

RECORDING REQUESTED BY
& WHEN RECORDED MAIL TO:

Mountains Recreation and
Conservation Authority
570 West Avenue 26, Suite 100
Los Angeles, California 90065
Attn: Chief Staff Counsel

Space Above This Line For Recorder's Use

This Deed of Trust and Assignment of Rents is exempt from Recording Fees pursuant to California Government Code Sections 6103 and 27383, exempt from California Government Code Section 27388.1 as a real estate instrument executed or recorded by a municipality, and exempt from Documentary Transfer Tax pursuant to Revenue and Taxation Code Section 11921

**DEED OF TRUST
AND ASSIGNMENT OF RENTS**

This DEED OF TRUST AND ASSIGNMENT OF RENTS (the "Deed of Trust"), is dated as of [August 28], 2019, and is executed by MOUNTAINS RECREATION AND CONSERVATION AUTHORITY, a joint exercise of powers authority established pursuant to Section 6500 *et seq.* of the California Govt. Code ("Trustor"), whose address is 570 West Avenue 26, Suite 100, Los Angeles, California 90065, to CHICAGO TITLE COMPANY ("Trustee"), for the benefit of BBVA USA, an Alabama banking corporation ("Beneficiary").

Trustor hereby irrevocably grants, transfers and assigns to Trustee in trust, with power of sale that certain real property in Los Angeles County, California, more particularly described as follows:

See Exhibit "A" attached hereto and incorporated herein by this reference (the "Property")

together with the rents, issues and profits thereof, if any, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply any such rents, issues and profits.

For the purpose of securing (1) payment of the principal sum of Three Million Dollars (\$3,000,000) together with interest thereon according to the terms of a Tax-Exempt Series A Secured Promissory Note dated as of even date herewith made by Trustor, payable to order of Beneficiary, and extensions or renewals thereof (the "Series A Note"); (2) payment of the principal sum of Three Million Dollars (\$3,000,000) together with interest thereon according to the terms of a Series B Secured Promissory Note dated as of even date herewith made by Trustor, payable to order of Beneficiary, and extensions or renewals thereof (the "Series B Note"); (3) payment of the principal sum of Two Million Dollars (\$2,000,000) together with interest thereon according to

the terms of a Series C Secured Promissory Note dated as of even date herewith made by Trustor, payable to order of Beneficiary, and extensions or renewals thereof (the "Series C Note"; and collectively with the Series A Note and the Series B Note, the "Notes"); (4) the performance of each agreement of Trustor contained herein, incorporated herein by reference or reciting that it is so secured; (5) payment of indebtedness or other financial accommodations and interest thereon which may hereafter be loaned or provided by Beneficiary to Trustor, or its successors or assigns, when evidenced by a promissory note, notes or other agreements reciting that the same are secured by this Deed of Trust.

To protect the security of this Deed of Trust, and with respect to the Property, it is mutually agreed that all of the provisions set forth in Exhibit "B" attached hereto shall inure to and bind the parties hereto, with respect to the Property. The agreements, terms and provisions contained in Exhibit "B" are incorporated herein and made a part of this Deed of Trust. Beneficiary may charge for a statement regarding the obligation secured hereby, provided the charge thereof does not exceed the maximum allowed by law.

The undersigned Trustor, requests that a copy of any notice of default and any notice of sale hereunder be mailed to Trustor at the following address:

570 West Avenue 26, Suite 100
Los Angeles, California 90065
Attn: Staff Counsel

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the day and year first above written.

**MOUNTAINS RECREATION AND
CONSERVATION AUTHORITY,**
a joint exercise of powers authority

By: _____
Name: _____
Title: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

On _____ before me, _____ Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity, and that by his/her/their signature(s) on the instrument the person(s), or the entity(ies) upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

Place Notary Seal Above

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

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

PARCEL 1-2:

THE WEST HALF OF THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 4, TOWNSHIP 1 SOUTH, RANGE 14 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA.

EXCEPT THEREFROM THAT PORTION THEREOF INCLUDED WITHIN THE BOUNDARIES OF TRACT NO. 6709, AS PER MAP RECORDED IN BOOK 102 PAGES 17 THROUGH 19 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ALSO EXCEPT THEREFROM THAT PORTION THEREOF DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWESTERLY CORNER OF SAID LAND; THENCE EASTERLY ALONG THE SOUTHERLY LINE THEREOF A DISTANCE OF 60 FEET, THENCE NORTHERLY PARALLEL TO THE WESTERLY LINE OF SAID SECTION 4, A DISTANCE OF 110 FEET, MORE OR LESS, TO THE SOUTHEASTERLY LINE OF WATTLES DRIVE, AS DESCRIBED IN THE DEED TO THE CITY OF LOS ANGELES, RECORDED IN BOOK 7008 PAGE 190 OF OFFICIAL RECORDS, THENCE SOUTHWESTERLY ALONG SAID SOUTHERLY LINE OF SAID WATTLES DRIVE A DISTANCE OF 100 FEET, MORE OR LESS, TO A POINT ON INTERSECTION OF SAID SOUTHERLY LINE OF WATTLES DRIVE WITH THE WESTERLY LINE OF SAID EAST HALF OF THE SOUTHWEST QUARTER; THENCE SOUTHERLY ALONG SAID WESTERLY LINE TO THE POINT OF BEGINNING, RECORDED AS INSTRUMENT NO. 2561, JANUARY 26, 1971 IN BOOK D-4953 PAGE 625, OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM A STRIP OF LAND 100 FEET IN WIDTH, THE SIDE LINES OF SAID STRIP OF LAND BEING PARALLEL WITH AND 50 FEET ON EACH SIDE OF A CENTER LINE DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE EASTERLY LINE OF SAID LOT 1 OF TRACT 8888, AS PER MAP RECORDED IN BOOK 132 PAGES 55 OF MAPS, SAID POINT BEING DISTANT THEREON SOUTH 0° 40' 42" EAST 394.44 FEET FROM A 2 INCH PIPE SET IN CONCRETE TO MARK THE NORTHERLY TERMINUS OF THAT PORTION OF SAID EASTERLY LINE SHOWN ON MAP AS BEARING NORTH 0° 32' 30" WEST; THENCE FROM SAID POINT OF BEGINNING SOUTH 26° 38' 38" WEST, 970.57 FEET; THENCE SOUTH 44° 17' 38" WEST 1,416.48 FEET; THENCE SOUTH 20° 17' 38" WEST 998.64; THENCE SOUTH 6° 59' 52" EAST 39.98 FEET TO A POINT IN THE SOUTHERLY LINE OF LOT 1 OF SAID TRACT NO. 8888 DISTANT THEREON SOUTH 89° 18' 12" EAST 373.33 FEET FROM THE MOST

WESTERLY CORNER OF LOT 7 OF SAID TRACT 8888, RECORDED AS INSTRUMENT NO. 2561, JANUARY 26, 1971.

ALSO EXCEPT THEREFROM THAT PORTION THEREOF INCLUDED WITH THE BOUNDARIES OF LAND DESCRIBED IN THE DEED TO MARIAN BLAIR BLANCHARD RECORDED ON MARCH 24, 1966 AS INSTRUMENT NO. 1377 IN BOOK D-3247 PAGE 920, OF SAID OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM THOSE PORTIONS DESCRIBED IN DEEDS RECORDED ON JUNE 27, 1962 TO EDWIN S. BINGHAM, JR. AS INSTRUMENT NO. 5091, TO PAUL SUTRO AS INSTRUMENT NO. 5092 AND TO ROBERT SUTRO, AS INSTRUMENT NO. 5093, IN BOOK D-1665 PAGE 266, 268 AND 270 RESPECTIVELY OF SAID OFFICIAL RECORDS.

ALSO EXCEPT THERFROM THAT PORTION THEREOF LYING EASTERLY AND SOUTHERLY OF THE EASTERLY AND SOUTHERLY SIDELINES OF WATTLES DRIVE AS DESCRIBED IN THE DEED TO THE CITY OF LOS ANGELES AS RECORDED IN BOOK 7008 PAGE 190 AND IN DEED TO THE CITY OF LOS ANGELES AS RECORDED IN BOOK D3177 PAGE 456, BOTH OF OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM THAT PORTION THEREOF DESCRIBED IN THE COVENANT AND AGREEMENT TO HOLD PROPERTY AS ONE PARCEL RECORDED APRIL 25, 2003 AS INSTRUMENT NO. 03-1180864, OF OFFICIAL RECORDS.

PARCEL 1-3:

THAT PORTION OF LOT 1 OF TRACT NO. 8888, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 132 PAGES 155 THROUGH 158 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE MOST SOUTHERLY LINE OF SAID LOT 1 WITH THE EASTERLY BOUNDARY OF THAT CERTAIN STRIP OF LAND 100.00 FEET WIDE, DESCRIBED IN PARCEL A OF THE DEED OF THE CITY OF LOS ANGELES, RECORDED AUGUST 13, 1942 AS INSTRUMENT NO. 543 IN BOOK 19515 PAGE 127 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER; THENCE ALONG SAID SOUTHERLY LINE, SOUTH 89° 18' 38" EAST, RECORDED AS INSTRUMENT NO. 3796, JULY 7, 1971 IN BOOK D-6115 PAGE 928, OFFICIAL RECORDS, 434.29 FEET TO THE SOUTHEASTERLY CORNER OF SAID LOT 1; THENCE ALONG THE EASTERLY LINE OF SAID LOT 1 NORTH 0°29' 41" WEST 1,048.12 FEET TO THE SOUTHEASTERLY BOUNDARY OF SAID CERTAIN 100 FOOT WIDE STRIP OF LAND; THENCE ALONG SAID SOUTHEASTERLY BOUNDARY, SOUTH 44° 17' 38" WEST 130.24 FEET TO AN ANGLE POINT THEREIN, SOUTH 20° 17' 38" WEST 975.87 FEET TO AN ANGLE POINT THEREIN AND SOUTH 06° 59' 52" EAST 34.59 FEET, MORE OR LESS TO THE POINT OF BEGINNING; RECORDED AS INSTRUMENT NO. 3796, JULY 7, 1971 IN BOOK D-5115 PAGE 928, OFFICIAL RECORDS.

PARCEL 1-4:

THAT PORTION OF LOT 1 OF TRACT 8888, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 132 PAGES 55 THROUGH 58 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST EASTERLY CORNER OF LOT 48 OF TRACT 11665, IN BOOK 238 PAGE 5 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER; THENCE SOUTH 45° 48' 58" WEST 162.11 FEET ALONG THE SOUTHEAST LINE OF SAID TRACT 11665 TO THE INTERSECTION WITH THE SOUTH LINE OF LOT 1 OF TRACT 8888; THENCE SOUTH 89° 11' 02" EAST 149.55 FEET, MORE OR LESS, ALONG SAID SOUTH LINE TO THE WEST LINE OF THE 100.00 FOOT STRIP OF LAND DESCRIBED IN THE DEED TO THE CITY OF LOS ANGELES, RECORDED IN BOOK 19515 PAGE 127, OFFICIAL RECORDS; THENCE NORTH 6° 55' 54" WEST 45.24 FEET, MORE OR LESS, ALONG SAID WESTERLY LINE TO AN ANGLE POINT THEREIN; THENCE STILL ALONG SAID WESTERLY LINE, NORTH 20° 21' 36" EAST 32.10 FEET, MORE OR LESS, TO THE SOUTHEASTERLY PROLONGATION OF THE NORTHEASTERLY LINE OF SAID LOT 48 OF TRACT 11665; THENCE NORTH 44° 11' 02" WEST 55.94 FEET; MORE OR LESS, ALONG SAID SOUTHEASTERLY PROLONGATION TO THE POINT OF BEGINNING, RECORDED JANUARY 26, 1971 AS INSTRUMENT NO. 2560, IN BOOK D-4953 PAGE 624, OFFICIAL RECORDS.

PARCEL 1-5:

THAT PORTION OF LOT 7 OF TRACT 8888, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 132 PAGE 55 ET SEQ. OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER, DESCRIBED AS FOLLOWS: BEGINNING AT A POINT IN THE NORTHERLY LINE OF SAID LOT 7, DISTANT THEREON 335.77 FEET EASTERLY FROM THE INTERSECTION OF SAID NORTHERLY LINE WITH THE EASTERLY LINE OF THE LAND DESCRIBED IN PARCEL 2, IN FINAL DECREE OF CONDEMNATION, SUPERIOR COURT NO. 407591, RECORDED IN BOOK 17530 PAGE 286, OFFICIAL RECORDS OF SAID COUNTY; THENCE SOUTHERLY 329.62 FEET, MORE OR LESS, TO A POINT IN THE NORTHEASTERLY LINE OF THE LAND DESCRIBED IN SAID PARCEL 2 IN SAID DECREE OF CONDEMNATION, DISTANT THEREON SOUTH 48° 26' 33" EAST 501.14 FEET FROM THE NORTHERLY LINE OF SAID LOT 7; THENCE CONTINUING ALONG SAID NORTHEASTERLY LINE SOUTH 48° 26' 33" EAST 51.20 FEET TO AN ANGLE POINT IN SAID EASTERLY LINE, THENCE SOUTH 8° 27' 13" EAST 159.02 FEET; THENCE SOUTH 38° 08' 15" WEST 166.69 FEET TO A POINT IN THE SOUTHERLY LINE OF SAID LOT 7; DISTANT THEREON SOUTH 89° 00' 37" EAST 76.55 FEET FROM THE SOUTHWEST CORNER OF SAID LOT 7; THENCE ALONG SAID SOUTHERLY LINE, SOUTH 89° 00' 37" EAST 437.17 FEET TO THE SOUTHEAST CORNER OF SAID LOT 7; THENCE ALONG THE EASTERLY LINE OF SAID LOT 7, NORTH 0° 18' 10" WEST 650.65 FEET TO THE

NORTHEAST CORNER OF SAID LOT 7; THENCE ALONG THE NORTHERLY LINE OF SAID LOT 7; NORTH 89° 08' 00" WEST 432.12 FEET TO THE POINT OF BEGINNING.

EXCEPT THAT PORTION THEREOF INCLUDED WITHIN THE BOUNDARIES OF THE FOLLOWING DESCRIBED PROPERTY:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF LOT 11 OF TRACT 13509, IN BOOK 294 PAGES 35 AND 36 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DISTANT THEREON SOUTH 89° 28' 39" EAST 29.00 FEET FROM THE MOST WESTERLY CORNER OF SAID LOT 11; THENCE NORTH 3° 11' 11" WEST 26.52 FEET; THENCE NORTH 51° 57' 38" WEST 36.65 FEET; THENCE SOUTH 32° 06' 13" WEST 57.27 FEET TO A POINT IN THE NORTHERLY LINE OF LOT 10 OF SAID TRACT 13509; THENCE SOUTH 89° 28' 39" EAST 60.78 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPT THAT PORTION THEREOF DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTH LINE OF SAID LOT 7, DISTANT THEREON NORTH 3° 11' 11" WEST 11.16 FEET FROM A POINT WHICH IS SOUTH 89° 28' 39" EAST 29.00 FEET FROM THE NORTHWEST CORNER OF LOT 11 OF TRACT 13509, IN BOOK 294 PAGES 35 AND 36 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER; THENCE NORTH 62° 53' 04" EAST 85.00 FEET; THENCE SOUTH 89° 02' 35" EAST 60.00 FEET; THENCE SOUTHEASTERLY 115.00 FEET, MORE OR LESS, TO THE SOUTHEAST CORNER OF SAID LOT 7; THENCE WEST ALONG THE SOUTH LINE OF SAID LOT TO THE POINT OF BEGINNING.

PARCEL 1-5A:

THAT PORTION OF LOT 7 OF TRACT 8888, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA AS PER MAP RECORDED IN BOOK 132 PAGE 55 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY INCLUDED WITHIN THE FOLLOWING DESCRIBED LINES:

BEGINNING AT THE INTERSECTION OF THE NORTHERLY LINE OF SAID LOT 7 WITH THE EASTERLY LINE OF THE LAND DESCRIBED IN PARCEL 2 IN FINAL DECREE OF CONDEMNATION SUPERIOR COURT CASE NO. 407591, RECORDED IN BOOK 17530 PAGE 286, OFFICIAL RECORDS OF SAID COUNTY, THENCE EASTERLY ALONG THE NORTHEASTERLY LINE OF SAID LOT 7, A DISTANCE OF 234.86 FEET TO A POINT; THENCE ALONG THE WESTERLY LINE OF THE LAND DESCRIBED IN DECREE TO THE CITY OF LOS ANGELES, RECORDED IN BOOK 19499 PAGE 196, OF SAID OFFICIAL RECORDS, SOUTH 6° 49' 58" EAST 230.58 FEET, MORE OR LESS, TO A POINT IN THE NORTHERLY LINE OF SAID LOS ANGELES FLOOD CONTROL LAND; THENCE NORTH 48° 26' 33" WEST 350.48 FEET ALONG THE NORTHERLY LINE OF SAID LOS ANGELES FLOOD CONTROL LAND TO THE POINT OF BEGINNING.

PARCEL 1-5B:

THAT PORTION OF LOT 7 OF TRACT 8888, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 132 PAGES 55 THROUGH 58 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AND THAT PORTION OF NICHOLS CANYON ROAD, 40 FEET WIDE, AS SHOWN ON SAID MAP, BOUNDED ON THE NORTH BY THE NORTHERLY LINE OF SAID LOT 7 AND THE WESTERLY PROLONGATION OF SAID NORTHERLY LINE, BOUNDED ON THE NORTHEAST AND EAST, RESPECTIVELY BY THE NORTHEASTERLY AND EASTERLY BOUNDARIES OF THAT PARCEL OF LAND DESCRIBED AS "PARCEL NO. 2", IN A FINAL JUDGMENT HAD IN SUPERIOR COURT CASE NO. 407591, A CERTIFIED COPY OF WHICH IS RECORDED IN BOOK 17530 PAGE 286, OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER; BOUNDED ON THE SOUTH BY THE NORTHERLY LINE OF THE LAND DESCRIBED AS "PARCEL A" IN DEED TO THE CITY OF LOS ANGELES, RECORDED IN BOOK 20159 PAGE 219 OF SAID OFFICIAL RECORDS, AND BOUNDED ON THE WEST AND SOUTHWEST RESPECTIVELY BY THE EASTERLY AND NORTHEASTERLY BOUNDARIES OF NICHOLS CANYON ROAD, AS DESCRIBED IN DEED TO THE CITY OF LOS ANGELES, RECORDED IN BOOK 19192 PAGE 176, AND IN ORDINANCE NO. 84901, SECTION 1, OF THE CITY OF LOS ANGELES.

EXCEPT THEREFROM, THAT PORTION OF SAID LAND LYING WITHIN THE FOLLOWING DESCRIBED BOUNDARIES:

BEGINNING AT THE MOST NORTHERLY CORNER OF THAT CERTAIN PARCEL OF LAND DESCRIBED AS PARCEL B IN DEED RECORDED IN BOOK 20159 PAGE 219 OF SAID RECORDS, THENCE FROM SAID POINT OF BEGINNING SOUTH 48° 31' 31" EAST 150.56 FEET ALONG THE NORTHERLY LINE OF SAID PARCEL B, SAID NORTHERLY LINE BEING DESCRIBED IN SAID DEED AS HAVING A BEARING OF SOUTH 48° 26' 33" EAST; THENCE SOUTH 6° 54' 22" EAST, 156.66 FEET ALONG THE EASTERLY LINE OF SAID PARCEL B BEING DESCRIBED IN SAID DEED AS HAVING A BEARING OF SOUTH 6° 49' 58" EAST, TO THE NORTHERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED IN SAID DEED AS PARCEL A; THENCE SOUTH 82° 48' 52" WEST, 162.92 FEET ALONG SAID NORTHERLY LINE OF PARCEL A AND ITS WESTERLY PROLONGATION TO THE CENTERLINE OF NICHOLS CANYON ROAD, 40 FEET IN WIDTH, AS PER LOS ANGELES CITY ENGINEER'S FILED BOOK NO. 17802 PAGE 43; THENCE NORTH 7° 11' WEST, 210.00 FEET ALONG SAID CENTERLINE OF NICHOLS CANYON ROAD; THENCE NORTH 82° 48' 52" EAST 63.95 FEET TO A POINT IN THE WESTERLY BOUNDARY OF SAID PARCEL B; THENCE NORTH 6° 54' 22" WEST, 59.70 FEET ALONG SAID WESTERLY LINE OF PARCEL B TO THE SAID POINT OF BEGINNING.

ALSO EXCEPT THEREFROM ALL OIL, GAS, HYDROCARBONS AND OTHER MINERALS IN AND UNDER, TOGETHER WITH THE RIGHT TO EXPLORE FOR AND REMOVE SAID OIL, GAS, HYDROCARBON SUBSTANCES AND OTHER MINERALS BY WELLS, THE DERRICKS AND EQUIPMENT OF WHICH ARE TO BE SET UPON

PROPERTY OTHER THAN THE ABOVE DESCRIBED PROPERTY, AND FURTHER EXCEPTING THE RIGHT TO DRILL THROUGH AND UNDER THE ABOVE DESCRIBED LAND FOR THE PURPOSE OF EXPLORING FOR AND/OR REMOVING AND EXTRACTING OIL, GAS, HYDROCARBONS AND OTHER MINERALS FROM PROPERTY OTHER THAN THE ABOVE DESCRIBED PROPERTY, PROVIDED HOWEVER, THAT NO CASTING SHALL BE LOCATED UNDER THE ABOVE DESCRIBED PROPERTY AT A DEPTH LESS THAN 400 FEET FROM THE SURFACE OF SAID PROPERTY, AS RESERVED IN DEED FROM LOS ANGELES COUNTY FLOOD CONTROL DISTRICT, A BODY CORPORATE AND POLITIC RECORDED JULY 8, 1963 AS INSTRUMENT NO. 2192.

PARCEL 1-6:

PARCEL D OF PARCEL MAP-L.A. NO. 2787, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED FILED IN BOOK 61, PAGES 10 TO 12 INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THAT PORTION OF PARCEL "D", IN THE CITY OF LOS ANGELES, AS SHOWN ON PARCEL MAP-L.A. NO. 2787, FILED IN BOOK 61, PAGES 10 TO 12 INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST EASTERLY CORNER OF LOT NO. 35 AS SHOWN ON TRACT NO. 11665, RECORDED IN SAID COUNTY AND SAID STATE; THENCE SOUTH 53° 08' 58" WEST, A DISTANCE OF 275.81 FEET; THENCE NORTH 88° 27' EAST, A DISTANCE OF 104.93 FEET TO A POINT AT THE SOUTHWESTERLY TERMINUS OF A TANGENT CURVE CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 173.39 FEET, SAID POINT HAVING A RADIAL LINE THAT BEARS SOUTH 39° 38' 40" EAST; THENCE NORTHEASTERLY ALONG THE SAID TANGENT CURVE THROUGH A CENTRAL ANGLE OF 31° 08' 50" AN ARC DISTANCE OF 94.26 FEET TO THE NORTHEASTERLY TERMINUS OF SAID TANGENT CURVE, ALSO BEING THE NORTHWESTERLY CORNER OF THE TURNOUT KNOWN AS BANTAM PLACE AS SHOWN ON SAID PARCEL MAP; THENCE NORTH 81° 30' 10" EAST, A DISTANCE OF 23.59 FEET TO THE BEGINNING OF TANGENT CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 25.08 FEET; THENCE EASTERLY AND NORTHERLY ALONG SAID TANGENT CURVE THROUGH A CENTRAL ANGLE OF 77° 17' 30" AN ARC DISTANCE OF 33.83 FEET TO THE END OF SAID TANGENT CURVE; THENCE NORTH 4° 12' 40" EAST, A DISTANCE OF 20.60 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 146.66 FEET; THENCE NORTHERLY ALONG SAID TANGENT CURVE THROUGH A CENTRAL ANGLE OF 30° 58' 10", AN ARC DISTANCE OF 73.27 FEET TO THE POINT OF BEGINNING OF THIS DESCRIPTION.

ALSO EXCEPT THEREFROM THAT PORTION OF SAID PARCEL "D" OF SAID PARCEL MAP DISTANCE IN THE DEED TO S. GARRETT SADLER, A SINGLE WOMAN, RECORDED JANUARY 18, 2000 AS INSTRUMENT NO. 00-69513.

SAID PARCEL 1-6 IS ALSO SHOWN AS “PROPOSED PARCEL 2” ON CERTIFICATE OF COMPLIANCE FOR LOT LINE ADJUSTMENT RECORDED DECEMBER 21, 1999 AS INSTRUMENT NO. 99-2345948, OFFICIAL RECORDS.

APN: 5571-025-905, -906;
5571-026-905, -906;
5571-027-904, -905;
5571-031-914, -915, -916, -917, -918

EXHIBIT "B"

ADDITIONAL PROVISIONS

The following is incorporated by reference in the foregoing Deed of Trust as being a part thereof as if set forth at length therein.

A. To protect the security of this Deed of Trust, Trustor agrees:

(1) To comply with all laws affecting said Property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer, or permit any act upon said Property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said Property may be reasonably necessary, the specific enumerations herein not excluding the general.

(2) To provide, maintain and deliver to Beneficiary such insurance as may be customary for Property of the type encumbered hereby naming Beneficiary as loss payee or additional insured, as applicable. The amount collected under any fire or other Property insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed of Trust.

(4) To pay: when due, all encumbrances, charges and liens, with interest, on said Property or any part thereof, which appear to be prior or superior hereto, except for any such encumbrances, charges and liens existing on the date hereof; all costs, fees and expenses of this trust.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may, make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said Property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge, or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his or her reasonable fees.

(5) To pay immediately and without demand all sums so expanded by Beneficiary or Trustee, with interest from date of expenditure at the amount allowed by law in effect at the date hereof, and to pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby, any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

B. It is mutually agreed:

(1) That any award of damages in connection with any condemnation for public use of or injury to said Property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by him or her in the same manner and with the same effect as above provided for regarding disposition of proceeds of fire or other Property insurance.

(2) That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his or her right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

(3) That at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and the Notes for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

(4) That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust and the Notes to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose and upon payment of its fees, Trustee shall reconvey, without warranty, the Property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

(5) That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said Property or any part thereof, in his or her own name sue for or otherwise collect such rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said Property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(6) That upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustor or Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property, which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit

with Trustee this Deed of Trust, the Notes, and all documents evidencing obligations or expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said Property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said Property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the Property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

(7) Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said Property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed of Trust is recorded and the name and address of the new Trustee.

(8) That this Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors, and assigns. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or the neuter, and the singular number includes the plural.

(9) The Trustee accepts this trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

PLEDGE AGREEMENT

THIS PLEDGE AGREEMENT (the “Pledge Agreement”) is dated as of August 1, 2019 and is entered into by and between BBVA USA, an Alabama banking corporation (“Secured Party”), and MOUNTAINS RECREATION AND CONSERVATION AUTHORITY, a joint exercise of powers authority established pursuant to Section 6500 *et seq.* of the California Government Code (“Debtor”).

RECITAL

It is a condition to Secured Party’s providing financing to Debtor, to be evidenced by a tax-exempt Secured Promissory Note in the amount of \$3,000,000 (the “Tax-exempt Series A Note”), a separate Secured Promissory Note in the amount of \$3,000,000 (the “Series B Note”), and a separate Secured Promissory Note in the amount of \$2,000,000 (the “Series “C Note”); and collectively with the Tax-exempt Series A Note and the Series B Note, the “Notes”), that Debtor execute this Pledge Agreement in order to create and perfect a security interest in favor of Secured Party in the Collateral owned by Debtor and described herein, and Debtor has agreed to do so.

NOW, THEREFORE, in consideration of the foregoing recital, and other consideration, the receipt and adequacy of which are hereby acknowledged, Debtor and Secured Party hereby agree as follows:

AGREEMENT

1. Grant of Security Interest. To secure the obligations of Debtor to Secured Party under the Notes (collectively, the “Obligations”), Debtor hereby pledges and grants to Secured Party, pursuant to Section 5451 of the California Government Code, a security interest in the following (collectively, the “Collateral”): (A) MRCA general fund revenues and MRCA fund balance (with no restriction on the use of such funds by Debtor to pay its other obligations in the normal course of its business as they become due, so long as no Event of Default (as defined in that certain Revolving Credit Agreement, dated as of even date herewith, by and between Secured Party and Debtor, as it may be amended from time to time (the “Revolving Credit Agreement”)) has occurred and is continuing); (B) with respect to the Tax-Exempt Series A Note, grant funds awarded to Debtor for land acquisition and construction projects for which Secured Party has disbursed loan funds thereunder to Debtor; and (C) with respect to the Series B Note, grant funds awarded to Debtor for working capital expenditures, including projects not related to capital improvements, as well as preliminary expenditures and feasibility activities for proposed capital improvements, for which Secured Party has disbursed loan funds thereunder to Debtor.

2. Records and Inspections. Debtor shall keep records regarding the Collateral. At such reasonable times as Secured Party may require, Debtor will furnish to Secured Party current financial statements and a statement certified by Debtor showing the current amounts of the Collateral.

3. Cooperation; Further Assurances. Debtor will from time to time execute and deliver to Secured Party, at its request, any reasonable instruments and reasonable documents, and will perform any and all other reasonable acts necessary to effectuate the terms of this Pledge Agreement or evidence or perfect the security interests granted herein.

4. Notices. All notices and communications hereunder shall be delivered in accordance with the terms of the Revolving Credit Agreement.

5. Arbitration. To the extent permitted by law, any dispute, controversy or claim arising out of or based upon the terms of this Pledge Agreement or the transactions contemplated hereby shall be settled exclusively and finally by binding arbitration. Upon written demand for arbitration by any party hereto, the parties to the dispute shall confer and attempt in good faith to agree upon one arbitrator. If the parties have not agreed upon an arbitrator within thirty (30) days after receipt of such written demand, each party to the dispute shall appoint one arbitrator and those two arbitrators shall agree upon a third arbitrator. Any arbitrator or arbitrators appointed as provided in this section shall be selected from panels maintained by, and the binding arbitration shall be conducted in accordance with the commercial arbitration rules of, the American Arbitration Association (or any successor organization), and such arbitration shall be binding upon the parties. The arbitrator or arbitrators shall have no power to add or detract from the agreements of the parties and may not make any ruling or award that does not conform to the terms and conditions of this Pledge Agreement. The arbitrator or arbitrators shall have no authority to award punitive damages or any other damages not measured by the prevailing party's actual damages. Judgment upon an arbitration award may be entered in any court having jurisdiction. The prevailing party in the arbitration proceedings shall be awarded reasonable attorney fees and expert witness costs and expenses, unless the arbitrator or arbitrators shall for good cause determine otherwise.

6. Miscellaneous. This Pledge Agreement shall be governed by California law. If any of the provisions of this Pledge Agreement are invalid or unenforceable, this Pledge Agreement shall be construed as not containing those provisions and all other provisions of this Pledge Agreement shall remain in full force and effect.

7. Agreement to Pay Attorneys' Fees and Expenses. In the event either party to this Pledge Agreement should default under any of the provisions hereof and the nondefaulting party should employ attorneys or incur other expenses for the collection of moneys or the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party contained herein, the defaulting party agrees that it will pay on demand to the nondefaulting party the reasonable fees of such attorneys and such other expenses so incurred by the nondefaulting party.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have entered into this Pledge Agreement as of the day and year first above written.

DEBTOR:

MOUNTAINS RECREATION AND
CONSERVATION AUTHORITY,
a joint exercise of powers authority

By: _____
Name: _____
Title: _____

SECURED PARTY:

BBVA USA,
an Alabama banking corporation

By: _____
Name: _____
Title: _____

REVOLVING CREDIT AGREEMENT

THIS REVOLVING CREDIT AGREEMENT (this “Agreement”) is made and entered into as of August 1, 2019, by and between BBVA USA (“Lender”), an Alabama banking corporation, and the MOUNTAINS RECREATION AND CONSERVATION AUTHORITY (“Borrower”), a joint exercise of powers authority established pursuant to Section 6500 *et seq.* of the California Government Code (the “Joint Exercise of Powers Act”).

RECITALS

A. Pursuant to a Revolving Credit Agreement, dated as of August 10, 2006, as amended by a Modification to Revolving Credit Agreement, dated as of August 9, 2009, and a Second Modification to Revolving Credit Agreement, dated as of September 1, 2014 (the “Prior Credit Agreement”), each by and between the Borrower and Zions First National Bank, a national banking association (the “Prior Lender”), the Prior Lender has made revolving loans to Borrower in the maximum principal amounts of (i) \$3,000,000 to finance Borrower’s grant-funded loan and construction projects (the “Prior \$3M Loan”) and \$1,000,000 to finance Borrower’s operating cost shortfalls (the “Prior \$1M Loan”).

B. Borrower has requested Lender to make available to Borrower: (i) a revolving loan in the maximum principal amount of \$3,000,000 to finance Borrower’s grant-funded land and construction projects and to prepay amounts presently outstanding under the Prior \$3M Loan (the “Tax-exempt Series A Loan”); (ii) a revolving loan in the maximum principal amount of \$3,000,000 to finance Borrower’s grant-funded working capital expenditures, including projects not related to capital improvements, as well as Borrower’s grant-funded preliminary expenditures and feasibility activities for proposed capital improvements (the “Series B Loan”); and (iii) a revolving loan in the maximum principal amount of \$2,000,000 to finance Borrower’s operating cost shortfalls and to prepay amounts presently outstanding under the Prior \$1M Loan (the “Series C Loan”); and collectively with the Tax-exempt Series A Loan and the Series B Loan, the “Loans”).

C. Lender is willing to provide such financing upon the terms and subject to the conditions hereinafter set forth, including, without limitation, the condition that the financing be secured by (i) a deed of trust (the “Deed of Trust”) on the undeveloped land described in Exhibit “A” (the “Property”); and (ii) a pledge of grants awarded to Borrower and of Borrower’s other funds pursuant to a pledge agreement (the “Pledge Agreement”) to be executed by Borrower.

NOW, THEREFORE, Lender and Borrower agree as follows:

1. Agreement to Make Loans. Subject to the terms and conditions set forth below, the Lender agrees to lend to Borrower on a revolving basis and make (A) the Tax-exempt Series A Loan in the maximum principal amount of \$3,000,000 for Borrower’s grant-funded land and construction projects and to prepay amounts presently outstanding under the Prior \$3M Loan, to be evidenced by a secured promissory note in the form attached hereto as Exhibit “B” (the “Tax-exempt Series A Note”); (B) the Series B Loan in the maximum principal amount of \$3,000,000 for Borrower’s grant-funded working capital expenditures, including projects not related to capital improvements, as well as Borrower’s grant-funded preliminary expenditures and feasibility activities for proposed capital improvements, to be evidenced by a secured promissory note in the

form attached hereto as Exhibit “C” (the “Series B Note”); and (C) the Series C Loan in the maximum principal amount of \$2,000,000 for Borrower’s operating cost shortfalls and to prepay amounts presently outstanding under the Prior \$1M Loan, to be evidenced by a secured promissory note in the form attached hereto as Exhibit “D” (the “Series C Note”; and collectively with the Tax-exempt Series A Note and the Series B Note, the “Notes”).

2. Security for Loans. The Loans shall be secured by the Deed of Trust, which shall be substantially in the form of Exhibit “E” attached hereto, and a pledge agreement substantially in the form of Exhibit “F” attached hereto (the “Pledge Agreement”; and collectively with this Agreement, the Notes, and the Deed of Trust, the “Loan Documents”).

EXCEPT TO THE EXTENT PROVIDED HEREUNDER AND UNDER THE NOTES, NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA OR ANY PUBLIC AGENCY THEREOF OR ANY MEMBER OF THE AUTHORITY IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THE NOTES.

3. Use of Loan Proceeds. The Tax-exempt Series A Loan shall be used for Borrower’s grant-funded land acquisition and construction projects and to prepay amounts presently outstanding under the Prior \$3M Loan, except that the initial \$50,000 disbursement of the Tax-exempt Series A Loan may be used for financing costs. The Series B Loan shall be used for Borrower’s grant-funded working capital expenditures, including projects not related to capital improvements, as well as Borrower’s grant-funded preliminary expenditures and feasibility activities for proposed capital improvements. The Series C Loan shall be used for Borrower’s annual operating cost shortfalls and to prepay amounts presently outstanding under the Prior \$1M Loan. The initial \$50,000 disbursement of the Tax-exempt Series A Loan shall not be subject to the certifications required for subsequent disbursements of the Tax-exempt Series A Loan, because such initial disbursement is for the purpose of establishing the issue date of the Tax-exempt Series A Note. Borrower agrees to use the proceeds of the Loans for the foregoing purposes and for no other purposes.

4. Conditions to Loans. Lender shall make the Loan proceeds available provided that Lender receives the following:

- (a) the executed Notes, Deed of Trust, and Pledge Agreement;
- (b) a lender’s title insurance policy, naming Lender as the insured with coverage in the maximum principal amount of the Loans and including such endorsements as Lender may reasonably require;
- (c) a fully executed copy of the Joint Exercise of Powers Agreement (the “JPA Agreement”) establishing and governing Borrower pursuant to the Joint Exercise of Powers Act, as certified by an authorized officer of Borrower in a certificate to the effect that (i) such copy is a true and correct copy of the JPA Agreement pursuant to which Borrower was created, and (ii) except as otherwise described therein, the JPA Agreement has not been amended, modified, supplemented, rescinded or repealed, and is in full force and effect as of the issue date of the Notes, which for all Notes shall be the same date as the issue date of the Tax-exempt Series A Note as

described and determined in accordance with Section 3 above (such issue date also being referred to herein as the “Closing Date”);

(d) a certificate signed by a duly authorized official of Borrower to the effect that (i) this Agreement, the other Loan Documents and the Notes have been duly executed and delivered, (ii) the representations, warranties and covenants of Borrower herein are true and correct in all material respects as of the Closing Date, and (iii) Borrower has complied with all the terms of the Loan Documents to be complied with by Borrower prior to or concurrently with the Closing Date, and such documents are in full force and effect;

(e) a certificate of an authorized officer of Borrower, together with a fully executed copy of the resolution of Borrower’s Governing Board authorizing the transactions described herein (the “Borrower Resolution”), to the effect that (i) such copy is a true and correct copy of the Borrower Resolution, and (ii) the Borrower Resolution has been duly adopted and has not been modified, amended, rescinded or revoked except as otherwise described therein, and is in full force and effect on the Closing Date;

(f) a certificate of an authorized officer of the Rancho Simi Recreation and Park District (the “Rancho Simi District”), together with a fully executed copy of the resolution adopted by the Rancho Simi District’s Board of Directors (the “Rancho Simi Resolution”), to the effect that (i) such copy is a true and correct copy of the Rancho Simi Resolution, and (ii) the Rancho Simi Resolution has been duly adopted and has not been modified, amended, rescinded or revoked except as otherwise described therein, and is in full force and effect on the Closing Date;

(g) a certificate of an authorized officer of the Conejo Recreation and Park District (the “Conejo District”), together with a fully executed copy of the resolution adopted by the Conejo District’s Board of Directors (the “Conejo Resolution”), to the effect that (i) such copy is a true and correct copy of the Conejo Resolution, and (ii) the Conejo Resolution has been duly adopted and has not been modified, amended, rescinded or revoked except as otherwise described therein, and is in full force and effect on the Closing Date;

(h) a certificate of an authorized officer of the Santa Monica Mountains Conservancy (the “Conservancy”), together with a fully executed copy of the resolution adopted by the Conservancy (the “Conservancy Resolution”), to the effect that (i) such copy is a true and correct copy of the Conservancy Resolution, and (ii) the Conservancy Resolution has been duly adopted and has not been modified, amended, rescinded or revoked except as otherwise described therein, and is in full force and effect on the Closing Date;

(i) proofs of publication of the notices of public hearings by the Conejo District, the Rancho Simi District, and the Conservancy;

(j) the Tax Certificate (as defined in Section 6(b)(vi) of this Agreement) executed by Borrower with respect to the Tax-exempt Series A Note in form and substance acceptable to Borrower’s counsel;

(k) a copy of the Internal Revenue Service Form 8038-G with respect to the Tax-exempt Series A Note;

(l) legal opinions from Borrower's counsel regarding the due organization of Borrower, the validity and enforceability against Borrower of the documents evidencing and securing the Loans, and the tax exempt status of interest on the Tax-exempt Series A Note, and addressing such other matters as the Lender may reasonably require, all in form and substance acceptable to Lender; and

(m) such additional legal opinions, certificates, proceedings, instruments and other documents as the Lender may reasonably request; and

(n) an origination fee in the amount of \$60,000.

5. Revolving Loans; Loan Disbursements. Lender shall have no obligation to make advances of Loan proceeds after the earlier of: (i) June 30, 2024; (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, 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 has been provided in accordance with Section 13 hereof.

If Lender terminates its obligation to make advances prior to June 30, 2024 for any reason other than a material adverse change in the financial condition or legal condition of Borrower, Lender shall either provide a refund to Borrower or a credit against unpaid principal in an amount determined as follows: (A) if terminated on or before [August 28], 2020, the amount of \$45,000, and (B) if terminated after [August 28], 2020 but on or before [August 28], 2021, the amount of \$30,000. If Lender terminates the credit facilities under this section, 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 line of credit), 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 "G" and any additional documentation reasonably and promptly requested by Lender in writing, and the following additional disbursement conditions:

(a) With respect to the Tax-exempt Series A Loan: (i) that the sum requested by Borrower is \$30,000 or more; (ii) that, except for the initial disbursement, Lender shall have been notified in writing by Borrower of the land acquisition or construction project for which a grant has been approved and awarded to Borrower and for which the disbursement is requested, and Borrower has provided to Lender such information relating to the project and the grant as provided for in Exhibit "G" hereof; and (iii) that grant award contingencies are acceptable to Lender, as reasonably determined by Lender.

(b) With respect to the Series B Loan: (i) that the sum requested by Borrower is \$30,000 or more; (ii) that Lender shall have been notified in writing by Borrower of the expenditure, project, or feasibility activity for which a grant has been approved and awarded to Borrower and for which the disbursement is requested, and Borrower has provided to Lender such information relating to the expenditure, project, or feasibility activity and the grant as provided for

in Exhibit "G" hereof; and (iii) that grant award contingencies are acceptable to Lender, as reasonably determined by Lender.

(c) With respect to the Series C Loan, (i) that the sum requested by Borrower is \$30,000 or more; and (ii) Borrower's maintaining an outstanding principal balance of \$0 prior to the end of each fiscal year of Borrower; provided, however, that notwithstanding Borrower's having achieved such \$0 balance at the end of each fiscal year of Borrower, the Lender in its sole discretion will have the option to terminate its obligation to lend moneys to the Borrower under the Series C Loan as of June 30 of any year, upon giving written notice to the Borrower at least sixty (60) days prior to the end of each fiscal year of Borrower.

6. Warranties, Representations and Covenants. Borrower makes the following covenants, representations and warranties as of the date of this Agreement:

(a) General Warranties and Representations.

(i) Borrower is a joint exercise of powers authority duly organized and validly existing under the laws of the State of California and has all necessary power and authority to authorize the incurrence of the Loans and the issuance of the Notes.

(ii) Borrower has full legal right, power and authority to enter into the Loan Documents and to perform its obligations as provided herein and therein, and Borrower has duly authorized the transactions and documents described herein and has complied with all legal requirements relating to its adoption of the Borrower Resolution (including any open meeting laws and notice requirements, if applicable).

(iii) The Loan Documents and any other documents evidencing, securing or otherwise relating to the Loans that are executed by Borrower constitute legal, valid and binding obligations of Borrower, enforceable in accordance with their respective terms, except as such enforceability may be limited by bankruptcy or other laws affecting creditors' rights, the application of equitable principles if equitable remedies are sought, the exercise of judicial discretion in appropriate cases and the limitations on legal remedies against public entities, as applicable, in the State of California.

(iv) The issuance of the Notes and the execution and delivery of the Loan Documents, and compliance with the provisions hereof and thereof will not conflict with or violate any law, administrative regulation court decree, resolution, charter, by-laws or other agreement to which Borrower is subject or by which it is bound.

(v) No consent, approval, authorization or other order of, or filing with, or certification by, any regulatory authority having jurisdiction over Borrower is required for the issuance of the Notes, the execution of the Loan Documents or the consummation by Borrower of the other transactions contemplated by this Agreement except those Borrower shall obtain or perform prior to or upon the issuance of the Notes.

(vi) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, arbitrator, governmental or other board body or official, pending and notice

of process having been served upon and received by Borrower or, to the best knowledge of Borrower, threatened against or affecting Borrower questioning the validity of any proceeding taken or to be taken by Borrower in connection with the Loan Documents or the Borrower Resolution, or seeking to prohibit, restrain or enjoin the execution, delivery or performance by Borrower of any of the foregoing, or wherein an unfavorable decision ruling or finding would have a materially adverse effect on Borrower's financial condition or results of operations or on the ability of Borrower to conduct its activities as presently conducted or as proposed or contemplated to be conducted, or would materially adversely affect the validity or enforceability of, or the authority or ability of Borrower to perform its obligations under, the Loan Documents.

(vii) Borrower will not directly or indirectly amend, supplement, repeal, or waive any portion of the Borrower Resolution (A) without the consent of Lender, or (B) in any way that would materially adversely affect the interests of Lender.

(b) Covenants of Borrower.

(i) Punctual Payment. Borrower covenants that it will duly and punctually pay or cause to be paid the principal of and interest on the Notes issued hereunder, on the date, at the place and in the manner provided in this Agreement. Borrower further covenants that all legally available user fees and service charges shall be duly and punctually collected and deposited into Borrower's accounts.

(ii) Compliance with Agreement. Borrower will not suffer or permit any default by it to occur hereunder but will faithfully comply with, keep, observe and perform all the agreements, conditions, covenants and terms hereof or thereof required to be complied with, kept, observed and performed by it.

(iii) Observance of Laws and Regulations. Borrower will faithfully comply with, keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on it by contract, or prescribed by any law of the United States of America or of the State of California, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of each and every right or privilege now owned or hereafter acquired by it, to the end that such rights and privileges shall be maintained and preserved and shall not become abandoned, forfeited or impaired in any manner that has or may have a material adverse effect on the ability of Borrower to carry out its obligations under the Loan Documents.

(iv) Prosecution and Defense of Suits. Borrower will promptly, upon request of Lender, take such action from time to time as may be necessary or proper to remedy or cure any cloud upon or defect in the title to the Property or any part thereof, whether now existing or hereafter developing, will prosecute all actions, suits or other proceedings as may be appropriate for such purpose and will indemnify and save Lender harmless from all cost, damage, expense or loss, including reasonable attorneys' fees, which it may incur by reason of any such cloud, defect, action, suit or other proceeding.

(v) Accounting Records and Statements. Borrower will keep proper accounting records, and such accounting records shall be available for inspection by Lender or its agent duly

authorized in writing on any Business Day (as hereinafter defined), upon reasonable notice at reasonable hours and under reasonable conditions prescribed by Borrower.

(vi) Tax Exempt Status.

(A) Borrower shall not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the Tax-exempt status of interest on the Tax-exempt Series A Note under Section 103(a) of the Code or cause interest on the Tax-exempt Series A Note to be an item of tax preference for purposes of the alternative minimum tax under the Code.

(B) In furtherance of the foregoing tax covenant, Borrower shall comply with the provisions of the Tax Certificate, which is incorporated herein as if fully set forth herein. These covenants shall survive payment in full or defeasance of the Tax-exempt Series A Note.

As used in this Section 6(b)(vi), the following capitalized terms shall have the following respective meanings:

“Code” means the Internal Revenue Code of 1986, as amended, and any regulations, rulings, judicial decisions, and notices, announcements, and other releases of the United States Treasury Department or Internal Revenue Service interpreting and construing it

“Tax Certificate” means the Certificate Regarding Compliance with Certain Tax Matters (or similar document) pertaining to the use and investment of proceeds of the Tax-exempt Series A Note, executed and delivered by a duly authorized officer of Borrower on the Closing Date, including any and all exhibits and attachments thereto.

“Tax-exempt” means, with respect to interest on any obligations of a state or local government, including the interest on the Tax-exempt Series A Note, that such interest is excluded from gross income for federal income tax purposes whether or not such interest is an item of tax preference for purposes of the alternative minimum tax under the Code or otherwise taken into account in calculating tax liabilities under the Code.

(vii) Payment of Claims relating to the Property. Borrower will pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien on the Property or any part thereof; provided, Borrower shall not be obligated to make such payment so long as Borrower contests such payment in good faith and adequate reserves are maintained in accordance with Generally Accepted Accounting Principles.

(viii) Compliance with Grant Contracts. Borrower will comply with, keep, observe and perform all agreements, conditions, covenants and terms, express or implied, required to be performed by it contained in all contracts governing grants relating to expenditures, projects, or activities for which Borrower has requested and received a draw under a Note.

(ix) Insurance. Borrower shall procure, or cause to be procured, and maintain, or cause to be maintained, throughout the term hereof insurance for Borrower against the following risks in the following respective amounts:

(A) Borrower shall maintain or cause to be maintained, throughout the term of this Agreement, public liability insurance policies in protection of Borrower and its Governing Board members, officers and employees, which policy or policies shall provide for indemnification against direct or contingent loss or liability for damages for bodily and personal injury, death, or property damage occasioned by reason of Borrower's operations, the ownership or operation by Borrower of its properties, and which policy or policies of public liability insurance shall provide coverage as is customarily insured against in connection with similar property; provided, that such public liability and property damage insurance may be maintained as part of or in conjunction with any other public liability insurance coverage carried by Borrower.

(B) So long as such insurance is available from reputable and responsible insurance companies at a commercially reasonable cost considering the respective use of the applicable property, Borrower shall procure and maintain, or cause to be procured and maintained throughout the term of this Agreement, property insurance covering primary buildings, facilities and structures on Borrower's revenue-producing properties against such casualty risks to Borrower as are customarily insured against by similar public entities in the provision of similar public services and facilities and in connection with similar operations; provided, that such property casualty insurance may be maintained as part of or in conjunction with any other casualty insurance coverage carried by Borrower.

(x) Payment of Taxes and Compliance with Governmental Regulations. Borrower will pay and discharge all taxes, assessments and other governmental charges, if any, which may hereafter be lawfully imposed upon Borrower and its properties or any part thereof or upon the revenues of the Borrower when the same shall become due; provided, Borrower shall not be obligated to make such payment so long as Borrower contests such payment in good faith and adequate reserves are maintained in accordance with Generally Accepted Accounting Principles. Borrower will duly observe and conform with all valid regulations and requirements of any governmental authority relative to the operation of the Borrower or its properties or any part thereof, but the Borrower shall not be required to comply with any regulations or requirements so long as the validity or application thereof shall be contested in good faith.

(c) Financial Covenants.

(i) Borrower shall pay to Lender all interest outstanding on the Tax-exempt Series A Loan, the Series B Loan, and the Series C Loan semi-annually, as follows: (A) for the first half of each calendar year, on or before the later of (I) June 30 of each calendar year; or (II) the date that is five (5) days after Lender delivers a bill to Borrower describing the amount of the interest to be paid and the calculation thereof; and (B) for the second half of each calendar year, on or before the later of (I) December 31 of each calendar year; or (II) the date that is five (5) days after Lender delivers a bill to Borrower describing the amount of the interest to be paid and the calculation thereof.

(ii) Except for the initial \$50,000 disbursement of the Tax-exempt Series A Loan, which must be repaid no later than June 30, 2020, Borrower shall repay to Lender the principal of each draw under the Tax-exempt Series A Loan upon the earlier of the date that is (A) three (3) years after the applicable draw, or (B) the Borrower's receipt of the grant funds for the land acquisition or construction project for which loan funds are outstanding from the Tax-exempt

Series A 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.

(iii) With respect to draws under the Series B Loan for grant-funded preliminary expenditures or feasibility activities for proposed capital improvements, Borrower shall repay to Lender the principal of each such draw under the Series B Loan upon the earlier of the date that is (A) three (3) years after the applicable draw, or (B) the Borrower’s receipt of the grant funds for the preliminary expenditure or feasibility activities for proposed capital improvements for which loan funds are outstanding from the Series B 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.

(iv) With respect to draws under the Series B Loan for grant-funded working capital expenditures, including projects not related to capital improvements, Borrower shall repay to Lender the principal of each such draw under the Series B Loan solely from revenues received or accrued in the fiscal year in which the draw is made and upon the earlier of the date that is (A) fifteen (15) months after the applicable draw, or (B) the Borrower’s receipt of the grant funds for the working capital expenditures for which loan funds are outstanding from the Series B 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.

(v) Borrower shall pay to Lender all principal then outstanding under the Series C Loan on or before June 30 of each calendar year.

(vi) Borrower covenants to take such action as may be necessary to include all principal and interest payments due hereunder and under the Notes 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 in each fiscal year.

(vii) Borrower shall not incur any additional indebtedness (A) above \$250,000 in aggregate principal amount outstanding at any given time for leases on office equipment and other items used in the normal course of business, or (B) above \$750,000 in aggregate principal amount outstanding at any given time for automobile leases without Lender’s prior written approval, which approval shall not be unreasonably withheld; provided, insurance financing incurred by Borrower shall not require any approval by Lender.

(viii) Except as disclosed to Lender in writing: (A) Borrower has never defaulted under: (i) any promissory notes of the same general nature as the Notes, or (ii) any of its bonds, leases or other obligations, and (B) Borrower has never asserted a right to avoid liability under a lease by non-appropriation (excluding conditions precedent requiring appropriation) as a condition to the effectiveness of an obligation.

7. Lender Statement. Lender shall provide monthly written statements to Borrower of the outstanding balances under the Loans and, within five (5) Business Days after receipt of written request from Borrower from time to time, a written description of any defaults or Events of Default by Borrower of which Lender then has knowledge or notice.

8. Default; Events of Default. An “Event of Default” by Borrower shall be deemed to have occurred hereunder and under the Notes if any of the following events occur, subject to any applicable cure rights provided herein:

(a) Borrower fails to make or cause to be made any payment required to be paid under a Note when such payment is due and payable.

(b) Borrower fails to perform any non-monetary obligation of Borrower to Lender when performance is due, or to observe and perform any covenant, condition or agreement on its part to be observed or performed under the Loan Documents, and Borrower fails to cure such default within fifteen (15) days after written notice from Lender of such default is provided to Borrower in accordance with Section 13 hereof (provided that if the default is such that more than fifteen (15) days is required for its cure, no Event of Default shall have occurred unless Borrower fails to commence the cure within such 15-day period or thereafter fails to reasonably prosecute the cure to completion), unless Lender shall agree in writing to an extension of such period prior to its expiration.

(c) Any warranty, representation or other statement by or on behalf of Borrower contained in this Agreement, any other Loan Document, or any instrument furnished in connection with the issuance of Notes is false or misleading in any material respect.

(d) A petition is filed against Borrower under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect and is not dismissed within 30 days after such filing, but Lender shall have the right to intervene in the proceedings prior to the expiration of such 30 days to protect its interests.

(e) Borrower files a petition in voluntary bankruptcy or seeking relief under any provision of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, or consents to the filing of any petition against it under such law.

(f) Borrower admits insolvency or bankruptcy or is generally not paying its debts as such debts become due, or becomes insolvent or bankrupt or makes an assignment for the benefit of creditors, or a custodian (including without limitation a receiver, liquidation or trustee) of Borrower or any of its property is appointed by court order or takes possession thereof and such order remains in effect or such possession continues for more than 30 days, but Lender shall have the right to intervene in the proceedings prior to the expiration of such 30 days to protect its interests.

(g) A default by Borrower under a Loan Document.

If such an Event of Default by Borrower occurs, Lender shall, in addition to any other remedies provided herein or by law, have the right, at its option without any further demand or notice, to take one or any combination of the following remedial steps, and Lender shall not be obligated to make future disbursements of Loan proceeds to Borrower:

(i) Declare all sums disbursed or advanced by Lender under the Notes and the interest accrued thereon to be immediately due and payable, and upon notice to Borrower the same shall become immediately due and payable by Borrower without further notice or demand; and

(ii) Take whatever other action at law or in equity which may appear necessary or desirable to collect the amounts then due and thereafter to become due hereunder or to enforce any other of its rights under the Notes, hereunder, or under any other Loan Document.

9. Information and Reporting Requirements. Borrower shall provide to the Lender the following information at the respective times provided for as follows:

(a) Audited annual financial statements of Borrower within 270 days after Borrower's fiscal year end.

(b) A copy of Borrower's semi-annual "Mid-Year Budget Review" within 60 days after Borrower's mid-year period (currently December 31, based on a June 30 fiscal year end).

(c) Borrower's annual operating budget, approved by its Governing Board, within 75 days after Borrower's fiscal year end.

(d) A semi-annual report on the status of projects or activities for which Loan proceeds have been disbursed and related grant approvals and reimbursements, as outlined in the document entitled "Capital Line of Credit Activity Sample for BBVA" heretofore provided by Borrower to Lender, together with such additional information relating to such projects, activities, and grant approvals and reimbursements as Lender may reasonably and promptly request in writing.

(e) Such additional information as Lender may from time to time reasonably request.

10. Defeasance. If at any time Borrower shall pay or cause to be paid or there shall otherwise be paid to the owner(s) of the Notes all of the principal and interest represented by the Notes at the times and in the manner provided herein and in the Notes, then such owner shall cease to be entitled to any unrestricted income, revenue, cash receipts or other money of Borrower or the other security provided pursuant to the Loan Documents for the payment of the Notes, and such obligation and all agreements and covenants of Borrower to the owner hereunder and under the Notes and the other Loan Documents shall thereupon be satisfied and discharged and shall terminate, except only that Borrower shall remain liable for payment of all principal and interest represented by the Notes, but only out of monies held in trust for such payment.

11. Business Day Convention. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Agreement or the Notes, shall not be a business day, such payment may be made or act performed or right exercised on the next succeeding business day, with the same force and effect as if done on the nominal date provided in this Agreement or the Notes and, unless otherwise specifically provided in this Agreement or the Notes, no interest shall accrue for the period from and after such nominal date.

The term “business day” for these purposes shall mean any day of the year other than a Saturday, Sunday or a day on which Lender is closed for business; provided that, for the purposes of determining LIBOR, the term “Business Day” shall also exclude any day on which commercial banks are not open for dealings in U.S. dollar deposits in the London interbank market (each a “Business Day”).

12. Independent Contractor. Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing a partnership, joint venture or relationship of employer/employee or principal/agent between the parties.

13. Notices. All notices and demands shall be given in writing by certified mail, postage prepaid, and return receipt requested, by personal delivery or by overnight delivery service. Notices shall be considered given upon the earlier of (a) personal delivery; (b) two (2) Business Days following deposit in the United States mail, postage prepaid, certified or registered, return receipt requested; or (c) one (1) Business Day following deposit with an overnight courier. Notices shall be addressed as provided below for the respective party; provided that if any party gives notice in writing of a change of name or address, notices to such party shall thereafter be given as demanded in that notice:

Borrower: Mountains Recreation and Conservation Authority
570 West Avenue 26, Suite 100
Los Angeles, California 90065
Attn: Senior Counsel

With a copy to: Mountains Recreation and Conservation Authority
c/o Conejo Recreation and Park District
403 W. Hillcrest Drive
Thousand Oaks, California 91360
Attn: James Friedl, Jr., Financial Officer

Lender: BBVA USA
801 South Figueroa Street, Suite 1100
Los Angeles, California 90017
Attn: Jon McMullen, Senior Vice President

With a copy to: BBVA USA
8333 Douglas Avenue, 2nd Floor
Dallas, Texas 75225
Attention: LDFC Public Finance

14. Nonliability of Borrower Officials and Employees. No member, official or employee of either party shall be personally liable to the other party or its successors in interest in the event of any default or breach or for any amount which may become due.

15. No Third Party Beneficiaries. This Agreement is made for the sole benefit of Lender and Borrower and their respective permitted successors and assigns, and no other person or persons shall have any right of action hereon, nor should any laborer, materialman,

subcontractor, or other third party rely upon the loans as a source of payment for work done or labor and/or materials supplied in respect to the improvements contemplated hereunder or otherwise, notwithstanding any representation to the contrary made by Borrower, contractor or any other person.

16. Miscellaneous / General Provisions. Time is of the essence of this Agreement and of each and every provision hereof. The waiver by either party of any breach or default herein shall not be deemed, nor shall it constitute, a waiver of any subsequent breach or breaches. Any failure or delay by either party in asserting any of its rights or remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies or deprive it of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies. This Agreement, together with all exhibits hereto, constitutes the entire agreement between the parties hereto, and there shall be no other agreement regarding the subject matter hereof unless signed in writing by the party to be charged.

17. No Assignment by MRCA. MRCA shall not assign any of its rights under this Agreement.

18. Assignment by Lender. Lender's rights under this Agreement, including the right to receive and enforce any payments to be made by Borrower under this Agreement and the Notes, may be assigned by Lender only provided that:

(a) the amount transferred must be equal to \$100,000 or greater in principal amount to any assignee;

(b) Lender shall first have complied with all applicable state and federal securities laws and regulations;

(c) Lender first obtains and delivers to Borrower an executed copy of a letter of the assignee in substantially the form as that set forth in Exhibit A to each of the Notes, with no material revisions except as may be approved in writing, not to be unreasonably withheld, by Borrower;

(d) the assignee meets one of the following criteria:

(i) the assignee qualifies as a qualified institutional buyer within the meaning of Rule 144A promulgated under the 1933 Act;

(ii) the assignee qualifies as an "accredited investor" within the meaning of Section 2(a)(15) of the 1933 Act; or

(iii) the assignee is a securitization Special Purpose Vehicle ("SPV") the interests in which SPV are sold to qualified institutional buyers or accredited investors only.

(e) Lender will not prepare or furnish, or cause to be prepared or furnished, any disclosure regarding Borrower's finances without the prior review and written consent of the Borrower, in Borrower's sole discretion; and

(f) upon any assignment Lender shall provide Borrower a written notice of such assignment naming the assignee.

Subject to satisfaction of the foregoing requirements of this Section 18 by Lender or any subsequent proposed assignor, Lender or any assignee has the right to make additional assignments of its rights and obligations under this Agreement, but Borrower shall not be required to pay more than a single payee, regardless of the number of assignees, and no such assignment will be effective as against Borrower unless and until Borrower consents to such assignment. Borrower shall make all payments hereunder under the written direction of Lender or the assignee named in the most recent assignment or notice of assignment filed with Borrower in compliance herewith and with the provisions of the applicable Note(s). During the term of this Agreement, Borrower shall keep a complete and accurate record of all such notices of assignment.

19. Indemnification. Borrower shall, to the extent then permitted by law, indemnify, protect, hold harmless, save and keep harmless Lender and its directors, officers and employees from and against any and all liability, obligations, losses, claims and damages whatsoever, except to the extent caused by, resulting from, or arising out of the gross negligence or willful misconduct of Lender, and expenses in connection therewith, including, without limitation, counsel fees and expenses, penalties and interest arising out of or as the result of the issuance of the Notes, the operation and use of Borrower's properties and each portion thereof or any accident in connection with the operation, use, condition or possession of Borrower's properties or any portion thereof resulting in damage to property or injury to or death to any person including, without limitation, any claim alleging latent and other defects, whether or not discoverable by Borrower or Lender; any claim arising out of any environmental law or regulation; any claim for patent, trademark or copyright infringement; and any claim arising out of strict liability in tort. The indemnification arising under this section shall continue in full force and effect notwithstanding the full payment of the Notes.

20. Expenses. The fees and disbursements of Borrower's Counsel, the financial advisor to Borrower, the cost of preparing the Notes, the California Debt and Investment Advisory Commission fees, the fees and charges of the title insurer, a fee of \$_____ for legal counsel to Lender, any other reasonable out-of-pocket costs and expenses incurred by Lender in connection with due diligence and the preparation of documentation relating to the issuance of the Notes, and any other miscellaneous expenses of the Borrower incurred in connection with the Notes shall all be the obligation of the Borrower. The Lender shall have no responsibility for any such expenses associated with the issuance of the Notes.

21. Judicial Reference for Dispute Resolution; Provisional Remedies.

The parties to this Agreement agree that, in lieu of resolving any dispute or claim arising under or relating to this Agreement before a jury, the alternative dispute resolution shall be by judicial reference in accordance with California Code of Civil Procedure Section 638 *et seq.* Other than the exercise of provisional remedies (any of which may be initiated pursuant to applicable

law), all disputes and claims arising under or relating to this Agreement, whether relating to its interpretation, application, enforcement or breach, shall be heard by a referee appointed pursuant to California Code of Civil Procedure Section 638 *et seq.* Venue for the reference proceeding will be in the state Superior Court or Federal District Court in Los Angeles County, California (the “Court”).

Nothing in this Agreement shall be deemed to apply to or limit the right of Lender: (i) to exercise self-help remedies such as (but not limited to) setoff; (ii) to foreclose judicially or non-judicially against any real or personal property collateral, or to exercise judicial or non-judicial power of sale rights; (iii) to obtain from a court provisional or ancillary remedies (including, but not limited to, injunctive relief, a writ of possession, prejudgment attachment, a protective order or the appointment of a receiver); or (iv) to pursue rights against a person in a third party proceeding in any action brought against Lender (including actions in bankruptcy court), all of which rights may be exercised before, during or after the pendency of any judicial reference proceeding. Neither the exercise of self-help remedies nor the institution or maintenance of an action for foreclosure or provisional or ancillary remedies or the opposition to any such provisional remedies shall constitute a waiver of the right of any party to require submission to judicial reference the merits of the dispute or claim occasioning resort to such remedies. Pending appointment of the referee, the Court has power to issue temporary or provisional remedies.

For all judicial reference proceedings under this Agreement, Borrower and Lender shall agree upon a single referee who shall be a retired judge or justice and who shall try all issues, whether of fact or law, and report a finding and judgment thereon and issue all legal and equitable relief appropriate under the circumstances before him or her. A request for appointment of a referee may be heard on an *ex parte* or expedited basis, and the parties agree that irreparable harm would result if *ex parte* relief is not granted. The referee shall be appointed to sit with all the powers provided by law. If Borrower and Lender are unable to agree on a referee within thirty (30) days after a written request to do so by the other party, either party may seek to have one appointed pursuant to California Code of Civil Procedure Section 640. The cost of such proceeding shall initially be borne equally by Borrower and Lender, but shall ultimately be borne by the party that does not prevail. In addition, the prevailing party in the judicial reference and in any subsequent legal proceeding shall be entitled to have its reasonable attorneys’ fees and out-of-pocket costs paid by the non-prevailing party. Any referee selected pursuant to this section shall be considered a temporary judge appointed pursuant to Article 6, Section 21 of the California Constitution.

The referee shall issue a decision pursuant to California Code of Civil Procedure Section 644 and the referee’s decision shall be entered by the Court as a judgment or an order in the same manner as if the action had been tried by the Court. The final judgment or order or from any appealable decision or order entered by the referee shall be fully appealable as provided by law. The parties reserve the right to findings of fact, conclusions of laws, a written statement of decision, and the right to move for a new trial or a different judgment, which new trial, if granted, is also to be a reference proceeding under this provision.

If the enabling legislation which provides for appointment of a referee is repealed (and no successor statute is enacted), any dispute between the parties that would otherwise be determined by reference procedure will be resolved and determined by arbitration. The arbitration will be

conducted by a retired judge or justice, in accordance with the California Arbitration Act, Section 1280 *et seq.* of the California Code of Civil Procedure, as amended from time to time.

THE BORROWER AND THE LENDER RECOGNIZE AND AGREE THAT ALL DISPUTES RESOLVED UNDER THIS REFERENCE PROVISION WILL BE DECIDED BY A REFEREE AND NOT BY A JURY. AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF THEIR OWN CHOICE, EACH OF THE BORROWER AND THE LENDER KNOWINGLY AND VOLUNTARILY AND FOR THEIR MUTUAL BENEFIT AGREES THAT THIS REFERENCE PROVISION WILL APPLY TO ANY DISPUTE BETWEEN THEM WHICH ARISES OUT OF OR IS RELATED TO THIS AGREEMENT.

22. Interpretation and Governing Law. Each of the Borrower and Lender has reviewed this Agreement, and any question of doubtful interpretation shall not be resolved by any rule of interpretation providing for interpretation against the drafting party. This Agreement shall be construed in accordance with and governed by the laws of the State of California.

23. Agreement to Pay Attorneys' Fees and Expenses. In the event either party to this Agreement should default under any of the provisions hereof and the nondefaulting party should employ attorneys or incur other expenses for the collection of moneys or the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party contained herein, the defaulting party agrees that it will pay on demand to the nondefaulting party the reasonable fees of such attorneys and such other expenses so incurred by the nondefaulting party.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have entered into this Revolving Loan Agreement as of the day and year first above written.

MOUNTAINS RECREATION AND
CONSERVATION AUTHORITY,
a joint exercise of powers authority

By: _____
Print Name: _____
Title: _____

BBVA USA,
an Alabama banking corporation

By: _____
Print Name: _____
Title: _____

EXHIBITS

Exhibit A	-	LEGAL DESCRIPTION OF TREBEK PARCEL
Exhibit B	-	FORM OF TAX-EXEMPT SERIES A NOTE
Exhibit C	-	FORM OF SERIES B NOTE
Exhibit D	-	FORM OF SERIES C NOTE
Exhibit E	-	FORM OF DEED OF TRUST
Exhibit F	-	FORM OF PLEDGE AGREEMENT
Exhibit G	-	FORM OF DISBURSEMENT REQUEST

EXHIBIT "A"

Legal Description of Trebek Parcel

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

PARCEL 1-2:

THE WEST HALF OF THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 4, TOWNSHIP 1 SOUTH, RANGE 14 WEST, SAN BERNARDINO MERIDIAN, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA.

EXCEPT THEREFROM THAT PORTION THEREOF INCLUDED WITHIN THE BOUNDARIES OF TRACT NO. 6709, AS PER MAP RECORDED IN BOOK 102 PAGES 17 THROUGH 19 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ALSO EXCEPT THEREFROM THAT PORTION THEREOF DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWESTERLY CORNER OF SAID LAND; THENCE EASTERLY ALONG THE SOUTHERLY LINE THEREOF A DISTANCE OF 60 FEET, THENCE NORTHERLY PARALLEL TO THE WESTERLY LINE OF SAID SECTION 4, A DISTANCE OF 110 FEET, MORE OR LESS, TO THE SOUTHEASTERLY LINE OF WATTLES DRIVE, AS DESCRIBED IN THE DEED TO THE CITY OF LOS ANGELES, RECORDED IN BOOK 7008 PAGE 190 OF OFFICIAL RECORDS, THENCE SOUTHWESTERLY ALONG SAID SOUTHERLY LINE OF SAID WATTLES DRIVE A DISTANCE OF 100 FEET, MORE OR LESS, TO A POINT ON INTERSECTION OF SAID SOUTHERLY LINE OF WATTLES DRIVE WITH THE WESTERLY LINE OF SAID EAST HALF OF THE SOUTHWEST QUARTER; THENCE SOUTHERLY ALONG SAID WESTERLY LINE TO THE POINT OF BEGINNING, RECORDED AS INSTRUMENT NO. 2561, JANUARY 26, 1971 IN BOOK D-4953 PAGE 625, OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM A STRIP OF LAND 100 FEET IN WIDTH, THE SIDE LINES OF SAID STRIP OF LAND BEING PARALLEL WITH AND 50 FEET ON EACH SIDE OF A CENTER LINE DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE EASTERLY LINE OF SAID LOT 1 OF TRACT 8888, AS PER MAP RECORDED IN BOOK 132 PAGES 55 OF MAPS, SAID POINT BEING DISTANT THEREON SOUTH 0° 40' 42" EAST 394.44 FEET FROM A 2 INCH PIPE SET IN CONCRETE TO MARK THE NORTHERLY TERMINUS OF THAT PORTION OF SAID EASTERLY LINE SHOWN ON MAP AS BEARING NORTH 0° 32' 30" WEST; THENCE FROM SAID POINT OF BEGINNING SOUTH 26° 38' 38" WEST, 970.57 FEET; THENCE SOUTH 44° 17' 38" WEST 1,416.48 FEET; THENCE SOUTH 20° 17' 38" WEST 998.64; THENCE SOUTH 6° 59' 52" EAST 39.98 FEET TO A POINT IN THE SOUTHERLY LINE OF LOT 1 OF SAID TRACT NO. 8888 DISTANT THEREON SOUTH 89° 18' 12" EAST 373.33 FEET FROM THE MOST

WESTERLY CORNER OF LOT 7 OF SAID TRACT 8888, RECORDED AS INSTRUMENT NO. 2561, JANUARY 26, 1971.

ALSO EXCEPT THEREFROM THAT PORTION THEREOF INCLUDED WITH THE BOUNDARIES OF LAND DESCRIBED IN THE DEED TO MARIAN BLAIR BLANCHARD RECORDED ON MARCH 24, 1966 AS INSTRUMENT NO. 1377 IN BOOK D-3247 PAGE 920, OF SAID OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM THOSE PORTIONS DESCRIBED IN DEEDS RECORDED ON JUNE 27, 1962 TO EDWIN S. BINGHAM, JR. AS INSTRUMENT NO. 5091, TO PAUL SUTRO AS INSTRUMENT NO. 5092 AND TO ROBERT SUTRO, AS INSTRUMENT NO. 5093, IN BOOK D-1665 PAGE 266, 268 AND 270 RESPECTIVELY OF SAID OFFICIAL RECORDS.

ALSO EXCEPT THERFROM THAT PORTION THEREOF LYING EASTERLY AND SOUTHERLY OF THE EASTERLY AND SOUTHERLY SIDELINES OF WATTLES DRIVE AS DESCRIBED IN THE DEED TO THE CITY OF LOS ANGELES AS RECORDED IN BOOK 7008 PAGE 190 AND IN DEED TO THE CITY OF LOS ANGELES AS RECORDED IN BOOK D3177 PAGE 456, BOTH OF OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM THAT PORTION THEREOF DESCRIBED IN THE COVENANT AND AGREEMENT TO HOLD PROPERTY AS ONE PARCEL RECORDED APRIL 25, 2003 AS INSTRUMENT NO. 03-1180864, OF OFFICIAL RECORDS.

PARCEL 1-3:

THAT PORTION OF LOT 1 OF TRACT NO. 8888, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 132 PAGES 155 THROUGH 158 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE MOST SOUTHERLY LINE OF SAID LOT 1 WITH THE EASTERLY BOUNDARY OF THAT CERTAIN STRIP OF LAND 100.00 FEET WIDE, DESCRIBED IN PARCEL A OF THE DEED OF THE CITY OF LOS ANGELES, RECORDED AUGUST 13, 1942 AS INSTRUMENT NO. 543 IN BOOK 19515 PAGE 127 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER; THENCE ALONG SAID SOUTHERLY LINE, SOUTH 89° 18' 38" EAST, RECORDED AS INSTRUMENT NO. 3796, JULY 7, 1971 IN BOOK D-6115 PAGE 928, OFFICIAL RECORDS, 434.29 FEET TO THE SOUTHEASTERLY CORNER OF SAID LOT 1; THENCE ALONG THE EASTERLY LINE OF SAID LOT 1 NORTH 0°29' 41" WEST 1,048.12 FEET TO THE SOUTHEASTERLY BOUNDARY OF SAID CERTAIN 100 FOOT WIDE STRIP OF LAND; THENCE ALONG SAID SOUTHEASTERLY BOUNDARY, SOUTH 44° 17' 38" WEST 130.24 FEET TO AN ANGLE POINT THEREIN, SOUTH 20° 17' 38" WEST 975.87 FEET TO AN ANGLE POINT THEREIN AND SOUTH 06° 59' 52" EAST 34.59 FEET, MORE OR LESS TO THE POINT OF BEGINNING; RECORDED AS INSTRUMENT NO. 3796, JULY 7, 1971 IN BOOK D-5115 PAGE 928, OFFICIAL RECORDS.

PARCEL 1-4:

THAT PORTION OF LOT 1 OF TRACT 8888, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 132 PAGES 55 THROUGH 58 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST EASTERLY CORNER OF LOT 48 OF TRACT 11665, IN BOOK 238 PAGE 5 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER; THENCE SOUTH 45° 48' 58" WEST 162.11 FEET ALONG THE SOUTHEAST LINE OF SAID TRACT 11665 TO THE INTERSECTION WITH THE SOUTH LINE OF LOT 1 OF TRACT 8888; THENCE SOUTH 89° 11' 02" EAST 149.55 FEET, MORE OR LESS, ALONG SAID SOUTH LINE TO THE WEST LINE OF THE 100.00 FOOT STRIP OF LAND DESCRIBED IN THE DEED TO THE CITY OF LOS ANGELES, RECORDED IN BOOK 19515 PAGE 127, OFFICIAL RECORDS; THENCE NORTH 6° 55' 54" WEST 45.24 FEET, MORE OR LESS, ALONG SAID WESTERLY LINE TO AN ANGLE POINT THEREIN; THENCE STILL ALONG SAID WESTERLY LINE, NORTH 20° 21' 36" EAST 32.10 FEET, MORE OR LESS, TO THE SOUTHEASTERLY PROLONGATION OF THE NORTHEASTERLY LINE OF SAID LOT 48 OF TRACT 11665; THENCE NORTH 44° 11' 02" WEST 55.94 FEET; MORE OR LESS, ALONG SAID SOUTHEASTERLY PROLONGATION TO THE POINT OF BEGINNING, RECORDED JANUARY 26, 1971 AS INSTRUMENT NO. 2560, IN BOOK D-4953 PAGE 624, OFFICIAL RECORDS.

PARCEL 1-5:

THAT PORTION OF LOT 7 OF TRACT 8888, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 132 PAGE 55 ET SEQ. OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER, DESCRIBED AS FOLLOWS: BEGINNING AT A POINT IN THE NORTHERLY LINE OF SAID LOT 7, DISTANT THEREON 335.77 FEET EASTERLY FROM THE INTERSECTION OF SAID NORTHERLY LINE WITH THE EASTERLY LINE OF THE LAND DESCRIBED IN PARCEL 2, IN FINAL DECREE OF CONDEMNATION, SUPERIOR COURT NO. 407591, RECORDED IN BOOK 17530 PAGE 286, OFFICIAL RECORDS OF SAID COUNTY; THENCE SOUTHERLY 329.62 FEET, MORE OR LESS, TO A POINT IN THE NORTHEASTERLY LINE OF THE LAND DESCRIBED IN SAID PARCEL 2 IN SAID DECREE OF CONDEMNATION, DISTANT THEREON SOUTH 48° 26' 33" EAST 501.14 FEET FROM THE NORTHERLY LINE OF SAID LOT 7; THENCE CONTINUING ALONG SAID NORTHEASTERLY LINE SOUTH 48° 26' 33" EAST 51.20 FEET TO AN ANGLE POINT IN SAID EASTERLY LINE, THENCE SOUTH 8° 27' 13" EAST 159.02 FEET; THENCE SOUTH 38° 08' 15" WEST 166.69 FEET TO A POINT IN THE SOUTHERLY LINE OF SAID LOT 7; DISTANT THEREON SOUTH 89° 00' 37" EAST 76.55 FEET FROM THE SOUTHWEST CORNER OF SAID LOT 7; THENCE ALONG SAID SOUTHERLY LINE, SOUTH 89° 00' 37" EAST 437.17 FEET TO THE SOUTHEAST CORNER OF SAID LOT 7; THENCE ALONG THE EASTERLY LINE OF SAID LOT 7, NORTH 0° 18' 10" WEST 650.65 FEET TO THE

NORTHEAST CORNER OF SAID LOT 7; THENCE ALONG THE NORTHERLY LINE OF SAID LOT 7; NORTH 89° 08' 00" WEST 432.12 FEET TO THE POINT OF BEGINNING.

EXCEPT THAT PORTION THEREOF INCLUDED WITHIN THE BOUNDARIES OF THE FOLLOWING DESCRIBED PROPERTY:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF LOT 11 OF TRACT 13509, IN BOOK 294 PAGES 35 AND 36 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DISTANT THEREON SOUTH 89° 28' 39" EAST 29.00 FEET FROM THE MOST WESTERLY CORNER OF SAID LOT 11; THENCE NORTH 3° 11' 11" WEST 26.52 FEET; THENCE NORTH 51° 57' 38" WEST 36.65 FEET; THENCE SOUTH 32° 06' 13" WEST 57.27 FEET TO A POINT IN THE NORTHERLY LINE OF LOT 10 OF SAID TRACT 13509; THENCE SOUTH 89° 28' 39" EAST 60.78 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPT THAT PORTION THEREOF DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTH LINE OF SAID LOT 7, DISTANT THEREON NORTH 3° 11' 11" WEST 11.16 FEET FROM A POINT WHICH IS SOUTH 89° 28' 39" EAST 29.00 FEET FROM THE NORTHWEST CORNER OF LOT 11 OF TRACT 13509, IN BOOK 294 PAGES 35 AND 36 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER; THENCE NORTH 62° 53' 04" EAST 85.00 FEET; THENCE SOUTH 89° 02' 35" EAST 60.00 FEET; THENCE SOUTHEASTERLY 115.00 FEET, MORE OR LESS, TO THE SOUTHEAST CORNER OF SAID LOT 7; THENCE WEST ALONG THE SOUTH LINE OF SAID LOT TO THE POINT OF BEGINNING.

PARCEL 1-5A:

THAT PORTION OF LOT 7 OF TRACT 8888, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA AS PER MAP RECORDED IN BOOK 132 PAGE 55 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY INCLUDED WITHIN THE FOLLOWING DESCRIBED LINES:

BEGINNING AT THE INTERSECTION OF THE NORTHERLY LINE OF SAID LOT 7 WITH THE EASTERLY LINE OF THE LAND DESCRIBED IN PARCEL 2 IN FINAL DECREE OF CONDEMNATION SUPERIOR COURT CASE NO. 407591, RECORDED IN BOOK 17530 PAGE 286, OFFICIAL RECORDS OF SAID COUNTY, THENCE EASTERLY ALONG THE NORTHEASTERLY LINE OF SAID LOT 7, A DISTANCE OF 234.86 FEET TO A POINT; THENCE ALONG THE WESTERLY LINE OF THE LAND DESCRIBED IN DECREE TO THE CITY OF LOS ANGELES, RECORDED IN BOOK 19499 PAGE 196, OF SAID OFFICIAL RECORDS, SOUTH 6° 49' 58" EAST 230.58 FEET, MORE OR LESS, TO A POINT IN THE NORTHERLY LINE OF SAID LOS ANGELES FLOOD CONTROL LAND; THENCE NORTH 48° 26' 33" WEST 350.48 FEET ALONG THE NORTHERLY LINE OF SAID LOS ANGELES FLOOD CONTROL LAND TO THE POINT OF BEGINNING.

PARCEL 1-5B:

THAT PORTION OF LOT 7 OF TRACT 8888, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 132 PAGES 55 THROUGH 58 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AND THAT PORTION OF NICHOLS CANYON ROAD, 40 FEET WIDE, AS SHOWN ON SAID MAP, BOUNDED ON THE NORTH BY THE NORTHERLY LINE OF SAID LOT 7 AND THE WESTERLY PROLONGATION OF SAID NORTHERLY LINE, BOUNDED ON THE NORTHEAST AND EAST, RESPECTIVELY BY THE NORTHEASTERLY AND EASTERLY BOUNDARIES OF THAT PARCEL OF LAND DESCRIBED AS "PARCEL NO. 2", IN A FINAL JUDGMENT HAD IN SUPERIOR COURT CASE NO. 407591, A CERTIFIED COPY OF WHICH IS RECORDED IN BOOK 17530 PAGE 286, OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER; BOUNDED ON THE SOUTH BY THE NORTHERLY LINE OF THE LAND DESCRIBED AS "PARCEL A" IN DEED TO THE CITY OF LOS ANGELES, RECORDED IN BOOK 20159 PAGE 219 OF SAID OFFICIAL RECORDS, AND BOUNDED ON THE WEST AND SOUTHWEST RESPECTIVELY BY THE EASTERLY AND NORTHEASTERLY BOUNDARIES OF NICHOLS CANYON ROAD, AS DESCRIBED IN DEED TO THE CITY OF LOS ANGELES, RECORDED IN BOOK 19192 PAGE 176, AND IN ORDINANCE NO. 84901, SECTION 1, OF THE CITY OF LOS ANGELES.

EXCEPT THEREFROM, THAT PORTION OF SAID LAND LYING WITHIN THE FOLLOWING DESCRIBED BOUNDARIES:

BEGINNING AT THE MOST NORTHERLY CORNER OF THAT CERTAIN PARCEL OF LAND DESCRIBED AS PARCEL B IN DEED RECORDED IN BOOK 20159 PAGE 219 OF SAID RECORDS, THENCE FROM SAID POINT OF BEGINNING SOUTH 48° 31' 31" EAST 150.56 FEET ALONG THE NORTHERLY LINE OF SAID PARCEL B, SAID NORTHERLY LINE BEING DESCRIBED IN SAID DEED AS HAVING A BEARING OF SOUTH 48° 26' 33" EAST; THENCE SOUTH 6° 54' 22" EAST, 156.66 FEET ALONG THE EASTERLY LINE OF SAID PARCEL B BEING DESCRIBED IN SAID DEED AS HAVING A BEARING OF SOUTH 6° 49' 58" EAST, TO THE NORTHERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED IN SAID DEED AS PARCEL A; THENCE SOUTH 82° 48' 52" WEST, 162.92 FEET ALONG SAID NORTHERLY LINE OF PARCEL A AND ITS WESTERLY PROLONGATION TO THE CENTERLINE OF NICHOLS CANYON ROAD, 40 FEET IN WIDTH, AS PER LOS ANGELES CITY ENGINEER'S FILED BOOK NO. 17802 PAGE 43; THENCE NORTH 7° 11' WEST, 210.00 FEET ALONG SAID CENTERLINE OF NICHOLS CANYON ROAD; THENCE NORTH 82° 48' 52" EAST 63.95 FEET TO A POINT IN THE WESTERLY BOUNDARY OF SAID PARCEL B; THENCE NORTH 6° 54' 22" WEST, 59.70 FEET ALONG SAID WESTERLY LINE OF PARCEL B TO THE SAID POINT OF BEGINNING.

ALSO EXCEPT THEREFROM ALL OIL, GAS, HYDROCARBONS AND OTHER MINERALS IN AND UNDER, TOGETHER WITH THE RIGHT TO EXPLORE FOR AND REMOVE SAID OIL, GAS, HYDROCARBON SUBSTANCES AND OTHER MINERALS BY WELLS, THE DERRICKS AND EQUIPMENT OF WHICH ARE TO BE SET UPON

PROPERTY OTHER THAN THE ABOVE DESCRIBED PROPERTY, AND FURTHER EXCEPTING THE RIGHT TO DRILL THROUGH AND UNDER THE ABOVE DESCRIBED LAND FOR THE PURPOSE OF EXPLORING FOR AND/OR REMOVING AND EXTRACTING OIL, GAS, HYDROCARBONS AND OTHER MINERALS FROM PROPERTY OTHER THAN THE ABOVE DESCRIBED PROPERTY, PROVIDED HOWEVER, THAT NO CASTING SHALL BE LOCATED UNDER THE ABOVE DESCRIBED PROPERTY AT A DEPTH LESS THAN 400 FEET FROM THE SURFACE OF SAID PROPERTY, AS RESERVED IN DEED FROM LOS ANGELES COUNTY FLOOD CONTROL DISTRICT, A BODY CORPORATE AND POLITIC RECORDED JULY 8, 1963 AS INSTRUMENT NO. 2192.

PARCEL 1-6:

PARCEL D OF PARCEL MAP-L.A. NO. 2787, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED FILED IN BOOK 61, PAGES 10 TO 12 INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THAT PORTION OF PARCEL "D", IN THE CITY OF LOS ANGELES, AS SHOWN ON PARCEL MAP-L.A. NO. 2787, FILED IN BOOK 61, PAGES 10 TO 12 INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST EASTERLY CORNER OF LOT NO. 35 AS SHOWN ON TRACT NO. 11665, RECORDED IN SAID COUNTY AND SAID STATE; THENCE SOUTH 53° 08' 58" WEST, A DISTANCE OF 275.81 FEET; THENCE NORTH 88° 27' EAST, A DISTANCE OF 104.93 FEET TO A POINT AT THE SOUTHWESTERLY TERMINUS OF A TANGENT CURVE CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 173.39 FEET, SAID POINT HAVING A RADIAL LINE THAT BEARS SOUTH 39° 38' 40" EAST; THENCE NORTHEASTERLY ALONG THE SAID TANGENT CURVE THROUGH A CENTRAL ANGLE OF 31° 08' 50" AN ARC DISTANCE OF 94.26 FEET TO THE NORTHEASTERLY TERMINUS OF SAID TANGENT CURVE, ALSO BEING THE NORTHWESTERLY CORNER OF THE TURNOUT KNOWN AS BANTAM PLACE AS SHOWN ON SAID PARCEL MAP; THENCE NORTH 81° 30' 10" EAST, A DISTANCE OF 23.59 FEET TO THE BEGINNING OF TANGENT CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 25.08 FEET; THENCE EASTERLY AND NORTHERLY ALONG SAID TANGENT CURVE THROUGH A CENTRAL ANGLE OF 77° 17' 30" AN ARC DISTANCE OF 33.83 FEET TO THE END OF SAID TANGENT CURVE; THENCE NORTH 4° 12' 40" EAST, A DISTANCE OF 20.60 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 146.66 FEET; THENCE NORTHERLY ALONG SAID TANGENT CURVE THROUGH A CENTRAL ANGLE OF 30° 58' 10", AN ARC DISTANCE OF 73.27 FEET TO THE POINT OF BEGINNING OF THIS DESCRIPTION.

ALSO EXCEPT THEREFROM THAT PORTION OF SAID PARCEL "D" OF SAID PARCEL MAP DISTANCE IN THE DEED TO S. GARRETT SADLER, A SINGLE WOMAN, RECORDED JANUARY 18, 2000 AS INSTRUMENT NO. 00-69513.

SAID PARCEL 1-6 IS ALSO SHOWN AS “PROPOSED PARCEL 2” ON CERTIFICATE OF COMPLIANCE FOR LOT LINE ADJUSTMENT RECORDED DECEMBER 21, 1999 AS INSTRUMENT NO. 99-2345948, OFFICIAL RECORDS.

APN: 5571-025-905, -906;
5571-026-905, -906;
5571-027-904, -905;
5571-031-914, -915, -916, -917, -918

EXHIBIT “B”

Form of Tax-exempt Series A Note

[Attached.]

EXHIBIT "C"

Form of Series B Note

[Attached.]

EXHIBIT “D”

Form of Series C Note

[Attached.]

EXHIBIT “E”

Form of Deed of Trust

[Attached.]

EXHIBIT “F”

Form of Pledge Agreement

[Attached.]

EXHIBIT "G"

Form of Disbursement Request

[Attached.]

MRCA/BBVA LOAN DISBURSEMENT REQUEST

BBVA USA
801 South Figueroa Street, Suite 1100
Los Angeles, California 90017
Attn: Jon McMullen, Senior Vice President
Phone: (213) 457-2044
Fax: (213) _____

Re: Request for Disbursement of Loan Proceeds

Ladies and Gentleman;

The Mountain’s Recreation and Conservation Authority (“MRCA”) requests that you disburse to the MRCA by wire transfer to:

Payee: Mountains Recreation and Conservation Authority
Bank: City National Bank
2655 Townsgate Road
Westlake Village, CA 91361
Routing #: 122016066
Account #: 052004691

the sum of \$ _____, being a portion of the loan evidenced by that certain \$ _____ Series _____ Promissory Note executed by the MRCA.

FOR INITIAL DISBURSEMENT UNDER THE TAX-EXEMPT SERIES A NOTE:
[This disbursement will be used to pay costs of issuance but is not otherwise subject to the normal certifications required by the Revolving Credit Agreement for disbursements of the Tax-exempt Series A Loan because it is the initial disbursement and is required to establish the issue date of the Tax-exempt Series A Note.]

FOR SUBSEQUENT DISBURSEMENTS UNDER THE TAX-EXEMPT SERIES A NOTE: [The MRCA hereby certifies that: (i) the disbursement of loan funds will be used to pay costs of the acquisition of _____ or the construction of _____; (ii) a grant has been approved and awarded to the MRCA by _____ in the amount of \$ _____ for such land acquisition or construction project; (iii) the term of such grant is _____ and the estimated completion date for the land acquisition or construction project funded by such grant is _____, 20__; (iv) an acquisition agreement or construction contract, as applicable, has been executed for the land acquisition or construction project to be funded with the grant; and (iv) the grant has been pledged to you pursuant to the Pledge Agreement previously executed by the MRCA (and such pledge is hereby reaffirmed).]

FOR DISBURSEMENTS UNDER THE SERIES B NOTE: [The MRCA hereby certifies that: (i) the disbursement of loan funds will be used to pay costs of [working capital

expenditures, including projects not related to capital improvements, consisting of _____] or [preliminary expenditures and feasibility activities consisting of _____ for proposed capital improvements consisting of _____]; (ii) a grant has been approved and awarded to the MRCA by _____ in the amount of \$ _____ for such expenditure, project or feasibility activity; (iii) the term of such grant is _____; and (iv) the grant has been pledged to you pursuant to the Pledge Agreement previously executed by the MRCA (and such pledge is hereby reaffirmed).]

FOR DISBURSEMENTS UNDER THE SERIES C NOTE: [The MRCA hereby certifies that is has incurred operating costs in excess of the cash available to pay them, and that such loan funds will be used to pay such operating cost shortfall.]

Very Truly Yours,

MOUNTAINS RECREATION AND
CONSERVATION AUTHORITY,
a joint exercise of powers authority

By: _____

Print Name: _____

Title: _____

This Series B Note has not been registered with any federal or state securities agency or commission. The Authority has not prepared any offering document or undertaken any continuing disclosure obligation in connection with the issuance of this Series B Note. The transfer of this Series B Note is subject to applicable securities law. Any transfer of this Series B Note shall be limited to a transferee that can bear the economic risk of investment in this Series B Note and has such knowledge and experience in business and financial matters, including the purchase and ownership of municipal obligations of a nature similar to this Series B Note, to be able to evaluate the risks and merits of the investment in this Series B Note. In addition to the foregoing, by acquiring this Series B Note, the owner of this Series B Note acknowledges and agrees that (i) such owner is not acquiring this Series B Note with the view to distribute, resell or otherwise transfer this Series B Note, (ii) with respect to any subsequent transfer of this Series B Note, the transferee must (A) be a qualified institutional buyer or an accredited investor (within the meanings of the Securities Act of 1933), or a special purpose entity the interests of which are sold to qualified institutional buyers or accredited investors, and (B) execute and deliver a letter to the Authority substantially in the form delivered by BBVA USA, the initial owner of this Series B Note, a copy of which is attached hereto as Exhibit A.

MOUNTAINS RECREATION AND CONSERVATION AUTHORITY

SERIES B SECURED PROMISSORY NOTE

Date of Original Issue: [August 28], 2019

MAXIMUM OUTSTANDING PRINCIPAL AMOUNT: Three Million Dollars (\$3,000,000.00)

FOR VALUE RECEIVED, the MOUNTAINS RECREATION AND CONSERVATION AUTHORITY (the “Authority”), hereby promises to pay to BBVA USA, an Alabama banking corporation (the “Lender”), at its offices at 801 South Figueroa Street, Suite 1100, Los Angeles, California 90017, or at such other places as the Lender may from time to time designate in writing, the principal sum specified above, or so much thereof as may have been disbursed on a revolving basis from time to time and remain outstanding, and interest thereon at the rate of interest specified below both before and after maturity, in accordance with the terms of that certain Revolving Credit Agreement, dated as of August 1, 2019 (as amended from time to time, the “Revolving Credit Agreement”), by and between the Authority and the Lender; provided, that the final installment of principal equal to the then unpaid principal balance of this promissory note (this “Series B Note”) and interest accrued thereon shall be due and paid upon surrender of this Series B Note on the date described below opposite the heading “Maturity Date:” (the “Maturity Date”). Principal of and interest on this Series B Note are payable in such coin or currency of the United States as at the time of payment is legal tender for payment of private and public debts. The outstanding principal balance of this Series B Note shall bear interest at a per annum rate as described below opposite the heading “Interest Rate:” except to the extent otherwise expressly provided herein or in the Revolving Credit Agreement. Interest shall be calculated on the basis of a year of 360 days and the actual days elapsed and shall be payable on each Payment Date (as defined below), in like lawful money from the date hereof until the Maturity Date and, if funds are not provided for payment on the Maturity Date, thereafter to be paid on demand. Upon an Event of Default as

defined in the Revolving Credit Agreement, this Series B Note is subject to the remedies provided for in the Revolving Credit Agreement.

Interest Rate: LIBOR, plus 1.82%.

For purposes of this Series B Note, the following terms have the following meanings:

“Business Day”: A day other than a Saturday, Sunday or a day on which Lender is closed for business; provided that, for the purposes of determining LIBOR, the term “Business Day” shall also exclude any day on which commercial banks are not open for dealings in U.S. dollar deposits in the London interbank market.

“Interest Accrual Period”: Initially, the period from [August 28], 2019 up to but not including the first Payment Date, and thereafter, each period from a Payment Date up to but not including the next subsequent Payment Date.

“LIBOR”: For each Interest Accrual Period, a rate per annum equal to the London Interbank Offered Rate, as determined by ICE Benchmark Administration Limited (ICE) (or any successor or substitute therefor) for U.S. dollar deposits for a one-month period as obtained by the Lender from Reuter’s, Bloomberg or another commercially available source as may be designated by the Lender from time to time, two (2) Business Days before the first day of such Interest Accrual Period. Notwithstanding the foregoing, LIBOR shall not in any event be less than zero percent (0.00%).

“Payment Date”: each June 30 and December 31.

If Lender shall have determined that (a) adequate and reasonable means do not exist for ascertaining LIBOR as set forth herein, or (b) the making, maintenance or funding of such loan or loans based on LIBOR has been made impractical or unlawful then, and in any such event, the Lender may notify the Authority of such determination. Upon such date as shall be specified in such notice, the Lender and the Authority shall endeavor to establish an alternative interest rate methodology to LIBOR that gives due consideration to conventions then being used by the Lender to determine rates of interest in similar types of credit facilities as those hereunder, and if the Lender and the Authority are unable to agree upon such an alternative interest rate methodology in a timely manner to facilitate the interest rate calculation for the then next succeeding month, the interest rate applicable to this Series B Note for the then next succeeding month through the Maturity Date shall be the Prime Rate minus 1.00% (the “Backstop Rate”); provided, however, that the Backstop Rate shall not in any event be less than zero percent (0.00%). As used herein, the term “Prime Rate” shall mean the interest rate per annum published in the New York edition of The Wall Street Journal from time to time as the “Prime Rate,” as determined by the Lender two (2) Business Days before the first day of each Interest Accrual Period subject to the Backstop Rate.

Notwithstanding anything in this Series B Note to the contrary, the interest rate in any event shall be subject to the limitation on maximum interest rate set forth in California Government Code Section 53531, which on the issue date hereof is 12.00% per annum (the “Maximum Rate”), and to the extent the calculation of the interest rate hereunder results in an amount higher than the Maximum Rate, the applicable rate shall be deemed to be the Maximum Rate.

All payments under this Series B Note shall be made by wire transfer using the following wiring instructions (unless the Authority shall receive subsequent wiring instructions from the Lender):

BBVA USA
8333 Douglas Avenue, 2nd Floor
Dallas, Texas 75225
Attention: LDFC Public Finance

ABA#: 113-010-547
Beneficiary Account No.: 90124099
Beneficiary Account Name: Wire GFL
Reference: DO NOT POST CONTACT: LDFCPublicFinance.us@bbva.com
Reference: Mountains Recreation and Conservation Authority Acct # Included on Invoice

Maturity Date: the later of June 30, 2024, or the date on which the last disbursement of loan funds must be repaid pursuant to Section 6(c)(iii) or 6(c)(iv), as applicable, of the Revolving Credit Agreement.

It is hereby certified, recited and declared that this Series B Note represents the authorized issue of the Series B Note in the aggregate principal amount made, executed and given pursuant to and by authority of a resolution of the Governing Board of the Authority duly passed and adopted heretofore, under and by authority of Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title I (commencing with Section 6500) of the California Government Code (the “Resolution”) and the Revolving Credit Agreement, to all of the provisions and limitations of which the owner of this Series B Note, by acceptance hereof, assents and agrees.

The principal of the Series B Note, together with the interest thereon, shall be payable from income, revenue, cash receipts and other moneys which are legally available for payment hereof, including grant funds pledged in the Pledge Agreement (as defined in the Revolving Credit Agreement) and moneys received by the Authority for the general fund of the Authority.

This Series B Note is secured by that certain Deed of Trust and Assignment of Rents dated as of even date herewith by the Authority, as trustor, in favor of the Lender, as beneficiary. This Series B Note is further secured by certain collateral pursuant to a Pledge Agreement, as described in the Resolution and in the Revolving Credit Agreement. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA OR ANY PUBLIC AGENCY THEREOF OR ANY MEMBER OF THE AUTHORITY IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THIS SERIES B NOTE.

This Series B Note is subject to prepayment at any time upon at least five (5) business days' prior written notice but without any prepayment charges or premiums.

Subject to the provisions of the Revolving Credit Agreement governing assignment by the Lender, the Authority may deem and treat the owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and the Authority shall not be affected by any notice to the contrary.

It is hereby certified that all of the conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Series B Note do exist, have happened and have been performed in due time, form and manner as required by the Constitution and statutes of the State of California and that the amount of this Series B Note, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the Constitution or statutes of the State of California.

IN WITNESS WHEREOF, the Governing Board of the Authority has caused this Series B Note to be executed by the manual signature of a duly authorized officer of the Authority and countersigned by the manual or facsimile signature of its duly authorized officer.

MOUNTAINS RECREATION AND
CONSERVATION AUTHORITY

By: _____
Print Name: _____
Title: _____

Countersigned:

By: _____
Print Name: _____
Title _____

EXHIBIT "A"

INVESTOR LETTER

(see attached)

INVESTOR LETTER

[August 28], 2019

Richards, Watson & Gershon, a Professional Corporation
Mountains Recreation and Conservation Authority
Los Angeles, California

RE: Mountains Recreation and Conservation Authority Secured Promissory Notes, issued
[August 28], 2019 (Tax-Exempt Series A, Series B, and Series C)

Ladies and Gentlemen:

- 1) We are an “accredited investor” as defined in Section 2(a)(15) of the Securities Act of 1933 (the “1933 Act”), and specifically, a “bank” as defined in Section 3(a)(2) of the 1933 Act.
- 2) We have sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations of a nature similar to the above-captioned Notes (the “Notes”) to be able to evaluate the risks and merits of the investments represented by the purchase of the Notes.
- 3) We are acquiring the Notes for our own account or for the account of institutions which meet the representations set forth herein, and not with a view to, or for sale in connection with, any distribution of the Notes or any part thereof. We have not offered to sell, solicited offers to buy, or agreed to sell the Notes or any part thereof, and we have no present intention of reselling or otherwise disposing of the Notes.
- 4) As a sophisticated investor, we have made our own credit inquiry and analysis with respect to the Mountains Recreation and Conservation Authority (the “Issuer”) and the Notes, and we have made an independent credit decision based upon such inquiry and analysis. The Issuer has furnished to us all the information which we as a reasonable investor have requested of the Issuer as a result of our having attached significance thereto in making our investment decision with respect to the Notes, and we have had the opportunity to ask questions of and receive answers from knowledgeable individuals concerning the Issuer and the Notes. It is acknowledged, however, that we have not relied upon Richards, Watson & Gershon, as Special Counsel to the Issuer, or Columbia Capital Management, LLC, as municipal advisor to the Issuer, in connection with making our investment decision to purchase the Notes; provided, however, we have relied upon the final approving opinion of Richards, Watson & Gershon delivered in connection with the issuance of the Notes. We are able and willing to bear the economic risk of the purchase and ownership of the Notes.
- 5) We understand that the Notes here not been registered with any federal or state securities agency or commission.

- 6) We acknowledge that the Notes are transferable only provided that:
- a) the transferring owner thereof shall first have complied with all applicable state and federal securities laws and regulations;
 - b) the transferring owner thereof first obtains and delivers to the Issuer an executed copy of a letter of the transferee substantially to the effect of this letter, with no material revisions except as may be approved in writing, not to be unreasonably withheld, by the Issuer;
 - c) the transferring owner thereof can transfer a Note only to:
 - i) a transferee who qualifies as a qualified institutional buyer within the meaning of Rule 144A promulgated under the 1933 Act; or
 - ii) a transferee who qualifies as an “accredited investor” within the meaning of Section 2(a)(15) of the 1933 Act; or
 - iii) a securitization Special Purpose Vehicle (“SPV”) the interests in which SPV are sold to qualified institutional buyers or accredited investors only; and
 - d) the transferring owner thereof will not prepare or furnish, or cause to be prepared or furnished, any disclosure regarding the Issuer’s finances without the prior review and written consent of the Issuer, in the Issuer’s sole discretion.
- 7) We understand that the Issuer has no taxing power and that no right will exist to have taxes levied by the State of California or any political subdivision thereof for the payment of principal and interest on any of the Notes; and that the liability of the Issuer with respect to each Note is subject to further limitations as set forth in the applicable Note, the Resolution pursuant to which the Notes are issued (the “Resolution”), the Revolving Credit Agreement, the Deed of Trust, and other relevant documents, as such terms are defined in the Resolution.
- 8) The person signing this letter on behalf of the undersigned investor is a duly appointed, qualified and acting representative of the undersigned investor and is authorized to make the certifications, representations and warranties contained herein.

BBVA USA,
an Alabama banking corporation

By: _____
Print Name: _____
Title: _____

This Series C Note has not been registered with any federal or state securities agency or commission. The Authority has not prepared any offering document or undertaken any continuing disclosure obligation in connection with the issuance of this Series C Note. The transfer of this Series C Note is subject to applicable securities law. Any transfer of this Series C Note shall be limited to a transferee that can bear the economic risk of investment in this Series C Note and has such knowledge and experience in business and financial matters, including the purchase and ownership of municipal obligations of a nature similar to this Series C Note, to be able to evaluate the risks and merits of the investment in this Series C Note. In addition to the foregoing, by acquiring this Series C Note, the owner of this Series C Note acknowledges and agrees that (i) such owner is not acquiring this Series C Note with the view to distribute, resell or otherwise transfer this Series C Note, (ii) with respect to any subsequent transfer of this Series C Note, the transferee must (A) be a qualified institutional buyer or an accredited investor (within the meanings of the Securities Act of 1933), or a special purpose entity the interests of which are sold to qualified institutional buyers or accredited investors, and (B) execute and deliver a letter to the Authority substantially in the form delivered by BBVA USA, the initial owner of this Series C Note, a copy of which is attached hereto as Exhibit A.

MOUNTAINS RECREATION AND CONSERVATION AUTHORITY

SERIES C SECURED PROMISSORY NOTE

Date of Original Issue: [August 28], 2019

MAXIMUM OUTSTANDING PRINCIPAL AMOUNT: Two Million Dollars (\$2,000,000.00)

FOR VALUE RECEIVED, the MOUNTAINS RECREATION AND CONSERVATION AUTHORITY (the “Authority”), hereby promises to pay to BBVA USA, an Alabama banking corporation (the “Lender”), at its offices at 801 South Figueroa Street, Suite 1100, Los Angeles, California 90017, or at such other places as the Lender may from time to time designate in writing, the principal sum specified above, or so much thereof as may have been disbursed on a revolving basis from time to time and remain outstanding, and interest thereon at the rate of interest specified below both before and after maturity, in accordance with the terms of that certain Revolving Credit Agreement, dated as of August 1, 2019 (as amended from time to time, the “Revolving Credit Agreement”), by and between the Authority and the Lender; provided, that the final installment of principal equal to the then unpaid principal balance of this promissory note (this “Series C Note”) and interest accrued thereon shall be due and paid upon surrender of this Series C Note on the date described below opposite the heading “Maturity Date:” (the “Maturity Date”). Principal of and interest on this Series C Note are payable in such coin or currency of the United States as at the time of payment is legal tender for payment of private and public debts. The outstanding principal balance of this Series C Note shall bear interest at a per annum rate as described below opposite the heading “Interest Rate:” except to the extent otherwise expressly provided herein or in the Revolving Credit Agreement. Interest shall be calculated on the basis of a year of 360 days and the actual days elapsed and shall be payable on each Payment Date (as defined below), in like lawful money from the date hereof until the Maturity Date and, if funds are not provided for payment on the Maturity Date, thereafter to be paid on demand. Upon an Event of Default as

defined in the Revolving Credit Agreement, this Series C Note is subject to the remedies provided for in the Revolving Credit Agreement.

Interest Rate: LIBOR, plus 0.87%.

For purposes of this Series C Note, the following terms have the following meanings:

“Business Day”: A day other than a Saturday, Sunday or a day on which Lender is closed for business; provided that, for the purposes of determining LIBOR, the term “Business Day” shall also exclude any day on which commercial banks are not open for dealings in U.S. dollar deposits in the London interbank market.

“Interest Accrual Period”: Initially, the period from [August 28], 2019 up to but not including the first Payment Date, and thereafter, each period from a Payment Date up to but not including the next subsequent Payment Date.

“LIBOR”: For each Interest Accrual Period, a rate per annum equal to the London Interbank Offered Rate, as determined by ICE Benchmark Administration Limited (ICE) (or any successor or substitute therefor) for U.S. dollar deposits for a one-month period as obtained by the Lender from Reuter’s, Bloomberg or another commercially available source as may be designated by the Lender from time to time, two (2) Business Days before the first day of such Interest Accrual Period. Notwithstanding the foregoing, LIBOR shall not in any event be less than zero percent (0.00%).

“Payment Date”: each June 30 and December 31.

If Lender shall have determined that (a) adequate and reasonable means do not exist for ascertaining LIBOR as set forth herein, or (b) the making, maintenance or funding of such loan or loans based on LIBOR has been made impractical or unlawful then, and in any such event, the Lender may notify the Authority of such determination. Upon such date as shall be specified in such notice, the Lender and the Authority shall endeavor to establish an alternative interest rate methodology to LIBOR that gives due consideration to conventions then being used by the Lender to determine rates of interest in similar types of credit facilities as those hereunder, and if the Lender and the Authority are unable to agree upon such an alternative interest rate methodology in a timely manner to facilitate the interest rate calculation for the then next succeeding month, the interest rate applicable to this Series C Note for the then next succeeding month through the Maturity Date shall be the Prime Rate minus 2.00% (the “Backstop Rate”); provided, however, that the Backstop Rate shall not in any event be less than zero percent (0.00%). As used herein, the term “Prime Rate” shall mean the interest rate per annum published in the New York edition of The Wall Street Journal from time to time as the “Prime Rate,” as determined by the Lender two (2) Business Days before the first day of each Interest Accrual Period subject to the Backstop Rate.

Notwithstanding anything in this Series C Note to the contrary, the interest rate in any event shall be subject to the limitation on maximum interest rate set forth in California Government Code Section 53531, which on the issue date hereof is 12.00% per annum (the “Maximum Rate”), and to the extent the calculation of the interest rate hereunder results in an amount higher than the Maximum Rate, the applicable rate shall be deemed to be the Maximum Rate.

All payments under this Series C Note shall be made by wire transfer using the following wiring instructions (unless the Authority shall receive subsequent wiring instructions from the Lender):

BBVA USA
8333 Douglas Avenue, 2nd Floor
Dallas, Texas 75225
Attention: LDFC Public Finance

ABA#: 113-010-547
Beneficiary Account No.: 90124099
Beneficiary Account Name: Wire GFL
Reference: DO NOT POST CONTACT: LDFCPublicFinance.us@bbva.com
Reference: Mountains Recreation and Conservation Authority Acct # Included on Invoice

Maturity Date: the later of June 30, 2024, or the date on which the last disbursement of loan funds must be repaid pursuant to Section 6(c)(v) of the Revolving Credit Agreement.

It is hereby certified, recited and declared that this Series C Note represents the authorized issue of the Series C Note in the aggregate principal amount made, executed and given pursuant to and by authority of a resolution of the Governing Board of the Authority duly passed and adopted heretofore, under and by authority of Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title I (commencing with Section 6500) of the California Government Code (the “Resolution”) and the Revolving Credit Agreement, to all of the provisions and limitations of which the owner of this Series C Note, by acceptance hereof, assents and agrees.

The principal of the Series C Note, together with the interest thereon, shall be payable from income, revenue, cash receipts and other moneys which are legally available for payment hereof and received by the Authority for the general fund of the Authority.

This Series C Note is secured by that certain Deed of Trust and Assignment of Rents dated as of even date herewith by the Authority, as trustor, in favor of the Lender, as beneficiary. This Series C Note is further secured by certain collateral pursuant to a Pledge Agreement, as described in the Resolution and in the Revolving Credit Agreement. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA OR ANY PUBLIC AGENCY THEREOF OR ANY MEMBER OF THE AUTHORITY IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THIS SERIES C NOTE.

This Series C Note is subject to prepayment at any time upon at least five (5) business days’ prior written notice but without any prepayment charges or premiums.

Subject to the provisions of the Revolving Credit Agreement governing assignment by the Lender, the Authority may deem and treat the owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and the Authority shall not be affected by any notice to the contrary.

It is hereby certified that all of the conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Series C Note do exist, have happened and have been performed in due time, form and manner as required by the Constitution and statutes of the State of California and that the amount of this Series C Note, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the Constitution or statutes of the State of California.

IN WITNESS WHEREOF, the Governing Board of the Authority has caused this Series C Note to be executed by the manual signature of a duly authorized officer of the Authority and countersigned by the manual or facsimile signature of its duly authorized officer.

MOUNTAINS RECREATION AND
CONSERVATION AUTHORITY

By: _____
Print Name: _____
Title: _____

Countersigned:

By: _____
Print Name: _____
Title _____

EXHIBIT "A"

INVESTOR LETTER

(see attached)

INVESTOR LETTER

[August 28], 2019

Richards, Watson & Gershon, a Professional Corporation
Mountains Recreation and Conservation Authority
Los Angeles, California

RE: Mountains Recreation and Conservation Authority Secured Promissory Notes, issued
[August 28], 2019 (Tax-Exempt Series A, Series B, and Series C)

Ladies and Gentlemen:

- 1) We are an “accredited investor” as defined in Section 2(a)(15) of the Securities Act of 1933 (the “1933 Act”), and specifically, a “bank” as defined in Section 3(a)(2) of the 1933 Act.
- 2) We have sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations of a nature similar to the above-captioned Notes (the “Notes”) to be able to evaluate the risks and merits of the investments represented by the purchase of the Notes.
- 3) We are acquiring the Notes for our own account or for the account of institutions which meet the representations set forth herein, and not with a view to, or for sale in connection with, any distribution of the Notes or any part thereof. We have not offered to sell, solicited offers to buy, or agreed to sell the Notes or any part thereof, and we have no present intention of reselling or otherwise disposing of the Notes.
- 4) As a sophisticated investor, we have made our own credit inquiry and analysis with respect to the Mountains Recreation and Conservation Authority (the “Issuer”) and the Notes, and we have made an independent credit decision based upon such inquiry and analysis. The Issuer has furnished to us all the information which we as a reasonable investor have requested of the Issuer as a result of our having attached significance thereto in making our investment decision with respect to the Notes, and we have had the opportunity to ask questions of and receive answers from knowledgeable individuals concerning the Issuer and the Notes. It is acknowledged, however, that we have not relied upon Richards, Watson & Gershon, as Special Counsel to the Issuer, or Columbia Capital Management, LLC, as municipal advisor to the Issuer, in connection with making our investment decision to purchase the Notes; provided, however, we have relied upon the final approving opinion of Richards, Watson & Gershon delivered in connection with the issuance of the Notes. We are able and willing to bear the economic risk of the purchase and ownership of the Notes.
- 5) We understand that the Notes here not been registered with any federal or state securities agency or commission.

- 6) We acknowledge that the Notes are transferable only provided that:
- a) the transferring owner thereof shall first have complied with all applicable state and federal securities laws and regulations;
 - b) the transferring owner thereof first obtains and delivers to the Issuer an executed copy of a letter of the transferee substantially to the effect of this letter, with no material revisions except as may be approved in writing, not to be unreasonably withheld, by the Issuer;
 - c) the transferring owner thereof can transfer a Note only to:
 - i) a transferee who qualifies as a qualified institutional buyer within the meaning of Rule 144A promulgated under the 1933 Act; or
 - ii) a transferee who qualifies as an “accredited investor” within the meaning of Section 2(a)(15) of the 1933 Act; or
 - iii) a securitization Special Purpose Vehicle (“SPV”) the interests in which SPV are sold to qualified institutional buyers or accredited investors only; and
 - d) the transferring owner thereof will not prepare or furnish, or cause to be prepared or furnished, any disclosure regarding the Issuer’s finances without the prior review and written consent of the Issuer, in the Issuer’s sole discretion.
- 7) We understand that the Issuer has no taxing power and that no right will exist to have taxes levied by the State of California or any political subdivision thereof for the payment of principal and interest on any of the Notes; and that the liability of the Issuer with respect to each Note is subject to further limitations as set forth in the applicable Note, the Resolution pursuant to which the Notes are issued (the “Resolution”), the Revolving Credit Agreement, the Deed of Trust, and other relevant documents, as such terms are defined in the Resolution.
- 8) The person signing this letter on behalf of the undersigned investor is a duly appointed, qualified and acting representative of the undersigned investor and is authorized to make the certifications, representations and warranties contained herein.

BBVA USA,
an Alabama banking corporation

By: _____
Print Name: _____
Title: _____

This Series A Note has not been registered with any federal or state securities agency or commission. The Authority has not prepared any offering document or undertaken any continuing disclosure obligation in connection with the issuance of this Series A Note. The transfer of this Series A Note is subject to applicable securities law. Any transfer of this Series A Note shall be limited to a transferee that can bear the economic risk of investment in this Series A Note and has such knowledge and experience in business and financial matters, including the purchase and ownership of municipal obligations of a nature similar to this Series A Note, to be able to evaluate the risks and merits of the investment in this Series A Note. In addition to the foregoing, by acquiring this Series A Note, the owner of this Series A Note acknowledges and agrees that (i) such owner is not acquiring this Series A Note with the view to distribute, resell or otherwise transfer this Series A Note, (ii) with respect to any subsequent transfer of this Series A Note, the transferee must (A) be a qualified institutional buyer or an accredited investor (within the meanings of the Securities Act of 1933), or a special purpose entity the interests of which are sold to qualified institutional buyers or accredited investors, and (B) execute and deliver a letter to the Authority substantially in the form delivered by BBVA USA, the initial owner of this Series A Note, a copy of which is attached hereto as Exhibit A.

MOUNTAINS RECREATION AND CONSERVATION AUTHORITY

TAX-EXEMPT SERIES A SECURED PROMISSORY NOTE

Date of Original Issue: [August 28], 2019

MAXIMUM OUTSTANDING PRINCIPAL AMOUNT: Three Million Dollars (\$3,000,000.00)

FOR VALUE RECEIVED, the MOUNTAINS RECREATION AND CONSERVATION AUTHORITY (the “Authority”), hereby promises to pay to BBVA USA, an Alabama banking corporation (the “Lender”), at its offices at 801 South Figueroa Street, Suite 1100, Los Angeles, California 90017, or at such other places as the Lender may from time to time designate in writing, the principal sum specified above, or so much thereof as may have been disbursed on a revolving basis from time to time and remain outstanding, and interest thereon at the rate of interest specified below both before and after maturity, in accordance with the terms of that certain Revolving Credit Agreement, dated as of August 1, 2019 (as amended from time to time, the “Revolving Credit Agreement”), by and between the Authority and the Lender; provided, that the final installment of principal equal to the then unpaid principal balance of this promissory note (this “Series A Note”) and interest accrued thereon shall be due and paid upon surrender of this Series A Note on the date described below opposite the heading “Maturity Date:” (the “Maturity Date”). Principal of and interest on this Series A Note are payable in such coin or currency of the United States as at the time of payment is legal tender for payment of private and public debts. The outstanding principal balance of this Series A Note shall bear interest at a per annum rate as described below opposite the heading “Interest Rate:” except to the extent otherwise expressly provided herein or in the Revolving Credit Agreement. Interest shall be calculated on the basis of a year of 360 days and the actual days elapsed and shall be payable on each Payment Date (as defined below), in like lawful money from the date hereof until the Maturity Date and, if funds are not provided for payment on the Maturity Date, thereafter to be paid on demand. Upon an Event of Default as

defined in the Revolving Credit Agreement, this Series A Note is subject to the remedies provided for in the Revolving Credit Agreement.

Interest Rate: 79% of LIBOR, plus 1.48%.

For purposes of this Series A Note, the following terms have the following meanings:

“Business Day”: A day other than a Saturday, Sunday or a day on which Lender is closed for business; provided that, for the purposes of determining LIBOR, the term “Business Day” shall also exclude any day on which commercial banks are not open for dealings in U.S. dollar deposits in the London interbank market.

“Interest Accrual Period”: Initially, the period from [August 28], 2019 up to but not including the first Payment Date, and thereafter, each period from a Payment Date up to but not including the next subsequent Payment Date.

“LIBOR”: For each Interest Accrual Period, a rate per annum equal to the London Interbank Offered Rate, as determined by ICE Benchmark Administration Limited (ICE) (or any successor or substitute therefor) for U.S. dollar deposits for a one-month period as obtained by the Lender from Reuter’s, Bloomberg or another commercially available source as may be designated by the Lender from time to time, two (2) Business Days before the first day of such Interest Accrual Period. Notwithstanding the foregoing, LIBOR shall not in any event be less than zero percent (0.00%).

“Payment Date”: each June 30 and December 31.

If Lender shall have determined that (a) adequate and reasonable means do not exist for ascertaining LIBOR as set forth herein, or (b) the making, maintenance or funding of such loan or loans based on LIBOR has been made impractical or unlawful then, and in any such event, the Lender may notify the Authority of such determination. Upon such date as shall be specified in such notice, the Lender and the Authority shall endeavor to establish an alternative interest rate methodology to LIBOR that gives due consideration to conventions then being used by the Lender to determine rates of interest in similar types of credit facilities as those hereunder, and if the Lender and the Authority are unable to agree upon such an alternative interest rate methodology in a timely manner to facilitate the interest rate calculation for the then next succeeding month, the interest rate applicable to this Series A Note for the then next succeeding month through the Maturity Date shall be 79% of the Prime Rate minus 0.75% (the “Backstop Rate”); provided, however, that the Backstop Rate shall not in any event be less than zero percent (0.00%). As used herein, the term “Prime Rate” shall mean the interest rate per annum published in the New York edition of The Wall Street Journal from time to time as the “Prime Rate,” as determined by the Lender two (2) Business Days before the first day of each Interest Accrual Period subject to the Backstop Rate.

Upon the occurrence of a Determination of Taxability, the Authority shall pay to the Lender future interest payments calculated at the Taxable Rate as such payments become due. In addition, the Authority 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 Taxable Rate applicable to such Prior Interest Payments, and such obligation shall survive the termination of the Revolving Credit Agreement. the Lender acknowledges that payments at the Taxable Rate may be amounts that are not excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code.

For purposes of the preceding paragraph, the following terms have the following meanings:

“Determination of Taxability” means any final determination, decision, decree or advisement by the Commissioner of Internal Revenue or any court of competent jurisdiction, following the termination of any applicable appeal periods, that an Event of Taxability has occurred. A Determination of Taxability also shall be deemed to have occurred on the date when the Authority files any statement, supplemental statement, or other tax schedule, return or document, which discloses that an Event of Taxability has occurred.

“Event of Taxability” means: (a) the application by the Authority of the proceeds of the Series A Note, or other amounts treated as “gross proceeds” of this Series A Note, in such manner that this Series A Note becomes an “arbitrage bond” within the meaning of Code Sections 103(b)(2) and 148, and with the result that interest on this Series A Note is or becomes includable in the gross income (as defined in Code Section 61) of the Lender or any subsequent permitted transferee pursuant to the terms of this Series A Note and the Revolving Credit Agreement (each, an “Owner”); or (b) if as the result of any act of the Authority, failure to act by the Authority, or use by the Authority of the proceeds of any portion of this Series A Note or the facilities financed or refinanced with the proceeds of this Series A Note or any misrepresentation or inaccuracy in any of the representations, warranties or covenants contained in the Revolving Credit Agreement by the Authority, the interest on this Series A Note is or becomes includable in an Owner’s gross income (as defined in Code Section 61).

“Prior Interest Payment” means a payment of interest on this Series A Note made on or prior to the date of any Determination of Taxability that becomes includable in an Owner’s gross income (as defined in Code Section 61); provided, “Prior Interest Payment” includes only such interest payments for which the statute of limitations has not expired with respect to the ability of the Internal Revenue Service to assess taxes thereon.

“Taxable Rate” means the greater of 1-month LIBOR or 0.00%, plus 1.82%.

Notwithstanding anything in this Series A Note to the contrary, the interest rate in any event shall be subject to the limitation on maximum interest rate set forth

in California Government Code Section 53531, which on the issue date hereof is 12.00% per annum (the “Maximum Rate”), and to the extent the calculation of the interest rate or the Taxable Rate hereunder results in an amount higher than the Maximum Rate, the applicable rate shall be deemed to be the Maximum Rate.

All payments under this Series A Note shall be made by wire transfer using the following wiring instructions (unless the Authority shall receive subsequent wiring instructions from the Lender):

BBVA USA
8333 Douglas Avenue, 2nd Floor
Dallas, Texas 75225
Attention: LDFC Public Finance

ABA#: 113-010-547
Beneficiary Account No.: 90124099
Beneficiary Account Name: Wire GFL
Reference: DO NOT POST CONTACT: LDFCPublicFinance.us@bbva.com
Reference: Mountains Recreation and Conservation Authority Acct # Included on Invoice

Maturity Date: the later of June 30, 2024, or the date on which the last disbursement of loan funds must be repaid pursuant to Section 6(c)(ii) of the Revolving Credit Agreement.

It is hereby certified, recited and declared that this Series A Note represents the authorized issue of the Series A Note in the aggregate principal amount made, executed and given pursuant to and by authority of a resolution of the Governing Board of the Authority duly passed and adopted heretofore, under and by authority of Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title I (commencing with Section 6500) of the California Government Code (the “Resolution”) and the Revolving Credit Agreement, to all of the provisions and limitations of which the owner of this Series A Note, by acceptance hereof, assents and agrees.

The principal of the Series A Note, together with the interest thereon, shall be payable from income, revenue, cash receipts and other moneys which are legally available for payment hereof, including grant funds pledged in the Pledge Agreement (as defined in the Revolving Credit Agreement) and moneys received by the Authority for the general fund of the Authority.

This Series A Note is secured by that certain Deed of Trust and Assignment of Rents dated as of even date herewith by the Authority, as trustor, in favor of the Lender, as beneficiary. This Series A Note is further secured by certain collateral pursuant to a Pledge Agreement, as described in the Resolution and in the Revolving Credit Agreement. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA OR ANY PUBLIC AGENCY THEREOF OR ANY MEMBER OF THE AUTHORITY IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THIS SERIES A NOTE.

This Series A Note is subject to prepayment at any time upon at least five (5) business days’ prior written notice but without any prepayment charges or premiums.

Subject to the provisions of the Revolving Credit Agreement governing assignment by the Lender, the Authority may deem and treat the owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and the Authority shall not be affected by any notice to the contrary.

It is hereby certified that all of the conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Series A Note do exist, have happened and have been performed in due time, form and manner as required by the Constitution and statutes of the State of California and that the amount of this Series A Note, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the Constitution or statutes of the State of California.

IN WITNESS WHEREOF, the Governing Board of the Authority has caused this Series A Note to be executed by the manual signature of a duly authorized officer of the Authority and countersigned by the manual or facsimile signature of its duly authorized officer.

MOUNTAINS RECREATION AND
CONSERVATION AUTHORITY

By: _____
Print Name: _____
Title: _____

Countersigned:

By: _____
Print Name: _____
Title _____

EXHIBIT "A"

INVESTOR LETTER

(see attached)

INVESTOR LETTER

[August 28], 2019

Richards, Watson & Gershon, a Professional Corporation
Mountains Recreation and Conservation Authority
Los Angeles, California

RE: Mountains Recreation and Conservation Authority Secured Promissory Notes, issued
[August 28], 2019 (Tax-Exempt Series A, Series B, and Series C)

Ladies and Gentlemen:

- 1) We are an “accredited investor” as defined in Section 2(a)(15) of the Securities Act of 1933 (the “1933 Act”), and specifically, a “bank” as defined in Section 3(a)(2) of the 1933 Act.
- 2) We have sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations of a nature similar to the above-captioned Notes (the “Notes”) to be able to evaluate the risks and merits of the investments represented by the purchase of the Notes.
- 3) We are acquiring the Notes for our own account or for the account of institutions which meet the representations set forth herein, and not with a view to, or for sale in connection with, any distribution of the Notes or any part thereof. We have not offered to sell, solicited offers to buy, or agreed to sell the Notes or any part thereof, and we have no present intention of reselling or otherwise disposing of the Notes.
- 4) As a sophisticated investor, we have made our own credit inquiry and analysis with respect to the Mountains Recreation and Conservation Authority (the “Issuer”) and the Notes, and we have made an independent credit decision based upon such inquiry and analysis. The Issuer has furnished to us all the information which we as a reasonable investor have requested of the Issuer as a result of our having attached significance thereto in making our investment decision with respect to the Notes, and we have had the opportunity to ask questions of and receive answers from knowledgeable individuals concerning the Issuer and the Notes. It is acknowledged, however, that we have not relied upon Richards, Watson & Gershon, as Special Counsel to the Issuer, or Columbia Capital Management, LLC, as municipal advisor to the Issuer, in connection with making our investment decision to purchase the Notes; provided, however, we have relied upon the final approving opinion of Richards, Watson & Gershon delivered in connection with the issuance of the Notes. We are able and willing to bear the economic risk of the purchase and ownership of the Notes.
- 5) We understand that the Notes here not been registered with any federal or state securities agency or commission.

- 6) We acknowledge that the Notes are transferable only provided that:
- a) the transferring owner thereof shall first have complied with all applicable state and federal securities laws and regulations;
 - b) the transferring owner thereof first obtains and delivers to the Issuer an executed copy of a letter of the transferee substantially to the effect of this letter, with no material revisions except as may be approved in writing, not to be unreasonably withheld, by the Issuer;
 - c) the transferring owner thereof can transfer a Note only to:
 - i) a transferee who qualifies as a qualified institutional buyer within the meaning of Rule 144A promulgated under the 1933 Act; or
 - ii) a transferee who qualifies as an “accredited investor” within the meaning of Section 2(a)(15) of the 1933 Act; or
 - iii) a securitization Special Purpose Vehicle (“SPV”) the interests in which SPV are sold to qualified institutional buyers or accredited investors only; and
 - d) the transferring owner thereof will not prepare or furnish, or cause to be prepared or furnished, any disclosure regarding the Issuer’s finances without the prior review and written consent of the Issuer, in the Issuer’s sole discretion.
- 7) We understand that the Issuer has no taxing power and that no right will exist to have taxes levied by the State of California or any political subdivision thereof for the payment of principal and interest on any of the Notes; and that the liability of the Issuer with respect to each Note is subject to further limitations as set forth in the applicable Note, the Resolution pursuant to which the Notes are issued (the “Resolution”), the Revolving Credit Agreement, the Deed of Trust, and other relevant documents, as such terms are defined in the Resolution.
- 8) The person signing this letter on behalf of the undersigned investor is a duly appointed, qualified and acting representative of the undersigned investor and is authorized to make the certifications, representations and warranties contained herein.

BBVA USA,
an Alabama banking corporation

By: _____
Print Name: _____
Title: _____