

SECOND MODIFICATION TO REVOLVING CREDIT AGREEMENT

This SECOND MODIFICATION TO REVOLVING CREDIT AGREEMENT (the “**Second Amendment**”) is dated as of September 1, 2014 and is entered into by and between ZIONS FIRST NATIONAL BANK, a national banking association organized under the laws of the United States of America (“**Lender**”), and the MOUNTAINS RECREATION AND CONSERVATION AUTHORITY, a joint exercise of powers authority established pursuant to Section 6500, et seq., of the California Government Code (“**Borrower**”).

RECITALS

WHEREAS, pursuant to that certain Revolving Credit Agreement, dated as of August 10, 2006, as heretofore amended by that certain Modification to Revolving Credit Agreement, dated as of August 9, 2009, by and between Lender and Borrower (as amended, the “**Loan Agreement**”), Lender made revolving loans to Borrower in the maximum principal amounts of: (i) \$1,000,000 to finance Borrower’s operating cost shortfalls (the “**\$1,000,000 Loan**”); and (ii) \$3,000,000 to finance Borrower’s grant-funded loan and construction projects (the “**\$3,000,000 Loan**”). Capitalized terms used but not defined herein shall have the meaning set forth thereto in the Loan Agreement;

WHEREAS, Borrower and Lender desire to extend the period for disbursements under the loans and decrease the interest rates on the loans, as hereinafter set forth;

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual covenants and agreements hereinafter set forth, and other consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Conditions Precedent. The effectiveness of this Second Amendment is conditional upon the satisfaction by Borrower (or express written waiver by Lender) of the following conditions:

- a. Borrower’s payment to Lender of a \$40,000 extension fee;
- b. The execution by Borrower and MRCA Financing Corporation, a California nonprofit public benefit corporation (“**MRCA Financing**”) of a Second Modification of Secured Promissory Notes (Financing Corporation) in the form attached hereto as Exhibit “A”;
- c. The execution by Borrower of a Modification of Secured Promissory Notes (Authority) in the form attached hereto as Exhibit “B”;
- d. The execution by Borrower of a Tax Certificate with respect to the \$3,000,000 Loan, in form and substance acceptable to Lender and to Borrower’s tax counsel;
- e. The issuance of resolutions by Borrower and MRCA Financing approving this Second Amendment and the documents described herein to be signed by them;

f. Delivery to Lender of an opinion of bond counsel with respect to the \$1,000,000 Loan and the \$3,000,000 Loan that is in form and substance acceptable to Lender, and an opinion of in-house counsel of Borrower in substantially the form of the opinions dated August 7, 2006 and August 12, 2009 issued by such counsel to Lender in connection with the loans.

2. Loan Modifications. Upon the satisfaction of the Conditions set forth in Section 1:

a. Section 5 of the Loan Agreement is deleted and is replaced with the following revised Section 5:

“5. Revolving Loans; Loan Disbursements. Lender shall have no obligation to make advances of loan proceeds after the earliest of: (i) September 1, 2019; (ii) the occurrence of an Event of Default (as defined in Section 8 below); or (iii) the existence of a material adverse change in the financial condition or legal condition of Borrower or Lender, as reasonably determined by Lender, and Lender’s delivery to Borrower of a written explanation of the material adverse change, provided that in the case of a material adverse change in the financial or legal condition of Borrower, Borrower shall have the right to cure such material adverse change within fifteen (15) days after such written notice and, in the case of a material adverse change in the financial or legal condition of Lender, Lender gives Borrower thirty (30) days’ prior written notice of the termination of Lender’s obligation to make advances and Lender is reasonable in its determination that a material adverse change in the financial or legal condition of Lender has occurred. If Lender determines that a material adverse change to its financial position or legal position is continuing and therefore elects not to continue to make advances, Lender shall credit the \$40,000 extension fee previously paid by Borrower to unpaid principal as follows: (i) if terminated on or before September 1, 2016, the credit will be \$24,000; (ii) if terminated after September 1, 2016 but on or before September 1, 2017, the credit will be \$16,000; and (iii) if terminated after September 1, 2017 but on or before September 1, 2018, the credit will be \$8,000. If Lender terminates the credit facilities under this section, the Borrower may repay remaining outstanding principal under the terms of this Agreement.

Sums borrowed under the loans that are repaid by Borrower may be re-borrowed (i.e., each loan is a revolving credit agreement), but disbursements of each loan are subject to Borrower’s giving to Lender a written request for disbursement in substantially the form attached hereto as Exhibit “F” and any additional documentation reasonably and promptly requested by Lender in writing, and the following additional disbursement conditions:

(a) With respect to the \$1M Loan: (i) Borrower’s maintaining an outstanding principal balance of \$0 prior to the end of each fiscal year of Borrower, and (ii) that the sum requested by Borrower is \$30,000 or more.

(b) With respect to the \$3M Loan: (i) that the sum requested by Borrower is \$30,000 or more, (ii) that Borrower has inquired and has been informed that

sufficient grant funds are currently available and have been set aside in an amount sufficient to repay the disbursement, and (iii) grant award contingencies are acceptable to Lender, as reasonably determined by Lender.”

b. Section 6 of the Loan Agreement is amended by adding the following paragraph (g) to the end of Section 6:

“(g) Borrower covenants to take such action as may be necessary to include all principal and interest payments due hereunder in its proposed annual budget and its final adopted annual budget and to make the necessary appropriations for any amount of payments due hereunder to be paid therefor.”

c. Section 6(c) of the Loan Agreement is deleted and is replaced with the following revised Section 6(c):

“(c) Borrower shall repay to Lender the principal of each draw under the \$3M Loan upon the earlier of: (1) the date that is three (3) years after the applicable draw, or (2) Borrower’s receipt of the grant funds for the land acquisition or construction project for which loan funds are outstanding from the \$3M Loan. Such payments shall not be deemed “prepayments” and no prepayment premium or charge or other fees or costs shall be due or payable by Borrower in connection with any of such payments.”

d. The interest rate on the \$3,000,000 Loan (as set forth in the \$3,000,000 Promissory Note issued on August 10, 2006 and executed by Borrower, as heretofore modified by that certain Modification to Revolving Credit Agreement, dated as of August 9, 2009, by and between Lender and Borrower) is decreased to 75% of the Prime Rate, as defined in such Promissory Note (rate determined and re-set on the first (1st) calendar day of each month).

e. The interest rate on the \$1,000,000 Loan (as set forth in the \$1,000,000 Promissory Note issued on August 10, 2006 and executed by Borrower, as heretofore modified by that certain Modification to Revolving Credit Agreement, dated as of August 9, 2009, by and between Lender and Borrower) is decreased to 110% of the Prime Rate, as defined in such Promissory Note (rate determined and re-set on the first (1st) calendar day of each month)

3. Reaffirmations. Borrower hereby reaffirms the terms of that certain Collateral Assignment of Deed of Trust and Notes dated August 10, 2006 executed by Borrower in favor of Lender, and that certain Pledge Agreement dated August 10, 2006 executed by Borrower in favor of Lender, and agrees that the terms of each such document shall apply to the loans described therein as amended by this Second Amendment and the documents described in this Second Amendment. Borrower and Lender also reaffirm all other covenants, obligations, representations, and warranties in the Loan Agreement and all other documents originally executed in connection with such Loan Agreement which have not been superseded or replaced hereunder and in that certain Certificate Regarding Compliance with Certain Tax Matters, dated as of October 3, 2014 and executed by Borrower.

4. Governing Law. This Second Amendment shall be governed by and construed in accordance with the laws of the State of California. If any court of competent jurisdiction determines any provision of this Second Amendment to be invalid, illegal or unenforceable, that provision shall be deemed severed from the rest, which shall remain in full force and effect as though the invalid, illegal and unenforceable provision had never been a part hereof.

5. Facsimile; Counterparts. Telecopies (i.e., facsimiles) of this Second Amendment may be executed, and delivery by telecopy of such an executed telecopy shall constitute delivery of this Second Amendment. This Second Amendment may be executed in any number of counterparts, each of which when executed and delivered to Lender will be deemed to be an original, and all of which, taken together, will be deemed to be one and the same instrument.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, Borrower and Lender have duly executed this Second Amendment as of the day and year first above written.

BORROWER:

MOUNTAINS RECREATION AND
CONSERVATION AUTHORITY

By: _____
Print Name: _____
Title: _____

LENDER:

ZIONS FIRST NATIONAL BANK

By: _____
Print Name: _____
Title: _____

REAFFIRMATION BY PAYING AGENT

Zions First National Bank Trust Department (“**Bank**”) hereby reaffirms the foregoing Second Modification to Revolving Credit Agreement (“**Second Modification**”) and hereby reaffirms its obligations under that certain Paying Agent Agreement between Borrower and Bank dated August 7, 2006 with respect to the loans, as amended by (i) that certain Modification to Revolving Credit Agreement, dated as of August 9, 2009, by and between Lender and Borrower, and (ii) the Second Modification.

ZIONS FIRST NATIONAL BANK

By: _____
Print Name: _____
Trust Officer

EXHIBIT "A"

FORM OF SECOND MODIFICATION OF SECURED PROMISSORY NOTES
(FINANCING CORPORATION)

(Attached.)

SECOND MODIFICATION OF SECURED PROMISSORY NOTES
(FINANCING CORPORATION)

MRCA Financing Corporation, a California nonprofit public benefit corporation (“**MRCA Financing**”) executed (i) a Secured Promissory Note dated August 10, 2006 in the amount of \$3,000,000 (the “**Original \$3,000,000 Note**”) and (ii) a Secured Promissory Note dated August 10, 2006 in the amount of \$1,000,000 (the “**Original \$1,000,000 Note**”), each in favor of the Mountains Recreation and Conservation Authority, a joint exercise of powers authority established pursuant to Section 6500, *et seq.*, of the California Government Code (“**MRCA**”).

MRCA and Zions First National Bank (the “**Bank**”) have entered into that certain Revolving Credit Agreement, dated as of August 10, 2006 (the “**Original Revolving Credit Agreement**”), as amended by that certain Modification to Revolving Credit Agreement, dated as of August 9, 2009 (the “**First Amendment**”). The maturity dates and the interest rates of the Original \$3,000,000 Note and the Original \$1,000,000 Note were modified pursuant to that certain Modifications of Secured Promissory Note (the “**First Notes Modification**”), effective as of the date on which the First Amendment became effective by its terms. The Original \$3,000,000 Note, as heretofore modified by the First Notes Modification, is referred to herein as the “**\$3,000,000 Note**”, and the Original \$1,000,000 Note, as heretofore modified by the First Notes Modification, is referred to herein as the “**\$1,000,000 Note**”. The \$3,000,000 Note and the \$1,000,000 Note are referred to collectively herein as the “**Secured Promissory Notes**”.

Concurrently herewith, MRCA and the Bank are entering into that certain Second Modification to Revolving Credit Agreement, dated as of September 1, 2014, by and between MRCA and the Bank (the “**Second Amendment**”). The Original Revolving Credit Agreement, as amended by the First Amendment and the Second Amendment, is referred to herein as the “**Revolving Credit Agreement**”. As of the date that the Second Amendment becomes effective by its terms, MRCA hereby modifies the Secured Promissory Notes as follows:

1. **\$3,000,000 Note Maturity Date.** The Maturity Date of the \$3,000,000 Note shall be the later of the following: (i) the date on which the Bank’s obligations to make disbursements of loan funds for the \$3M Loan (as defined in the Revolving Credit Agreement) cease under the Revolving Credit Agreement, as amended from time to time, or (ii) the date on which the last disbursement of loan funds made by the Bank under the Revolving Credit Agreement, as amended from time to time, must be repaid pursuant to Section 6(c) thereof.

2. **\$1,000,000 Note Maturity Date.** The Maturity Date of the \$1,000,000 Note shall be the later of the following: (i) the date on which the Bank’s obligations to make disbursements of loan funds for the \$1M Loan (as defined in the Revolving Credit Agreement) cease under the Revolving Credit Agreement, as amended from time to time, or (ii) the date on which the last disbursement of loan funds made by the Bank under the Revolving Credit Agreement, as amended from time to time, must be repaid pursuant to Section 6(b) thereof.

3. **\$3,000,000 Note Interest Rate.** The interest rate on the \$3,000,000 Note shall be decreased to 75% of the Prime Rate, as defined in the \$3,000,000 Note (rate determined and re-set on the first (1st) calendar day of each month).

(Second Modification of Secured Promissory Notes
– Financing Corporation)

4. \$1,000,000 Note Interest Rate. The interest rate on the \$1,000,000 Note shall be decreased to 110% of the Prime Rate, as defined in the \$1,000,000 Note (rate determined and re-set on the first (1st) calendar day of each month).

MRCA FINANCING CORPORATION

MOUNTAINS RECREATION AND
CONSERVATION AUTHORITY

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

EXHIBIT "B"

FORM OF MODIFICATION OF SECURED PROMISSORY NOTES (AUTHORITY)

(Attached.)

MODIFICATION OF SECURED PROMISSORY NOTES (AUTHORITY)

Mountains Recreation and Conservation Authority, a joint exercise of powers authority established pursuant to Section 6500, *et seq.*, of the California Government Code (“**MRCA**”), executed a \$3,000,000 Promissory Note dated August 10, 2006, CUSIP No. 624515AB8, in the amount of \$3,000,000 (as heretofore modified, the “**\$3,000,000 Note**”) and a \$1,000,000 Promissory Note dated August 10, 2006, CUSIP No. 624515AC6, in the amount of \$1,000,000 (as heretofore modified, the “**\$1,000,000 Note**”), each in favor of Zions First National Bank (the “**Bank**”). The \$3,000,000 Note and the \$1,000,000 Note are referred to collectively herein as the “**Promissory Notes**”.

MRCA and the Bank have entered into that certain Revolving Credit Agreement, dated as of August 10, 2006 (the “**Original Revolving Credit Agreement**”), as amended by that certain Modification to Revolving Credit Agreement, dated as of August 9, 2009 (the “**First Amendment**”). Among the modifications implemented by the First Amendment, the First Amendment modified the maturity dates and increased the interest rates on the Promissory Notes. Concurrently herewith, MRCA and the Bank are entering into that certain Second Modification to Revolving Credit Agreement, dated as of September 1, 2014, by and between MRCA and the Bank (the “**Second Amendment**”). The Original Revolving Credit Agreement, as amended by the First Amendment and the Second Amendment, is referred to herein as the “**Revolving Credit Agreement**”.

As of the date on which the Second Amendment becomes effective by its terms, the Bank hereby modifies the Promissory Notes as follows:

1. \$3,000,000 Note Maturity Date. The Maturity Date of the \$3,000,000 Note shall be the later of the following: (i) the date on which the Bank’s obligations to make disbursements of loan funds for the \$3M Loan (as defined in the Revolving Credit Agreement) cease under the Revolving Credit Agreement, as amended from time to time, or (ii) the date on which the last disbursement of loan funds made by the Bank under the Revolving Credit Agreement, as amended from time to time, must be repaid pursuant to Section 6(c) thereof.

2. \$1,000,000 Note Maturity Date. The Maturity Date of the \$1,000,000 Note shall be the later of the following: (i) the date on which the Bank’s obligations to make disbursements of loan funds for the \$1M Loan (as defined in the Revolving Credit Agreement) cease under the Revolving Credit Agreement, as amended from time to time, or (ii) the date on which the last disbursement of loan funds made by the Bank under the Revolving Credit Agreement, as amended from time to time, must be repaid pursuant to Section 6(b) thereof.

3. \$3,000,000 Note Interest Rate. The interest rate on the \$3,000,000 Note shall be decreased to 75% of the Prime Rate, as defined in the \$3,000,000 Note (rate determined and re-set on the first (1st) calendar day of each month).

(Modification of Secured Promissory Notes (Authority))

4. \$1,000,000 Note Interest Rate. The interest rate on the \$1,000,000 Note shall be decreased to 110% of the Prime Rate, as defined in the \$1,000,000 Note (rate determined and re-set on the first (1st) calendar day of each month).

MOUNTAINS RECREATION AND
CONSERVATION AUTHORITY

ZIONS FIRST NATIONAL BANK

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____