to the best of our actual knowledge, threatened against or affecting the Borrower which, if determined adversely to the Borrower, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of the Loan Documents, or upon the financial condition or operations of the Borrower, and (b) the Borrower is not, to the best of our actual knowledge, in 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 Loan Documents or the financial condition or operations of the Borrower.

7. The Security Agreement is in form sufficient to create a security interest, within the meaning of Section 9203(b) of the California UCC, in favor of Lender in any rights of Borrower in the Personal Property Collateral in which a security interest can be created under Division 9 of the California UCC (collectively, the “**Article 9 Collateral**”), as security for the obligations recited in the Security Agreement to be secured thereby.

8. In accordance with Section 9301(1) of the California UCC, the local law of the jurisdiction where Borrower is located governs perfection of Lender’s security interest in the Article 9 Collateral, except for personal property described in Sections 9301(2), 9301(3)(A), 9301(3)(B), 9301(4) and 9303 through 9306, inclusive, of the California UCC. Pursuant to Section 9307(e) of the California UCC, because Borrower is registered as a corporation that is organized under the laws of the State of California, Borrower is located in the State of California. Therefore the law of the State of California will govern perfection of Lender’s security interest in the Article 9 Collateral, except for personal property described in Sections 9301(2), 9301(3)(A), 9301(3)(B), 9301(4) and 9303 through 9306, inclusive, of the California UCC to the extent provided in those sections. Pursuant to the provisions of Division 9 of the California UCC, the filing of the Financing Statement with the California Secretary of State will perfect Lender’s security interest in the Article 9 Collateral that can be perfected solely by the filing of a financing statement under the California UCC.

9. The Borrower is an organization described in Section 501(c)(3) of the United States Internal Revenue Code of 1986, as amended (the “**Code**”), and the Borrower is exempt from federal income taxes under Section 501(a) of the Code, except for unrelated business income subject to taxation under Section 511 of the Code. We have no current actual knowledge of any pending proceedings or threatened proceedings before the Internal Revenue Service (“**IRS**”) to change such status. As used in this Paragraph 11, the term “pending proceeding” means a proceeding pending before the IRS that is, to our current actual knowledge, specifically applicable to Borrower as a named party. As used in this Paragraph 11, the term “threatened proceeding” means a written communication actually delivered to Borrower that overtly threatens the Borrower with commencement by the sender of a proceeding before the IRS. Furthermore, we have no current actual knowledge of any information which would indicate that (1) the Borrower is no longer an organization described in Section 501(c)(3) of the Code, or (2) the Borrower is in violation of the terms, conditions and limitations set forth in the IRS determination letter.

10. The Borrower is an organization that the Franchise Tax Board of the State of California has determined is currently exempt from tax under Section 23701(d) of the California Revenue and Taxation Code, as amended.

11. Assuming the proceeds of the Loan will be allocated and used as described in the Tax Regulatory Agreement, the proceeds of the Loan will not be used by the Borrower in or for any trade or business the conduct of which is not substantially related to the exercise or performance of the purposes or functions constituting the basis for the Borrower's exemption under Section 501(c)(3) of the Code as determined by applying Section 513(a) of the Code and, therefore, will not be used by the Borrower in any "unrelated trade or business" within the meaning of Section 513(a).

12. The Deed of Trust is in a form sufficient to create a legal, valid, and perfected lien on the fee estate of the real property described therein (the "Property") and the rents thereof in favor of the trustee under the Deed of Trust for the benefit of the beneficiary identified in the Deed of Trust. In order to provide constructive notice of any lien created by the Deed of Trust, it is necessary to record the Deed of Trust in the Official Records of Los Angeles County, California in accordance with the recording system established pursuant to applicable law. In rendering the opinion in this Paragraph, we have assumed that the description of the fee estate of the Property is legally sufficient to enable a subsequent purchaser, beneficiary under a mortgage, or mortgagee to identify such fee estate. It is not necessary to re-record, re-register, or re-file the Deed of Trust or to record, register, or file any other or additional documents, instruments, or statements in order to maintain the priority of any liens or security interests to be created in the Property by the Deed of Trust.

13. Borrower has created under the Deed of Trust a valid security interest in that portion of the mortgaged property consisting of personal property and fixtures described in the Deed of Trust in which Borrower has rights to the extent a valid security interest can be created under Division 9 of the California UCC in the same (collectively, the "Personal Property"). Insofar as perfection can be accomplished by recording a fixture filing in the Official Records of Los Angeles County, California or by filing a financing statement with the California Secretary of State pursuant to the California UCC, recording the Deed of Trust in Los Angeles County and filing the California Financing Statements with the California Financing Office constitutes all action is as necessary to perfect the security interest in the Personal Property granted pursuant to the Deed of Trust. No other filing or recording is necessary or advisable to continue the perfection of such security interests.

14. [Others]

EXHIBIT D

SCHEDULE OF PAYMENTS

Borrower shall make principal payments totaling at least \$1,000,000 during each 12-month period that the Loan is outstanding.

EXHIBIT E

ASSIGNMENT LETTER

[DATE]

Yeshiva University of Los Angeles Boys High School
Los Angeles, California

California Enterprise Development Authority
Sacramento, California

Re: Master Loan Agreement, dated as of October 1, 2016, by and among California United Bank (the "Bank"), California Enterprise Development Authority (the "Issuer") and Yeshiva University of Los Angeles Boys High School (the "Borrower")

Ladies and Gentlemen:

The undersigned, a duly authorized representative of the Bank hereby advises you that pursuant to Section 10.01 of the Master Loan Agreement, dated as of October 1, 2016, by and among the Bank, the Issuer and the Borrower (the "Loan Agreement"), a 100% participation interest in the Loan (as defined in the Loan Agreement) made pursuant the Loan Agreement in the aggregate principal amount of \$15,000,000 (the "Loan") has been assigned on this date by the Bank to [_____], a wholly-owned subsidiary of the Bank, and an Affiliate (as defined in the Loan Agreement). The Bank will act as servicer for the Loan.

[LENDER]

By _____
[Name, Title]

EXHIBIT F

FORM OF PROJECT FUND DRAW REQUEST

**PROJECT FUND DRAW REQUEST NO. [] PURSUANT TO
MASTER LOAN AGREEMENT**

by and among

CALIFORNIA UNITED BANK,
Lender

and

CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY,
Issuer

and

YESHIVA UNIVERSITY OF LOS ANGELES BOYS HIGH SCHOOL,
as Borrower

Dated as of _____, 20__

THIS PROJECT FUND DRAW REQUEST (this “Draw Request”) is made pursuant to the Section 3.04 of the Loan Agreement identified above (the “Loan Agreement”). Defined terms used but not otherwise defined herein shall have the meaning set forth in the Loan Agreement.

Section 1. The Borrower hereby requests a draw from the Loan in the amount of \$_____, all subject to the provisions of the Loan Agreement for the Project Costs.

Section 2. The undersigned authorized representative, on behalf of Borrower, hereby identifies the Project Costs, as set forth in Schedule I hereto, pertaining to this Draw Request. Attached hereto are invoice(s), contract(s) and, if applicable, evidence of payment relating to such Project Costs.

Section 3. The Borrower hereby certifies that obligations in amounts stated in this Draw Request are a proper charge against the Project Fund.

Section 4. Borrower represents, covenants and warrants that (a) there has not been any Material Adverse Change in its condition, business, operations, performance, properties or prospects since the date of the Loan Agreement, (b) all of its representations and warranties contained in the Loan Agreement were true and accurate as of the date made, remain true and accurate as of the date of this certificate and are hereby reaffirmed; and (c) no event has occurred and is continuing or would result from the loan of Loan Proceeds pursuant to this Draw Request

which constitutes a Default, an Event of Default or a Determination of Taxability, and no condition exists which, after notice or lapse of time, or both, would constitute an Event of Default or an Event of Taxability.

Section 5. Borrower hereby certifies that the Loan Proceeds disbursed pursuant to each prior Draw Request were disbursed in accordance with the terms of each such prior Draw Request.

Section 6. Borrower (to its best knowledge at the time of this Draw Request) hereby certifies that:

(a) all work performed is in substantial accordance with the Plans and Specifications;

(b) all licenses and permits required by any “Governmental Authority” (as hereinafter defined) for the Improvements as then completed have been obtained and will be exhibited to Lender upon request. “Governmental Authority” shall mean (i) any governmental municipality or political subdivision thereof, (ii) any governmental or quasi-governmental agency, authority, board, bureau, commission, department instrumentality or public body, or (iii) any court, administrative tribunal or public utility;

(c) the Improvements as then completed do not violate, and, if further completed in accordance with the Plans and Specifications, will not violate, any applicable law, ordinance, rule or regulation; and

(d) the remaining undisbursed proceeds of the Loan, together with any funds collected by or otherwise available to the Borrower, are or will be sufficient to pay for the completion of the Improvements.

Section 7. Borrower hereby certifies that all conditions precedent to the disbursement of Loan Proceeds pursuant to the Project Fund Disbursement Agreement have been satisfied.

Submitted on _____, 20__ by:

BORROWER:

YESHIVA UNIVERSITY OF LOS ANGELES
BOYS HIGH SCHOOL

By _____
[Name, Title]

Approved as of _____, 20__ by:

LENDER:

CALIFORNIA UNITED BANK

By _____
[Name, Title]

SCHEDULE I

TO DRAW REQUEST NO. _____

PROJECT COSTS

To

Amount

Purpose

EXHIBIT G

AGGREGATE PRINCIPAL AMOUNT OF LOAN OUTSTANDING

Date	Draw Request No. __	Amount (\$) of Draw (Request)
10/07/2016	NA (Escrow Closing Wire and Original Issue Discount)	\$866,279.85
10/07/2016	1	\$489,983.85
TOTAL		\$1,356,262.85

EXHIBIT H

FORM OF REPORTING CERTIFICATE

TO: California United Bank

RE: Master Loan Agreement, dated as of October 1, 2016, by and among California United Bank, California Enterprise Development Authority and Yeshiva University of Los Angeles Boys High School (the "Loan Agreement")

DATE: [Date]

The undersigned Authorized Borrower Representative hereby certifies as of the date hereof that [he/she] is the [_____] of the Borrower, and that, as such, [he/she] is authorized to execute and deliver this Certificate to the Lender on the behalf of the Borrower, and that:

1. The Borrower has delivered the year-end audited financial statements required by Section 7.05(a) of the Loan Agreement for the fiscal year ended as of the above date.

2. A review of the activities of the Borrower during such fiscal year has been made under the supervision of the undersigned with a view to determining whether during such fiscal year the Borrower performed and observed all its obligations under the Loan Agreement, and

[select one:]

[to the best knowledge of the undersigned, during such fiscal year the Borrower performed and observed each covenant and condition of the Loan Agreement applicable to it, and no Default has occurred and is continuing.]

--or--

[to the best knowledge of the undersigned, the following covenants or conditions have not been performed or observed and the following is a list of each such Default and its nature and status:]

3. The financial covenant analyses and information set forth on Schedule A attached hereto are true and accurate on and as of the date of this Certificate.

4. To the best knowledge of the undersigned, no Event of Taxability has occurred.

Defined terms used in this certificate shall have the meaning set forth in the Loan Agreement.

YESHIVA UNIVERSITY OF LOS ANGELES
BOYS HIGH SCHOOL, a California nonprofit
public benefit corporation

By _____
[Name, Title]

Schedule A

Financial Statement Date: [_____, ____] (“Statement Date”)

A. Change in Unrestricted Net Assets	\$_____
B. + amortization	(\$_____)
C. + depreciation	(\$_____)
D. + interest expense	
E. A + B + C +D	\$_____
F. Then-current portion of long term debt	\$_____
G. + interest expense for the prior twelve months	\$_____
H. F + G	\$_____
I. Debt Service Coverage Ratio (E/H)	\$_____

Minimum Debt Service Coverage Ratio Required By Loan Agreement: 1.25:1.00

Borrower in compliance with Section 7.16? Yes ____ No ____