

Department of Water and Power



the City of Los Angeles

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Mayor

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RONALD O. NICHOLS
General Manager

August 28, 2013

The Honorable City Council
City of Los Angeles
Room 395, City Hall
Los Angeles, California 90012

Honorable Members:

Subject: Authorizes the Lease of Real Property at 525 and 537 South Hewitt Street, and 516 and 542 Colyton Street, Los Angeles, California

Pursuant to Charter Section 607, enclosed for approval by your Honorable Body is Resolution No. 014 042, adopted by the Board of Water and Power Commissioners on August 27, 2013, approved as to form and legality by the City Attorney, which approves and authorizing the Lease of Real Property at 525 and 537 South Hewitt Street, and 516 and 542 Colyton Street, Los Angeles, California by the Los Angeles Department of Water and Power to La Kretz Innovation Campus, a nonprofit public benefit corporation; the Lease of such real property plus additional improvements to be made thereon back to LADWP and authorizing the execution of Leverage Loans, Leverage Loan Documents and other Transaction Documents necessary to enable La Kretz Innovation Campus to access New Markets Tax Credit Program Funding. As directed by the Board, transmitted to you are supporting documents.

If there are any questions regarding this item, please contact Ms. Winifred Yancy, Manager of Intergovernmental Affairs and Community Relations, at (213) 367-0025.

Sincerely,

Barbara E. Moschos
Board Secretary

BEM:oja

Enclosures: LADWP Resolution

Board Letter

1-Ground Lease

2-Development Services Agreement

3-Lease Agreement for the Use, Operations
& Maintenance of La Kretz Innovation Campus

4-SNDA Related to Master Lease

5-Fund Loan Agreement (LKIC Investment Fund 1)

6-Fund Loan Agreement (LKIC Investment Fund 2)

7- Fund Pledge Agreement (LKIC Investment Fund 1)

8- Fund Pledge Agreement (LKIC Investment Fund 2)

9-Memorandum of Lease

10-Non-Disturbance Agreement

11-Investment Fund Put and Call Agreement (Investment
Fund 1)

12-Investment Fund Put and Call Agreement (Investment
Fund 2)

13-Unconditional Guaranty of New Markets Tax Credits, Put
Price and Environmental Indemnification

14-Certificate and Indemnity Regarding Hazardous
Substances

15-Non Debarment Certificate

16-Assignment of Contracts, Ancillary Documents and Other
and Other Rights

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c/enc: Mayor Eric Garcetti
Councilmember Felipe Fuentes, Chair, Energy and the Environment Committee
Gerry F. Miller, Chief Legislative Analyst
Miguel A. Santana, City Administrative Officer
Rafael Prieto, Legislative Analyst, CLA
William R. Koenig, Chief Administrative Analyst
Winifred Yancy

WHEREAS, the Department of Water and Power of the City of Los Angeles (“LADWP”) previously purchased the real property located at 525 and 537 South Hewitt Street and 516 and 542 Colyton Street, Los Angeles, California, and all improvements located thereon (the “Property”); and

WHEREAS, LADWP has determined that the La Kretz Innovation Campus (the “Campus”) will be constructed and located on the Property; and

WHEREAS, the Campus will house a synergistic mix of cleantech tenants, including, but not limited to, the Los Angeles Cleantech Incubator (“LACI”), LACI Laboratories and Prototype Manufacturing Workshop, the LADWP Energy Efficiency Technology Center and the LADWP Customer Service Demonstration Center; and

WHEREAS, the construction of the Campus will be managed by LADWP in partnership with the City of Los Angeles Department of Public Works – Bureau of Engineering; and

WHEREAS, the Board of Water and Power Commissioners of the City of Los Angeles (the “Board”) has determined that the LADWP’s participation in facilitating the Transaction (as hereinafter defined) and the Transaction itself serves public purposes in the City of Los Angeles, California; and

WHEREAS, the construction, equipping and improvement of the Campus will be funded from a variety of sources, including, but not limited to, an investment obtained under the New Markets Tax Credit Program (the “NMTC Program”), established in 2000 as part of the Community Renewal Tax Relief Act of 2000; and

WHEREAS, to facilitate participation in the NMTC Program, La Kretz Innovation Campus (the “Corporation”) was organized as a nonprofit public benefit corporation under the laws of the State of California; and

WHEREAS, to facilitate compliance with the requirements of the NMTC Program, LADWP will be required to lease its interest in the Property to the Corporation pursuant to a ground lease (the “Ground Lease”), and the Corporation, as lessor, will be required to lease back the Property plus the additional improvements to be made thereon to LADWP, as lessee, pursuant to a Lease Agreement for the Use, Operation and Maintenance of La Kretz Innovation Campus (the “Lease Agreement”), which will require LADWP to, among other things, operate and maintain the Campus; and

WHEREAS, pursuant to Section 607 of the Charter of the City of Los Angeles, approval of the City Council of the City of Los Angeles (the “City Council”) is required for LADWP to lease the Property to the Corporation; and

WHEREAS, in order to facilitate the Transaction (as hereinafter defined) in compliance with the requirements of the NMTC Program, LADWP will be required to make loans from any legally available funds (the "Leverage Loans") of not to exceed \$30,000,000 to LKIC Investment Fund 1, LLC, a single-purpose investment fund ("Investment Fund 1"), and not to exceed \$4,000,000 to LKIC Investment Fund 2, LLC, a single-purpose investment fund ("Investment Fund 2"); and

WHEREAS, in connection with the Leverage Loans, LADWP desires to enter into one or more Fund Loan Agreements (the "Loan Agreements") and one or more Pledge Agreements (the "Pledge Agreements") with Investment Fund 1 and Investment Fund 2, respectively (collectively, the "Funds"); and

WHEREAS, the Funds will use the proceeds of the Leverage Loans, together with other funds to be invested in the Funds by U.S. Bancorp Community Development Corporation (the "Tax Credit Investor") to fund qualified equity investments in certain community development entities (collectively with their respective suballocatees the "CDEs"), which will entitle the Tax Credit Investor to claim New Markets Tax Credits; and

WHEREAS, the CDEs will make loans to the Corporation for the purpose of financing the leasing, acquisition, construction and equipping of the Campus, establishing reserves and paying fees, other up-front costs and the closing costs (the "QLICI Loans") in accordance with those certain loan and security documents to be entered into by the CDEs and the Corporation; and

WHEREAS, in order to facilitate the timely construction of the Campus, LADWP will be required, pursuant to the terms of a Development Services Agreement (the "Development Services Agreement"), to be entered into with the Corporation, to oversee and cause the construction and rehabilitation of the Campus on the Property; and

WHEREAS, the proceeds of payments made by the Corporation to the CDEs under the QLICI Loans will be distributed to the Funds as their source of funds for payments of principal and accrued interest to be made to LADWP under the Leverage Loans; and

WHEREAS, LADWP will benefit from the acquisition by the Tax Credit Investor of an interest in the Funds and an indirect interest in the CDEs as an investor, and desires to comply with the requirements of the Tax Credit Investor, as a condition to its agreement to facilitate the transactions as an investor in the Funds and the CDEs, to execute, in favor of the Tax Credit Investor, an Unconditional Guaranty of New Markets Tax Credits, Put Price and Environmental Indemnification (the "Guaranty of NMTCs") in which LADWP, together with the Corporation, will agree to pay to the Tax Credit Investor the amount of any recapture, disallowance or loss by the Tax Credit Investor of any of the New Markets Tax Credits as set forth in the Guaranty of NMTCs up to the maximum liability set forth in the Guaranty of NMTCs; and

WHEREAS, (a) the leasing of the Property by LADWP to the Corporation and the leasing of the Property plus the additional improvements to be made thereon by LADWP back from the Corporation pursuant to the Ground Lease and the Lease Agreement, respectively, (b) the making of the Leverage Loans to the Funds under the terms of the Loan Agreements, (c) the incurrence of the obligations of LADWP set forth in the Guaranty of NMTCs, and (d) the execution and delivery of the Ground Lease, the Lease Agreement, the Loan Agreements, the Development Services Agreement, the Pledge Agreements, the Guaranty of NMTCs, the Put and Call Agreements (as hereinafter defined), the Environmental Indemnity (as hereinafter defined), the Non-Disturbance Agreement (as hereinafter defined), the SNDA Agreement (as hereinafter defined), and any other agreements, certificates, filings, financing statements, instruments or documents as may be necessary or appropriate related thereto (collectively referred to herein as the "Transaction") are necessary to obtain the NMTC investment for the development of the Project; and

WHEREAS, the Ground Lease, the Lease Agreement, the Loan Agreements, the Pledge Agreements, the Grant Deed, the Guaranty of NMTCs, the Development Services Agreement, the Put and Call Agreements, the Environmental Indemnity, the Non-Disturbance Agreement, the SNDA Agreement and any other agreements, certificates, filings, financing statements, instruments or documents as may be necessary or appropriate to be executed and delivered by LADWP in connection with the Transaction, are collectively referred to herein as the "Transaction Documents"; and

NOW THEREFORE, BE IT RESOLVED, that the Board has determined that LADWP's participation in facilitating the Transaction and the Transaction itself serves public purposes and are in the best interests of the City of Los Angeles, California, and hereby authorizes and approves the participation by LADWP in the Transaction as described in the foregoing recitals, and specifically authorizes and approves (a) leasing the Property to the Corporation (subject to the prior approval of the City Council) pursuant to the Ground Lease, for an upfront rental payment of not less than \$12,525,000, and leasing the Property plus the additional improvements to be made thereon back from the Corporation pursuant to the Lease Agreement, (b) making the Leverage Loans to the Funds, under the terms of the Loan Agreements, (c) providing the Tax Credit Investor with a guarantee in connection with any recapture, disallowance or loss of any of the New Markets Tax Credits pursuant the Guaranty of NMTCs, and (d) executing and delivering the other Transaction Documents; and

BE IT FURTHER RESOLVED, that the Ground Lease and the Lease Agreement, in substantially the forms on file with the Secretary of the Board, and the performance of LADWP of its obligations thereunder (including, but not limited to, making lease payments to the Corporation in accordance with the terms of the Lease Agreement), are hereby authorized and approved. Subject to the prior approval of the City Council to lease the Property to the Corporation, the General Manager of LADWP, the Acting General Manager of LADWP, and the Chief Financial Officer of LADWP (each a "Designated Officer"), acting singly, are hereby authorized, in the name and on behalf of LADWP, to execute and deliver the Ground Lease and the Lease Agreement in substantially said forms, with such changes, insertions and deletions as the Office of the

City Attorney of the City of Los Angeles (the "City Attorney") may approve, such approval to be conclusively evidenced by the City Attorney's stamp as to form and legality thereon; and

BE IT FURTHER RESOLVED, that the City Council is requested to make the finding that the leasing of the Property for the Project is in the best interests of the City and approve the leasing of the Property pursuant to the Ground Lease as provided in Los Angeles City Charter Section 607; and

BE IT FURTHER RESOLVED, that the Loan Agreements, the Pledge Agreements, the Development Services Agreement, the Guaranty of NMTCs, the Investment Fund Put and Call Agreement, one or more of which will be entered into by the Tax Credit Investor and LADWP (collectively, the "Put and Call Agreements"), the Certificate and Indemnity Regarding Hazardous Substances, which will be entered into by the Corporation and LADWP (the "Environmental Indemnity"), the Non-Disturbance and Attornment Agreement, which will be entered into by the Corporation, the CDEs and LADWP (the "Non-Disturbance Agreement"), and the Subordination, Non-Disturbance and Attornment Agreement, which will be entered into by the Corporation, the CDEs and LADWP (the "SNDA Agreement"), in substantially the forms on file with the Secretary of the Board, and the performance of LADWP of its obligations thereunder, are hereby authorized and approved. The Designated Officers, acting singly, are hereby authorized, in the name and on behalf of LADWP, to execute and deliver the Loan Agreements, the Development Services Agreement, the Pledge Agreements, the Guaranty of NMTCs, the Put and Call Agreements, the Environmental Indemnity, the Non-Disturbance Agreement and the SNDA Agreement in substantially said forms, with such changes, insertions and deletions as the Office of the City Attorney of the City of Los Angeles (the "City Attorney") may approve, such approval to be conclusively evidenced by the City Attorney's stamp as to form and legality thereon; and

BE IT FURTHER RESOLVED, that the Designated Officers are hereby authorized on behalf of LADWP, to execute, deliver and perform such further agreements, certificates, filings, financing statements, instruments, actions and other documents as may be necessary or appropriate to consummate the Transaction contemplated or required by the Transaction Documents, including but not limited to, a collateral assignment of the Development Services Agreement, a non-debarment certificate, a memorandum of lease, a disbursement agreement controlling the disbursement of loan proceeds provided by the CDEs to finance the Campus, a community benefits agreement required by the CDEs to maintain compliance with their NMTC allocation agreements and purchasing, pursuant to the terms of the Put and Call Agreements, the interests of Investment Fund 1 and Investment Fund 2 in the Leverage CDEs;

BE IT FURTHER RESOLVED, that any action previously taken by the Designated Officers or any other officer or representative of LADWP, in the name of or on behalf of LADWP and in furtherance of the Transaction, is hereby ratified, confirmed and approved in all respects as the action of or action on behalf of LADWP; and

BE IT FURTHER RESOLVED that the Chief Accounting Employee of the LADWP, upon proper certification, is authorized and directed to draw demands on the Power Revenue Fund, the Water Revenue Fund and other grant funding received by the LADWP for payment of the development financing obligations arising under the Transaction Documents, which amount is currently estimated to be \$38,000,000.

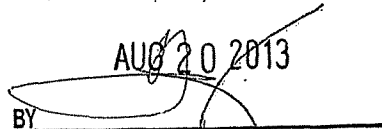
I HEREBY CERTIFY that the foregoing is a full, true and correct copy of a resolution adopted by the Board of Water and Power Commissioners of the City of Los Angeles at its meeting held on August 27, 2013.


Secretary

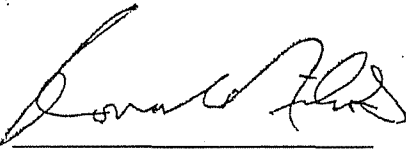
APPROVED AS TO FORM AND LEGALITY
MICHAEL N. FEUER, CITY ATTORNEY

AUG 20 2013

BY


TIMOTHY J. CHUNG
DEPUTY CITY ATTORNEY

LOS ANGELES DEPARTMENT OF WATER AND POWER (LADWP) BOARD APPROVAL LETTER

TO: BOARD OF WATER AND POWER COMMISSIONERS	DATE: August 15, 2013	
<div style="text-align: center;">  <hr style="width: 20%; margin: 0 auto;"/> <p>RONALD O. NICHOLS General Manager</p> </div>	<p>SUBJECT:</p> <p align="center">Approving and Authorizing the Lease of Real Property at 525 and 537 South Hewitt Street, and 516 and 542 Colyton Street, Los Angeles, California by the LADWP to La Kretz Innovation Campus, a nonprofit public benefit corporation; the Lease of such real property plus additional improvements to be made thereon back to LADWP; and authorizing the execution of Leverage Loans, Leverage Loan Documents and other Transaction Documents necessary to enable La Kretz Innovation Campus to access New Markets Tax Credit program funding</p>	
	<p>FOR COMMISSION OFFICE USE:</p> <p align="center">RESOLUTION NO. _____</p>	
<p>CITY COUNCIL APPROVAL REQUIRED: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p>	<p>IF YES, BY WHICH CITY CHARTER SECTIONS: 607</p>	

PURPOSE

Transmitted for approval by your Honorable Board is a Resolution, approved as to form and legality by the City Attorney, recommending that the LADWP approve and authorize the lease of real property and all improvements thereon under the control of LADWP to the La Kretz Innovation Campus, a nonprofit public benefit corporation (Corporation) and the leaseback of such property plus additional improvements to be made thereon to LADWP for development and use as the La Kretz Innovation Campus (Campus); the execution of a Ground Lease, Lease Agreement, Development Services Agreement related to the lease and leaseback and development of the proposed Campus; and authorize the execution of the Leverage Loans, the Leverage Loan Documents and other Transaction Documents necessary to enable the La Kretz Innovation Campus to access New Markets Tax Credit (NMTC) Program funding.

COST AND DURATION

Upfront project costs are indicated on Page 4 of this report. The attached Table of Sources and Uses contains the total development project costs of \$43,322,233, of

which costs \$33,796,423 (including the land value) will be contributed from the LADWP, the City and other grant sources, and \$9,525,810 will be from private NMTC Equity. LADWP is responsible for the ongoing operating costs and intends to recover those costs from tenants. The term of the La Kretz lease is 50 years.

BACKGROUND

In April 2010, LADWP purchased the real property located at 525 and 537 South Hewitt Street and 516 and 542 Colyton Street, Los Angeles, California, and all improvements located thereon (the "Property") to house the Campus. The construction of the Campus will be managed by LADWP in partnership with the City of Los Angeles Department of Public Works – Bureau of Engineering. The construction, equipping and improvement of the Campus will be funded from a variety of sources, including, but not limited to, an investment obtained under the NMTC Program, established in 2000 as part of the Community Renewal Tax Relief Act of 2000. The goal of the Campus is to build an ecosystem that supports innovation, deployment, and commercialization of clean technologies. Each site component of the Campus not only has a purpose in and of itself, but also provides synergy with the other components. The proposed building program and tenants for the Campus include the Los Angeles Cleantech Incubator (LACI), LACI Laboratories and Prototype Manufacturing Workshop, the LADWP Energy Efficiency Technology Center, and the LADWP Customer Service Demonstration Center.

The Campus is a project that demonstrates LADWP's commitment to renewable energy, energy efficiency, and water conservation as key strategies for securing reliable power and water supplies for the City. The new companies nurtured at the Campus will help LADWP and the City reduce dependence on imported supplies, conserve use of natural resources, and reduce the emission of greenhouse gases. It is smart public policy for LADWP to support the introduction and commercialization of emerging clean technologies which will assist LADWP in meeting its legally mandated water conservation and clean energy goals, and generate green jobs in Los Angeles. The Campus exemplifies the type of visionary and innovative policymaking needed in the City during these tough economic times. As such, the Campus and the financing and construction thereof are in furtherance of public purposes which will benefit and be in the best interests of the City of Los Angeles.

To facilitate participation in the NMTC Program, the Corporation was organized as a nonprofit public benefit corporation under the laws of the State of California. In order to meet the requirements of the NMTC Program, LADWP will lease its interest in the Property to the Corporation pursuant to a 50-year ground lease (Ground Lease) for an upfront rental payment of not less than \$12,525,000, and the Corporation, as lessor, will be required to lease the Property plus the additional improvements to be made thereon to LADWP, as lessee, pursuant to a Lease Agreement, for a 30-year term with a starting annual rent of and not to exceed \$400,000 for the first seven years. The annual rent for the remainder of the term will range from \$500,000 up to \$3,350,000. The Lease Agreement will require LADWP to, among other things, operate and maintain the Campus. The Corporation and LADWP will also enter into a Development Services

Agreement that will require LADWP to manage and cause the development of the improvements on the Campus and to contribute up to \$3,500,000 toward the development costs.

Pursuant to the City Charter, approval of the City Council of the City of Los Angeles (City Council) is required for LADWP to lease the Property to the Corporation for the term of 50 years under the Ground Lease. The City Administrative Officer Report has been waived.

In order for the Corporation to take advantage of the NMTC Program funding investment by U.S. Bancorp Community Development Corporation (Tax Credit Investor) in the approximate amount of \$13,900,000, which includes a bridge equity contribution, LADWP will be required to make loans from any legally available funds on deposit in the Power Revenue Fund and the Water Revenue Fund in the aggregate amount not to exceed \$34,000,000 (Leverage Loans) to the NMTC investment funds (Funds). In connection with the Leverage Loans, LADWP will enter into various loan, pledge and security documents (collectively, with all other documents to be signed by LADWP in connection with the Leverage Loans being referred to herein as the "Leverage Loan Documents"), with the Funds. The Funds will use the proceeds of the Leverage Loans, together with other funds to be invested in the Funds by the Tax Credit Investor to fund qualified equity investments in certain Community Development Entities (CDE), which will entitle the Tax Credit Investor to claim NMTC. The CDE will make loans in the approximate amount of \$43,000,000 (QLICI Loan) to the Corporation for the purpose of financing the leasing, acquisition, construction and equipping of the Campus, establishing reserves and paying fees, other up-front costs and the closing costs.

The following table sets forth the sources and uses, current numbers as of August 12, 2013, for the Campus financing:

SOURCES

LADWP (Acquisition)	\$8,125,000
La Kretz Donation (Acquisition)	3,000,000
Energy Efficiency Community Block Grant	165,000
CRA/LA (Tax Increment)	1,235,000
U.S. Dept of Housing and Urban Development Block Grant (UDBG)	3,000,000
LADWP Customer Service Division	5,200,000
LADWP Energy Efficiency Administration Center	2,300,000
U.S. Economic Development Administration Grant	2,124,000
City of LA/LADWP/QECB Equity Investment	8,135,906
Temporary Construction QLICI Interest / Lev. Loan Interest Payments	511,517
New Market Tax Credit Allocation	<u>9,525,810</u>
TOTAL	\$43,322,233

USES

Acquisition of Campus Site	\$12,525,000
Hard Construction Costs	23,696,233
Construction Contingency (15%)	3,554,435
Soft Costs	3,035,048
Construction Interest	<u>511,517</u>
TOTAL	\$43,322,233

LADWP will benefit from the acquisition by the Tax Credit Investor of an interest in the Funds and an indirect interest in the CDE as an investor, and desires to comply with the requirements of the Tax Credit Investor and the CDE. As a condition to the Tax Credit Investor and CDE agreement to facilitate the transactions, LADWP agrees to approve and enter into the following documents: (1) Ground Lease, (2) Lease Agreement, (3) Loan Agreements; (4) Unconditional Guaranty of New Markets Tax Credits Put Price and Environmental Indemnification; (5) Pledge Agreements; (6) Investment Fund Put and Call Agreements; (7) Certificate and Indemnity Regarding Hazardous Substances; (8) Subordination, Non-Disturbance and Attornment Agreement; (9) Non-Disturbance Agreement, and (10) Development Services Agreement (collectively, such documents are hereinafter referred to as the "Transaction Documents"). Since the tentative project, previously approved by the Board in December 2012 and June 2013, various changes to the project sources and uses have arisen. Attachment one (1) provides a reconciliation and explanation of the project sources and uses then compared to now. These changes are relatively minor, with the overall project budget that your Honorable Board previously approved, increasing from \$42.88 million to \$43.32 million, an increase of 1%.

NMTC LEASE COSTS

Pursuant to the Lease Agreement and Development Services Agreement, LADWP will be responsible for using Corporation QLICI Loan proceeds and LADWP funds to develop, maintain, and operate the Campus. As described above, LADWP will make lease payments to the Corporation, which will be used (via payments under the QLICI Loan) to ultimately service the Leverage Loans from LADWP to the Funds. The lease payments by LADWP to the Corporation have been sized to enable the Corporation to make debt service payments on the QLICI Loans to the CDE, which in turn will be used by the CDE to make equity distributions to the Funds, which in turn will be used by the Funds to make debt service payments to LADWP under the Leverage Loan Documents and will provide a modest return to the Corporation. Assuming no events of default, the lease payments will not be used for any other purposes. Note that other fees and expenses of the CDE and the Funds will be capitalized at closing and held by the Corporation in restricted accounts to be used solely for the approved purposes.

ENVIRONMENTAL DETERMINATION

The project was found exempt pursuant to categorical exemption for existing facilities, replacement and or reconstruction, new construction or conversion of small structures,

and infill development projects described in sections 15301 (a, b, c, d, i, k, & n), 15302 (d), 15304 (b), 15311 (b), and 15332, respectively.

RECOMMENDATION

It is recommended that your Honorable Board adopt the attached Resolution approving and authorizing (a) the leasing of the Property to the Corporation for an upfront lease payment of not less than \$12,525,000 and the leasing of the Property plus the additional improvements to be made thereon by LADWP back from the Corporation pursuant to the Ground Lease and the Lease Agreement, respectively, (b) the making of the Leverage Loans in the aggregate amount not to exceed \$34,000,000 to the Funds under the terms of the Leverage Loan Documents, (c) and the execution and delivery of all of the Transaction Documents and any other agreements, certificates, filings, financing statements, instruments or documents as may be necessary or appropriate related thereto and necessary to enable LADWP to take advantage of NMTC Program funding.

KB

Attachments

e-c/att: Ronald O. Nichols

Richard M. Brown

Aram Benyamin

James B. McDaniel

Philip Leiber

Gwendolyn Williams

Beth Jines

Kelli J. Bernard

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Ground Lease

GROUND LEASE

THIS GROUND LEASE dated as of _____, 2013, as amended and supplemented from time to time in accordance with the terms hereof (the "Ground Lease"), by and between the CITY OF LOS ANGELES, a municipal corporation, acting by and through its DEPARTMENT OF WATER AND POWER (together with its successors, the "Lessor"), as lessor, and LA KRETZ INNOVATION CAMPUS, a California nonprofit public benefit corporation (the "Lessee"), as lessee:

WITNESSETH:

WHEREAS, Lessor owns fee simple title in the land (the "Land") and improvements (the "Improvements") located at 525 and 537 S. Hewitt Street and 516 and 542 Colyton Street, Los Angeles, California described on Exhibit A attached hereto;

WHEREAS, Lessor and Lessee acknowledge that the consummation of this Ground Lease is intended to facilitate an extension of credit pursuant to that certain Loan Agreement dated as of the date hereof (the "Credit Agreement"), between Lessee and Clearinghouse NMTC (Sub 30), LLC, a California limited liability company, Consortium America XXXIII, LLC, a Delaware limited liability company, URP Subsidiary CDE XVII, LLC, a Maryland limited liability company, LADF IX, LLC, a California limited liability company, and USBCDE Sub-CDE 92, LLC, a Missouri limited liability company (collectively, the "Lender"), which will constitute a part of a transaction intended to satisfy the requirements of Section 45D of the Internal Revenue Code of 1986, as amended from time to time (the "Code");

WHEREAS, Lessee intends to use the proceeds of the loan from the Lender (the "Loan") to renovate all buildings, improvements, fixtures and personal property located on the Land as an innovation campus (the "Campus") fostering a community for cleantech demonstration centers, research and development laboratories, conference facilities, work force training facilities and rentable space for existing and emerging cleantech companies (collectively, the "Project" together with the Land, the "Premises"), and to lease the Premises back to Lessor pursuant to that certain Lease Agreement dated as of the date hereof (together with all amendments thereto, the "Master Lease");

WHEREAS, Lessor desires to lease the Premises to the Lessee for the anticipated renovation and rentals and upon the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein set forth, the Lessor and the Lessee do hereby covenant and agree as follows:

Section 1. Lease of the Premises. The Lessor hereby leases to the Lessee, and the Lessee hereby rents and leases from the Lessor, the Premises on the terms and conditions hereinafter set forth.

Section 2. Term. The term of this Ground Lease shall be [fifty (50)] years commencing on the date hereof and shall expire on [_____, 2063], unless such term is sooner terminated as hereinafter provided.

Section 3. Rental Price. As and for rental hereunder and in consideration for the leasing of the Premises to the Lessee for the term of this Ground Lease, the Lessee shall take the following actions:

(a) Simultaneously with the delivery of this Ground Lease, enter into the Master Lease.

(b) Simultaneously with the delivery of this Ground Lease, pay to Lessor prepaid lease payments in the aggregate amount of [\$12,525,000] ("Rent"). The parties hereto agree that for federal income tax purposes, the Rent is both due on, and allocated to, the date hereof. Not less than once every five (5) years, the parties hereto agree to discuss potential adjustments to the Rent. Provided that the terms of the Master Lease and this Ground Lease have not materially changed since the date of the last discussion of potential adjustments or the date hereof (if there have been no prior potential adjustment meetings) the Rent will not be changed. If the parties determine that an adjustment in Rent is necessary to comply with fair value of the Land and the condition of the Premises as of the date hereof as contemplated in Section 607(b) of the City Charter of the City of Los Angeles, Lessee shall pay all such amounts on or before the last day of the Term and such amounts shall be due and allocated on such date. Lessor acknowledges that, based upon the Appraisal dated [_____, 2013] prepared by Overland Pacific & Cutler, Inc., the Lessee has paid fair value for the Land and the condition of the Premises as of the date hereof through the [50th] year of the Ground Lease and no Rent adjustment shall be made through or with respect to the first [50] years of the Ground Lease provided Lessee is in compliance with the use restrictions in the Ground Lease.

Section 4. Permitted Uses. The Premises may only be used as an innovation campus fostering a community for cleantech demonstration centers, research and development laboratories, conference facilities, work force training facilities and rentable space for existing and emerging cleantech companies.

Section 5. Ownership for Tax Purposes. For federal, state or local tax purposes relating to the Premises and any and all additions thereto, substitutions therefor, fixtures therein and other property relating thereto, the Lessee shall own all such property during the term of this Ground Lease and for the tax years during such term. Any Improvements and all alterations, additions, equipment and fixtures built, made or installed by Lessee in, on, under or to the Premises shall be the sole property of Lessee until the expiration or other termination of the term of this Ground Lease. The Parties acknowledge and agree that Lessee may, at its own expense, remove any of the Improvements from the Premises before the expiration or termination of this Ground Lease, provided that the Lessee shall restore the Premises substantially to their condition on the date of this Ground Lease. In the event that Lessee elects not to remove the Improvements, the Lessee shall be deemed to have abandoned the same, and the Improvements shall thereupon become the Property of the Lessor.

Section 6. Access Rights. Lessor hereby grants to Lessee, and any subtenant of Lessee, the right to access the Premises via any property owned by the Lessor and by any route open to the public that traverses the Lessor's property.

Section 7. Subleases and Security Interests. Subject to the terms and conditions set forth in Section 34 hereof, the Lessee may mortgage, assign, hypothecate or sublease its leasehold interest in the Premises subject to the Ground Lease without the written consent of the Lessor but only in accordance with the provisions of the terms and conditions of the Master Lease and in accordance with the terms and conditions of the loan and security documents related to the Loans, copies of which were provided to Lessor on the date hereof.

Section 8. Termination. This Ground Lease shall terminate upon the completion of the term set forth in Section 2.

Section 9. Default. The occurrence of any one or more of the following events shall constitute a material default and breach of this Ground Lease by Lessee:

(a) The failure by Lessee to make any payment of rent or any other payment required to be made by Lessee hereunder, as and when due, provided that Lessee shall not cure the same within fifteen (15) days after written notice thereof from Lessor or its representatives.

(b) The failure by Lessee to observe or perform any of the covenants, conditions or provisions of this Ground Lease to be observed or performed by it, other than described in paragraph (a) above, where failure shall continue for a period of ninety (90) days after written notice thereof from Lessor to Lessee; provided, however, that if the nature of Lessee's default shall be such that more than ninety (90) days are reasonably required for its cure, then Lessee shall not be deemed to be in default if Lessee has commenced such cure within said ninety (90) days period and thereafter diligently prosecutes such cure to completion.

(c) The occurrence of: (i) the making by Lessee of any general assignment, or general arrangement, for the benefit of creditors, except for a pledge of Lessee's leasehold interest to Lender or a foreclosure of such interest by Lender; (ii) a filing by or against Lessee of a petition to have Lessee adjudged a bankrupt or a petition for reorganization or arrangement under the laws relating to bankruptcy (unless, in the case of a petition filed against Lessee, the same is dismissed within ninety (90) days or the petition is filed by Lessor); (iii) the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Ground Lease, where possession is not restored to Lessee within ninety (90) days, except if such remedies are part of a foreclosure of Lessee's leasehold interest by Lender or if any such remedies is instituted by the Lessor; or (iv) the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Ground Lease, where such seizure is not discharged within ninety (90) days, except if such remedies are part of a foreclosure of Lessee's leasehold interest by Lender or if any such remedies is instituted by the Lessor.

Notwithstanding anything to the contrary contained herein, (i) Lessor's acts or omissions under the Master Lease shall not be construed to cause an event of default under this Section 9; and (ii) pursuant to the terms and conditions of Section 34(h) hereof, Lender shall have the ability to cure any event of default of Lessee under this Section 9 and Lessor shall accept such cure as if performed by the Lessee.

Section 10. Lessor's Remedies. Subject to the terms and conditions set forth in Section 34, in the event of any such material default or breach by Lessee, beyond the applicable cure period, Lessor may at any time thereafter, with or without notice or demand and without limiting Lessor in the exercise of any other right or remedy which Lessor may have by reason of such default or breach:

(a) Choose not to re-enter but to hold Lessee responsible for all terms of this Ground Lease;

(b) Notify any sublessee that all rental and other payments pursuant to their sublease shall thenceforth be made directly to Lessor with sublessee thence forth attorning to Lessor as landlord and Lessee shall have no further rights in any such sublease;

(c) Re-enter the Premises and terminate this Ground Lease and hold Lessee responsible for all damages resulting from the breach;

(d) Re-enter the Premises, keep this Ground Lease intact, and attempt to re-let the Premises on behalf of the Lessee as its agent.

Upon any re-entering of the Premises, Lessor may re-let the Premises or any part thereof for such term, on such conditions and at such rental as Lessor may deem advisable, with the right to make alterations and repairs to the Premises. Lessor may remove therefrom all persons, property and signs, and such property may be removed and stored in any place for the account and at the expense and risk of Lessee. Lessee hereby waives all claims for damages which may be caused by the re-entry of Lessor and taking possession of the Premises, or the removing or storage of the furniture and personal property as herein provided, and agrees to save Lessor harmless from any loss, cost or damages occasioned thereby, and no such re-entry shall be considered or construed to be forcible entry or detainer.

Should Lessor elect to re-enter as herein provided rentals received by Lessor from re-letting may be applied in any order, including without limitation: first, to any indebtedness other than rental due under this Ground Lease, second, to the payment of any costs for such re-letting; third, to the payment of the cost of any alterations and repairs to the Premises; and fourth, to the payment of rental due and unpaid under this Ground Lease; and the residue, if any, shall be held by Lessor and applied in payment of future rental as the same becomes due and payable under this Ground Lease. Should rentals received from such re-letting during any period be less than that agreed to be paid pro rata during that same period by Lessee under this Ground Lease, then Lessee shall immediately pay and be liable for such deficiency to Lessor.

No such re-entry or taking possession by Lessor shall be construed as an election of Lessor's part to terminate this Ground Lease unless a written notice of such intention is made to Lessee. Notwithstanding any re-letting without termination, Lessor may at any time thereafter elect to terminate this Ground Lease for such previous breach.

Should Lessor at any time terminate this Ground Lease for any breach, in addition to any other remedy Lessor may have, Lessor may recover from Lessee all reasonable damages Lessor may incur by reason of such breach, including the worth at the time of such termination of the

excess of the amount of rental and charges equivalent to rental, if any, reserved in this Ground Lease for the remainder of the term over the then reasonable value of the use of the Premises for the remainder of the term. All Lessor's and Lessee's remedies hereunder and at law or equity shall be cumulative and not exclusive. Lessor and Lessee may exercise them at any time and from time to time, concurrently or consecutively.

Following an event of default by Lessee, Lessor must use commercially reasonable efforts to re-let the Premises and otherwise mitigate its damages for the benefit of Lessee.

Notwithstanding anything herein to the contrary, Lessor may not exercise any remedy which causes a recapture of the new markets tax credits accruing under Section 45D of the Code with respect to such transaction. In connection with the foregoing, Lessor shall obtain such assurances regarding compliance with the requirements of Section 45D of the Code by any proposed replacement lessee as Lender may require.

Section 11. Quiet Enjoyment. Except during the continuance of an event of default beyond any applicable cure period, Lessor shall secure to Lessee during the term, including the option term the quiet, peaceful and uninterrupted possession of the Premises and all rights and privileges appertaining thereto.

Section 12. No Merger. No union of the interests of the Lessor and the Lessee herein shall result in a merger of this Ground Lease, the Master Lease and the title to the Premises.

Section 13. Taxes and Assessments. Lessee shall pay all real property taxes and general and special assessments levied or assessed against the Premises, if any, during the term of the Ground Lease. Taxes for any partial year during the Ground Lease term shall be prorated based on the actual number of days in the Ground Lease term during such tax year. Lessor shall notify Lessee of the real property taxes and within ten (10) days after receipt of the tax bill shall furnish Lessee with a copy of the tax bill. Lessee shall pay the real property taxes not later than ten (10) days before the taxing authority's delinquency date. Lessee's liability to pay real property taxes shall be prorated on the basis of a three hundred sixty-five (365)-day year to account for any fractional portion of a fiscal tax year included in the term. Lessee agrees to pay all personal property taxes levied or assessed against Lessee's personal property, if any, during the term of this Ground Lease, and agrees not to permit any tax assessment to become a lien on the Premises.

By executing this Ground Lease and accepting the benefits thereof, a property interest may be created known as a "possessory interest," and such property interest may be subject to property taxation. Lessee, as the party in whom the possessory interest is vested, may be subject to the payment of the property taxes levied upon such interest. Lessee herewith acknowledges that notice required by California Revenue and Taxation Code Section 107.6 has been provided.

Section 14. Utilities. Lessee shall make arrangements for all utilities and services furnished to or used by it. Lessee agrees to promptly pay for all utilities supplied to the Premises during the term of this Ground Lease including, but not limited to, electricity, gas, water and telephone service, and to allow no such charge to become overdue or a lien against the Premises. Lessor shall not be liable for and Lessee shall not be entitled to an abatement or reduction of rent

by reason of Lessor's or the utility company's failure to furnish any of the foregoing utilities for any reason whatsoever, nor shall such failure under such circumstances be construed as a constructive or actual eviction of Lessee. Lessor shall not be liable under any circumstances for loss or injury to property or business, however occurring, through or in connection with or incidental to Lessor's failure to furnish any of said services or utilities.

Section 15. Waste, Nuisance and Liens. During the term of this Ground Lease, Lessee shall comply with all applicable laws affecting the Premises, the breach of which might result in any penalty on Lessor or forfeiture of Lessor's ground leasehold interest in a portion of the Land or ownership interest in the rest of the Premises. Lessee shall not commit any waste with regard to the Premises nor allow any nuisance thereon; and shall keep the Premises free of any liens or encumbrances resultant from Lessee's tenancy of the Premises.

Section 16. Insurance. During the term of this Ground Lease, Lessor, at Lessor's sole expense, shall at all times carry and maintain, or cause any subtenant to carry or maintain, (a) all insurance coverage reasonably required by Lessee and (b) all additional insurance coverage required by any lender to which Lessee has an outstanding payment obligation which is secured by a lien on any interest in any portion of the Premises. Lessor has provided written evidence of Lessor's proposed insurance coverage to satisfy this Section 16 to Lender and Lender has consented in writing to such coverage.

Section 17. Condition of the Premises. Lessee hereby accepts the Premises as of the Commencement Date subject to all (a) present and future laws, statutes, ordinances, rules, resolutions, regulations and orders of all municipal, county, state, federal or other governmental bodies, boards, agencies or other authority now or hereafter having jurisdiction over the Premises, (b) zoning regulations and ordinances affecting the Premises and building restrictions and regulations now in force or hereafter promulgated, (c) covenants, restrictions, reservations, agreements and easements contained in instruments of record, and (d) rights, if any, acquired by any public utility or semi-public utility to maintain and operate lines, wires, cables, poles, distribution boxes, conduits and similar equipment in, over and upon said Premises, and Lessee accepts this Ground Lease subject thereto and to all matters disclosed thereby and by any exhibits attached hereto. Lessee acknowledges that neither Lessor nor Lessor's agents, if any, have made any representation or warranty as to the present or future suitability of the Premises for the conduct of Lessee's business except as expressly set forth in this Ground Lease.

Section 18. Waiver of Liability. All liabilities under this Ground Lease on the part of the Lessee are solely liabilities of the Lessee, and, to the extent permitted by law, the Lessor hereby releases each and every member, manager, officer, employee, agent and attorney of the Lessee of and from any personal or individual liability under this Ground Lease. No member, manager, officer, employee, agent or attorney of the Lessee shall at any time or under any circumstances be individually or personally liable under this Ground Lease for anything done or omitted to be done by the Lessee hereunder.

All liabilities under this Ground Lease on the part of the Lessor are solely liabilities of the Lessor, and, to the extent permitted by law, the Lessee hereby releases each and every member, manager, officer, employee, agent and attorney of the Lessor of and from any personal or individual liability under this Ground Lease. No member, manager, officer, employee, agent or

attorney of the Lessor shall at any time or under any circumstances be individually or personally liable under this Ground Lease for anything done or omitted to be done by the Lessor hereunder.

Section 19. Intentionally Omitted.

Section 20. Partial Invalidity. The parties agree that if any provision of this Ground Lease shall be determined to be void by any court of competent jurisdiction, then such determination shall not affect any other provision of this Ground Lease, and all such other provisions shall remain in full force and effect. It is the intention of the parties hereto that if any provision of this Ground Lease is capable of two constructions, one of which renders the provision void and the other of which would render the provision valid, then the provision shall have the meaning which would render it valid.

Section 21. Notices. All written notices to be given under this Ground Lease shall be given by mail to the party entitled thereto addressed as follows:

To Lessee:

La Kretz Innovation Campus
c/o LADWP
111 North Hope Street
Los Angeles, CA 90012-2607
Attn: Kelli Bernard
Phone: _____
Fax: _____

with a copy of any notice to:

Kutak Rock LLP
1801 California Street, Suite 3000
Denver, CO 80202
Attention: John Henry
Phone: (303) 297-2400
Fax: (303) 292-7799

To Lessor:

City of Los Angeles, acting by and through its
Department of Water and Power
111 North Hope Street
Los Angeles, CA 90012-2607
Phone: _____
Fax: _____

with a copy of any notice to:

Kutak Rock LLP
1801 California Street, Suite 3000

Denver, CO 80202
Attention: John Henry
Phone: (303) 297-2400
Facsimile: (303) 292-7799

To USBCDC:

1307 Washington Avenue, Suite 300
St. Louis, MO 63103
Project #22607
Attention: Director of Asset Management NMTC
Phone: (314) 335-2600
Fax: (314) 335-2602

To Lender(s):

Clearinghouse NMTC (Sub 30), LLC
c/o Clearinghouse CDFI
23861 El Toro Road, Suite 401
Lake Forest, CA 92630
Attention: Jay Harrison
Phone: (949) 528-3069
Fax: (949) 859-8534

Consortium America XXXIII, LLC
3299 K Street, NW, Suite 700
Washington, D.C. 20007
Phone: (202) 478-7557
Fax: (202) 333-3323

URP Subsidiary CDE XVII, LLC
c/o Townsend Capital, LLC
11311 McCormick Road Suite 470
Hunt Valley, MD 21031
Attention: Josh Ferguson
Phone: 410-321-1900
Fax: 410-321-1901

LADF IX, LLC
c/o Los Angeles Development Fund
1200 W. 7th Street, 8th Floor
Los Angeles, CA 90017
Attention: Sandra Rahimi
Phone: (213) 808-8959
Email: sandra.rahimi@lacity.org

USBCDE Sub-CDE 92, LLC
c/o USBCDC

1307 Washington Avenue, Suite 300
St. Louis, MO 63103
Project #22607
Attention: Director of Asset Management NMTC
Phone: (314) 335-2600
Fax: (314) 335-2602

Section 22. Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Ground Lease.

Section 23. Amendments, Changes and Modifications. This Ground Lease may not be effectively amended, changed, modified, altered or supplemented except with the written consent of the Lessor and the Lessee.

Section 24. Applicable Law. This Ground Lease shall be governed by and construed in accordance with the laws of the State of California, without giving effect to conflicts of law principles thereunder.

Section 25. Execution. This Ground Lease may be executed in any number of counterparts, each of which shall be deemed to be an original but all together shall constitute but one and the same Ground Lease. It is also agreed that separate counterparts of this Ground Lease may be executed by the Lessor and the Lessee all with the same force and effect as though the same counterpart had been executed by both the Lessor and the Lessee.

Section 26. Successors. This Ground Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

Section 27. Statement of Lessee. Lessee shall at any time and from time to time within twenty (20) days after written request by Lessor or Lender execute, acknowledge and deliver to Lessor and Lender a statement in writing certifying that this Ground Lease is unmodified and in full force and effect if such is the fact (or if there has been any modification thereof, that the same is in full force and effect as modified and stating the modifications) and the dates to which the rentals and other charges have been paid in advance, if any. It is expressly understood and agreed that any such statement delivered pursuant to this Section may be relied upon by any prospective purchaser of the estate of Lessor, Lender or the mortgagee or assignee of any mortgage or the trustee or beneficiary of any trust constituting a lien upon the Premises.

Section 28. Subordination. Lessor hereby represents and warrants that, the Premises is not subject to any mortgage, deed of trust, ground lease or security interest that is superior to this Ground Lease.

Section 29. Incorporation of Recitals. The Recitals set forth above are incorporated into the terms and conditions of this Ground Lease.

Section 30. Complete Agreement. This written agreement is a final expression of the agreement between the parties hereto and such agreement may not be contradicted by evidence

of any prior oral agreement or of a contemporaneous oral agreement between the parties hereto. No unwritten oral agreement between the parties exists.

Section 31. Standard Provisions for City Contracts. This Ground Lease is subject to the City's Standard Provisions for City Contracts, as modified and attached hereto and incorporated herein by reference as Exhibit B "Standard Provisions for City Contracts."

Section 32. Ordinance Mandated Provisions. This Ground Lease is subject to the Ordinance Mandated Provisions, attached hereto and incorporated herein by reference as Exhibit C "Ordinance Mandated Provisions."

Section 33. No attribution. Notwithstanding any provision of Sections 29, 30 or Exhibits B or C to the contrary, Lessee shall not be deemed to be in violation of the provisions of Sections 29, 30 or Exhibits B or C by reason of any failure of compliance under any contract, employment arrangement, or other relationship entered into by Lessor or any subcontractors for any construction, services, or other matters that are the responsibility of Lessor under this Ground Lease or the Master Lease, and no such failures of compliance shall be attributed to Lessee.

Section 34. Leasehold Mortgage Provisions. Lessee shall be entitled to subject its leasehold estate and all of its rights and interests in and to the Premises under this Ground Lease (sometimes referred to herein as the "Leasehold Interest") to a mortgage or mortgages from time to time on the Leasehold Interest its rights, title, and interests in and to the Premises under or pursuant to this Ground Lease (each a "Leasehold Mortgage"), for the benefit of, and to secure financing from, Lender and its successors and assigns related to the Loan (which Lessor has approved as of the date hereof) or any Purchaser (as defined below) of the Loan or such Purchaser's mortgage lender related to the Loan, and any subsequent mortgage lender(s) but only if such other lenders are approved in writing by Lessor, from time to time, providing construction, interim, or permanent financing or refinancing for the Improvements and/or the business of Lessee being conducted on the Premises (each a "Leasehold Mortgage"). There may be one or more Leasehold Mortgages and Leasehold Mortgagees, at Lessee's discretion. To facilitate the financing of the Improvements, Lessor agrees to the following:

(a) Consent to Leasehold Mortgages. Lessor's consent and approval shall not be required in connection with the Leasehold Mortgage relating to the Loan, any refinance, modification or replacement of the indebtedness secured by the initial Leasehold Mortgage relating to the Loan, the transfer of Lessee's interest in this Ground Lease and Premises in connection with a judicial or non-judicial sale proceeding pursuant to the Leasehold Mortgage relating to the Loan, any transfer pursuant to a deed or assignment in lieu of foreclosure relating to the Loan, any sale or transfer in any bankruptcy or insolvency proceedings, or any similar transfer pursuant to any exercise of remedies under any Leasehold Mortgage (collectively, a "Foreclosure"), subject to compliance with the terms of this Section.

(b) Effect on Lessor's Interests. The Leasehold Mortgage and other lender documents shall be subject to the terms of this Ground Lease, and nothing contained herein or in any Estoppel (as defined below) shall be construed as consent by Lessor that any mortgage or

other encumbrance granted or permitted to exist by Lessee shall encumber Lessor's ownership of the Land, or affect Lessor's rights hereunder, except as specifically provided herein.

(c) Intentionally Omitted.

(d) No Changes to Lease. Lessor will not make or accept any voluntary surrender, cancellation, modification or amendment of or to this Ground Lease at any time while the Leasehold Mortgage is in effect, nor will Lessor convey all or any part of the property subject to the Leasehold Interest to Lessee, or Lessee accept such conveyance, without first obtaining the prior written consent of each Leasehold Mortgagee. In no event shall any transfer of the Leasehold Interest to Lessor result in a merger or termination of this Ground Lease so long as any Leasehold Mortgage shall be in effect, and Lessor shall remain bound by the provisions of this Section.

(e) Voluntary Termination. In no event shall any abandonment of the Premises or the Leasehold Interest or any action by Lessee to terminate this Ground Lease be effective without the prior written consent of each Leasehold Mortgagee. Lessor agrees that it shall give notice of any such abandonment or action by Lessee to Leasehold Mortgagee, and Leasehold Mortgagee shall thereupon be entitled to exercise its rights and remedies under its Leasehold Mortgage and the provisions of this Section.

(f) New Lease. In the event that, for any reason, this Ground Lease terminates prior to satisfaction of all indebtedness and obligations secured or intended to be secured by any Leasehold Mortgage, the holder(s) of any such Leasehold Mortgage shall be entitled to enter into a new lease with Lessor, for the balance of the term of this Ground Lease (including rights to all extension or renewal options that have not been exercised), and on the same terms as set forth in this Ground Lease (a "New Lease"). Such right shall be exercisable by Leasehold Mortgagee within one hundred twenty (120) days following written notice by Lessor to Leasehold Mortgagee of the termination of this Ground Lease, by written notice from Leasehold Mortgagee to Lessor given within such 120-day period. Upon exercise of such right, Lessor and Leasehold Mortgagee (or an affiliate or nominee of Leasehold Mortgagee, as Leasehold Mortgagee may elect) shall enter into the New Lease within thirty (30) days thereafter. Upon execution of any such New Lease, the tenant thereunder shall be required to cure outstanding defaults of the Lessee under this Ground Lease in the same manner, and within the same time period, as required under the provisions of this Section.

(g) Notices by Lessor. Until such time as the Leasehold Mortgage is released or canceled of record, Lessor agrees that it will simultaneously provide Leasehold Mortgagee with a copy of any notices sent to Lessee under this Ground Lease, including any default notices. Lessor agrees that no notice to Leasehold Mortgagee shall be effective unless it is reduced to writing and delivered to Lessee and Leasehold Mortgagee, at the address indicated in this Ground Lease (in the case of Lessee) and the address indicated in the Estoppel (in the case of Leasehold Mortgagee) in the manner provided in this Ground Lease, and no grace or cure periods under this Ground Lease shall be deemed to commence unless and until such notice is so delivered.

(h) Leasehold Mortgagee Performance and Cure Rights. Lessor hereby agrees to accept from any Leasehold Mortgagee any and all payments and performance of Lessee's obligations under this Ground Lease, whether before or after default, with the same force and effect as if paid or performed by Lessee. Lessor agrees that in the event that Lessee shall not cure or remedy any default or breach of covenant by Lessee under this Ground Lease within the curative period provided for such cure or remedy in this Ground Lease, then Leasehold Mortgagee shall have the right, at its sole option, to exercise any one or more of the following rights:

(i) to cure or remedy, or cause to be cured or remedied, for an additional period following the "Leasehold Mortgagee Curative Commencement Date" (as hereinafter defined), such default or breach of covenant, and Lessor shall accept such cure or remedy; it being agreed that (a) in the case of any default in the payment of any sum of money, Leasehold Mortgagee shall have ten (10) business days following the Leasehold Mortgagee Curative Commencement Date in which to cure such default, (b) in the event that the default of Lessee is not a default in the payment of a sum of money, Leasehold Mortgagee shall have thirty (30) days following the Leasehold Mortgagee Curative Commencement Date in which to cure such default, provided that if such default cannot reasonably be cured within such thirty (30) day period and that Leasehold Mortgagee has commenced efforts to cure such default (or efforts to exercise remedies to enable it to cure such default) within thirty (30) days following the Leasehold Mortgagee Curative Commencement Date, Leasehold Mortgagee shall have an additional reasonable period of time following the end of such thirty (30) day period within which to cure such default, and so long as Leasehold Mortgagee shall be diligently pursuing its efforts to cure, Lessor shall accept such cure or remedy when effected, (c) in no event shall any Leasehold Mortgagee be required to cure any defaults by Lessee that by their nature are not susceptible to cure by Leasehold Mortgagee, and with respect to such defaults, the same shall be deemed cured by Leasehold Mortgagee if Leasehold Mortgagee has commenced efforts to exercise remedies under its Leasehold Mortgagee and succeeding to the Leasehold Interest in accordance with the provisions of this Section; it being agreed that Lessor shall not terminate this Ground Lease, commence eviction proceedings or accelerate rent during the foregoing curative periods extended to Leasehold Mortgagee; provided, that it is hereby expressly agreed that the time permitted to the Leasehold Mortgagee to cure defaults shall include and shall be extended by the time required to pursue any remedies necessary to enable Leasehold Mortgagee to effect such cure, and the time permitted to the Leasehold Mortgagee to cure defaults shall include and shall be extended by any period in which Leasehold Mortgagee is prevented from curing by reason of any stay in any bankruptcy of Lessee or other stay of enforcement proceedings to which Leasehold Mortgagee may be subject;

(ii) Subject to the terms of Section 34(f), to require Lessor to terminate Lessee's rights under this Ground Lease by reason of such default, and to substitute Leasehold Mortgagee as lessee of the Premises with Lessor for the balance of the term of this Ground Lease (including any renewal options) by

entering into a New Lease, Lessee hereby agreeing to execute such cancellations as may be reasonably required in connection therewith; and

(iii) to acquire pursuant to any Foreclosure the Leasehold Interest and Lessee's rights under this Ground Lease and assume the obligations of Lessee under this Ground Lease as required under this Section, and in such event, Lessor shall not exercise its right of termination with respect to such default, provided that upon such acquisition, Leasehold Mortgagee shall be entitled to cure any and defaults within the curative periods provided above.

As used herein, "Leasehold Mortgagee Curative Commencement Date" shall mean (a) in the case of monetary defaults, upon receipt of written notice from Lessor of the lapse of Lessee's curative period; (b) in the case of defaults for which no curative period is provided under this Ground Lease, the date of Leasehold Mortgagee's receipt of notice of such default, or (c) in the case of monetary or other defaults for which a curative period is provided under this Ground Lease, when both the following have occurred: (x) Leasehold Mortgagee's receipt of notice of such default, and (y) receipt of written notice from Lessor of Lessee's failure to cure such default within the applicable curative period provided in this Ground Lease). Leasehold Mortgagee may cure any monetary default under this Ground Lease by payment of the rent per annum then overdue at the pre-default rental rate, and Lessor will not require Leasehold Mortgagee to pay any accelerated or future rents in curing such a payment default and will accept such payment as full satisfaction and cure of the outstanding default with respect to the payment of rent.

(i) Recognition of Leasehold Mortgagee. Upon any Foreclosure and resulting transfer of the Leasehold Interest, Lessor will recognize Leasehold Mortgagee, any affiliate or nominee or Leasehold Mortgagee, or any other person, firm or corporation acquiring the Leasehold Interest as lessee under this Ground Lease pursuant to any foreclosure, deed or assignment in lieu of foreclosure, or similar transfer pursuant to any exercise of remedies under any Leasehold Mortgage (collectively, a "Purchaser"), on the same terms and provisions and with all of the rights and privileges of Lessee, provided such Purchaser agrees to assume and be bound by all of the terms, covenants and conditions of this Ground Lease pursuant to an assumption agreement as described above (subject to the provisions of Section q. below), and provided that Leasehold Mortgagee or other Purchaser shall cure all defaults under this Ground Lease as required under the provisions of this Section, including those with regard to the payment of past due rentals, within the curative period provided in Section h. No consent or approval by Lessor shall be required in connection with the commencement or completion of any Foreclosure or any assignment or transfer of Lessee's rights under this Ground Lease in connection with any such Foreclosure.

(j) Attornment. In the event that any Purchaser shall acquire the rights of Lessee pursuant to the provisions of this Section, such Purchaser will attorn to Lessor, and Lessor will recognize Purchaser as the lessee under this Ground Lease. The Purchaser shall thereupon be deemed to have assumed all of the obligations of the Lessee to Lessor under this Ground Lease, subject to the provisions of Section q. below, and provided that the Purchaser shall not be deemed to have assumed any responsibility or liability for any unsatisfied indemnification obligations of Lessee under this Ground Lease, nor any responsibility or liability to any third

party for any liabilities or obligations of the Lessee under this Ground Lease, arising prior to the Purchaser's acquisition of the Leasehold Interest.

(k) Transfer Not a Default. In the event of the assignment or transfer of Lessee's Leasehold Interest pursuant to any Foreclosure, no such Foreclosure shall constitute a default by Lessee under this Ground Lease, and any Purchaser of the Leasehold Interest shall be entitled to all the benefits of this Ground Lease. Lessor agrees to execute such documents as may be reasonably necessary to evidence such Purchaser's rights as lessee under this Ground Lease.

(l) Intentionally Omitted.

(m) Intentionally Omitted.

(n) Assignments by Leasehold Mortgagee In the event that the Leasehold Mortgagee or any affiliate or nominee thereof shall acquire the Leasehold Interest pursuant to the Leasehold Mortgage and the provisions set forth above, Leasehold Mortgagee or such affiliate or nominee shall be entitled to further assign the Leasehold Interest in connection with the sale and assignment of such interest and the Improvements, without the further consent or approval of the Lessor. Any subsequent assignment of the Leasehold Interest shall be subject to such consent as required under the terms of this Ground Lease.

(o) Leasehold Mortgagee as Beneficiary. Each Leasehold Mortgagee is an express third party beneficiary of the provisions of this Section and shall be entitled to enforce the same directly against Lessor.

(p) Bankruptcy of Lessor. In the event that the Lessor shall become subject to any bankruptcy or insolvency proceeding, any rights, elections, or actions available to Lessee therein shall be subject to the rights of Leasehold Mortgagee under the Leasehold Mortgage to consent to, or to exercise on behalf of Lessee, such rights, elections, or actions. Without limiting the foregoing, no consent or acquiescence by Lessee to any rejection of this Ground Lease by Lessor or any successor or trustee in such proceeding shall be binding or effective without the prior, written consent thereto by each Leasehold Mortgagee, and the rights, liens, and claims of Leasehold Mortgagee shall extend to, encumber, and include all rights to damages for any such rejection and all rights to continued possession of the Premises.

(q) Liability of Leasehold Mortgagee. In no event shall Leasehold Mortgagee have or be deemed to assume any personal liability under this Ground Lease or any personal liability for performance of any of Lessee's obligations under this Ground Lease, it being agreed that (i) Leasehold Mortgagee's commencement of any Foreclosure or any efforts to cure any default under this Ground Lease shall be for its own protection and shall not by itself constitute an assumption of this Ground Lease nor obligate Leasehold Mortgagee to complete any such proceedings or cure, (ii) upon completion of any Foreclosure, the liability of Leasehold Mortgagee under any assumption of this Ground Lease shall be limited to its investment in the Leasehold Interest and Improvements, and (iii) in the event Leasehold Mortgagee or any affiliate or nominee thereof shall have acquired the Leasehold Interest, upon any subsequent assignment of this Ground Lease, Leasehold Mortgagee or such any affiliate or nominee shall be released from any further liability under this Ground Lease accruing after the date of such assignment.

(r) Rights As Among Leasehold Mortgagees. In any case in which there shall be more than one Leasehold Mortgage, each Leasehold Mortgagee shall be entitled to the benefit of the provisions of this Section; provided, that (i) any actions or elections permitted to be taken or made hereunder shall be determined and exercised by the Leasehold Mortgagee whose Leasehold Mortgage is most senior in priority (unless otherwise directed in writing by such senior Leasehold Mortgagee), and (ii) the time periods in this Section for any action or response by a Leasehold Mortgagee shall run concurrently for all Leasehold Mortgagees.

(s) No Encumbrances by Lessor. Lessor agrees not to mortgage or otherwise encumber its interests in the Land and this Ground Lease following the date hereof, unless all holders of any such mortgage or other encumbrance expressly agree to be subject to and bound by the terms of this Ground Lease (expressly including this Section) and that no foreclosure or other enforcement of such mortgage or other encumbrance will disturb or affect this Ground Lease or the rights of Leasehold Mortgagees hereunder.

(t) Casualty and Condemnation. In the event of any casualty or condemnation affecting the Premises, and notwithstanding any other provision of this Ground Lease to the contrary, (i) any proceeds of insurance or condemnation that are required to be applied to restoration of the Premises or Improvements shall be payable to Leasehold Mortgagee (or if there is more than one Leasehold Mortgage, to the Leasehold Mortgagee having senior priority) and administered by such Leasehold Mortgagee for application to such restoration in accordance with the provisions of the Leasehold Mortgage, (ii) in any case in which any such proceeds are not required to be applied to restoration of the Premises or Improvements, all such proceeds shall be payable first to Leasehold Mortgagee (or if there is more than one Leasehold Mortgage, to each Leasehold Mortgagee in order of priority) until the indebtedness and obligations under each Leasehold Mortgage have been paid and satisfied in full, after which they shall be paid to or apportioned between Lessor and/or Lessee as provided under the other provisions of this Ground Lease, and (iii) no election by Lessee to terminate this Ground Lease upon any such casualty or condemnation shall be effective without the prior written consent of each Leasehold Mortgagee.

(u) Estoppel. At the written request of any Leasehold Mortgagee (or prospective Leasehold Mortgagee), Lessor will enter into an agreement with such Leasehold Mortgagee (as executed, together with any amendments thereto and renewals and replacements therefor, the "Estoppel"), containing in substantial substance the following assurances or undertakings, or such additional provisions as may be mutually acceptable to Lessor, Lessee and Leasehold Mortgagee:

(i) Stating that, as of the date of the Estoppel, this Ground Lease is valid and in full force and effect, and has not been altered, amended or modified, in any respect whatsoever, other than pursuant to disclosed amendments delivered to Leasehold Mortgagee;

(ii) Stating that (a) no notice of any default by Lessee under this Ground Lease has been issued by Lessor, other than with respect to defaults that have been cured or waived by Lessor, and (b) to the best of Lessor's knowledge, no default, nor any event that, with the passage of time or the giving of notice, or

both, would constitute a default under this Ground Lease has occurred and is continuing as of the date of the Estoppel;

(iii) Confirming the commencement and termination dates of this Ground Lease, the amount of Base Rent currently payable by Lessee and the date through which such payments have been made, and whether any options to renew or extend this Ground Lease or to purchase the Lessor's interests in the Land and Premises have been exercised or have lapsed; and

(iv) Expressly recognizing each Leasehold Mortgage and Leasehold Mortgagee and setting forth the address(es) of Lessor and each Leasehold Mortgagee for purposes of notices to be given and received pursuant to the provisions of this Section.

In addition, in the event that there is any transfer of Lessor's interests in the Land and Premises, in connection with the execution of all documents required in connection therewith, Lessor will cause any such transferee to provide an Estoppel and acknowledge the rights of Leasehold Mortgagee pursuant to this Section.

IN WITNESS WHEREOF, the Lessor and the Lessee have executed this Ground Lease as of the day and year first above written.

LESSOR:

CITY OF LOS ANGELES, acting by and through
its DEPARTMENT OF WATER AND POWER
BY BOARD OF WATER AND POWER
COMMISSIONERS OF THE CITY OF LOS
ANGELES

By: _____

Ronald O. Nichols
General Manager

Date: _____

And: _____

Barbara E. Moschos
Secretary

[Signature Page 1 of 2 to Ground Lease]

LESSEE:

LA KRETZ INNOVATION CAMPUS, a California
nonprofit public benefit corporation

By _____
Name: _____
Title: _____

[Signature Page 2 of 2 to Ground Lease]

EXHIBIT A
DESCRIPTION OF THE LAND

EXHIBIT B
STANDARD PROVISIONS FOR CITY CONTRACTS

EXHIBIT C
ORDINANCE MANDATED PROVISIONS

2

Development Services Agreement

DEVELOPMENT SERVICES AGREEMENT

THIS DEVELOPMENT SERVICES AGREEMENT (this "**Agreement**") is made and entered into effective as of [____], 2013 by and between La Kretz Innovation Campus, a California nonprofit public benefit corporation (the "**Company**"), and the City of Los Angeles, a municipal corporation, acting by and through its Department of Water and Power of the City of Los Angeles (the "**Developer**"), for the purpose of setting forth the rights and obligations of the parties hereto.

RECITALS:

1. The Company has been formed for the purposes of (i) holding a leasehold interest in certain property located at 501, 537 South Hewitt Street and 516, 524, 542 Colyton Street, Los Angeles, California as more specifically described on Exhibit A attached hereto and made a part hereof (collectively, the "**Property**") in accordance with the terms of that certain Ground Lease ("**Ground Lease**") dated as of even date herewith by and between the Developer, as ground lessor, and Company, as lessee, (ii) developing and constructing the improvements and infrastructure of a campus to house a synergistic mix of cleantech tenants, including, by way of example but not limited to, the Los Angeles Cleantech Incubator ("**LACI**"), LACI Laboratories and Prototype Manufacturing Workshop, the LADWP Energy Efficiency Technology Center and the LADWP Customer Service Demonstration Center (collectively, the "**Campus**" together with the Property, the "**Project**"), and (iii) operating, leasing, and improving the Project in accordance with the terms of a Lease Agreement (the "**Master Lease**") dated as of even date herewith by and between the Company, as landlord and Developer, as lessee. Capitalized terms not otherwise defined herein have the meaning assigned to them in the Master Lease.

2. The Developer and the Company desire to enter into this Agreement to set forth in writing the services and obligations of the Developer to date, the services and obligations to be provided by the Developer, and the obligations of the Company.

3. In addition to the consideration mentioned in this Agreement, Developer's services and obligations hereunder are made in consideration for discounted lease payments during the first seven (7) years of the term of the lease as set forth in the Master Lease.

4. Reference is made to that certain Loan Agreement (as amended or otherwise modified from time to time, the "**Loan Agreement**") dated as of the date hereof among Company, as borrower, Clearinghouse NMTA (Sub 30), LLC, a California limited liability company ("**Clearinghouse**"), Consortium America XXXIII, LLC, a Delaware limited liability company ("**Consortium**"), URP Subsidiary CDE XVII, LLC, a Maryland limited liability company ("**URP**"), LADF IX, LLC, a California limited liability company ("**LADF**"), USBCDE Sub-CDE 92, LLC, a Missouri limited liability company ("**USBCDE**"). Hereinafter, Clearinghouse, Consortium, URP, LADF, and USBCDE are referred to together as the "**Lenders**"). Pursuant to the terms and conditions of the Loan Agreement, the Lenders are making certain loans to Company in the aggregate amount of [\$42,660,000] (collectively, the "**Loan**"). The proceeds of the Loan shall be disbursed for Project development costs pursuant to the terms and conditions of that certain Disbursement Agreement (as amended or otherwise

modified from time to time, the "Disbursement Agreement") dated as of the date hereof among Company, [] and Lenders.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

Section 1. Obligations of the Developer. The Developer shall have the following duties, obligations and responsibilities (the "Services"):

(a) to oversee and, to the extent commercially reasonable, cause the lien fee completion of the construction and rehabilitation of the Project on a timely basis and within the contemplated budget, attached hereto as Exhibit B (the "Budget") and incorporated herein by reference, subject to Unavoidable Delays (as defined below), and cause BOE and BCA (as defined herein) to perform their obligations under the Construction Contract, as defined herein, and subject to the terms and conditions of any finance documents with the Company and its Lenders and USBCDC. As used herein, "Unavoidable Delays" shall mean any delays caused directly by any strike or, lockout, nuclear accident, plague, epidemic, severe windstorm, fire, hurricane, major earthquake or other casualty, war, rebellion, civil insurrection or other civil disturbance, banking moratorium or declaration of national emergency, other Act of God or act of governmental authority (other than a consequence of failure by Developer to comply with any requirement of law) beyond the control of Developer and provided that the economic hardship on the part of the Developer shall not be considered an Unavoidable Delay. Developer shall deliver to Company and the Lenders notice of such a cause not later than fifteen (15) calendar days after the event claimed to cause the delay has occurred; and any such delay and the aggregate time of all such delays shall in no event exceed six (6) months unless such delay, by its nature, is indefinite and the Developer, acting reasonably and in good faith, cannot complete the Project due to such delay;

(b) to contribute [\$3,201,863] (the "Direct Construction Contribution") to the Company to be used in the development of the Project conditioned upon (i) the prior disbursement by Lenders of all of the proceeds of the Loan (except for Retainage (as defined in the Loan Agreement) or any reserves required under the Loan Agreement); and (ii) the satisfaction of the requirements for disbursements set forth in the Disbursement Agreement with copies of all construction draw requests and back-up documentation received from the General Contractor delivered to both the Lenders and Developer. Upon the satisfaction of the conditions in this Section 1(b), the Direct Construction Contribution or such lesser portions thereof as may be necessary to complete the Project on a timely basis and in accordance with this Agreement shall be paid directly to the General Contractor on behalf of Company;

(c) to enter into that certain inter-agency Memorandum of Understanding (the "MOU") dated December 17, 2012, with the City of Los Angeles Department of Public Works – Bureau of Engineering (the "BOE") relating to the development of the Project;

(d) to, through the MOU, cause BOE and the City of Los Angeles Department of Public Works – Bureau of Contract Administration (the “**BCA**”) to engage a general contractor for the construction of the improvements for the Project (the “**General Contractor**”);

(e) to cause BOE and BCA to negotiate and enter into a construction contract (the “**Construction Contract**”) and other ancillary documents with General Contractor for the construction of the improvements for the Project;

(f) to provide commercial or self-insurance protecting the Company or, at its sole discretion, cause the General Contractor, through the BOE and BCA, to furnish to the Company insurance coverage and payment and performance bonds, naming the Company as an additional insured, in commercially reasonable amounts but in no event less than the types and amounts of insurance required by any Lender to the Company to be carried with respect to construction of the Project;

(g) to deliver to Company and the Lenders or cause BOE and BCA to deliver to Company and Lenders copies of construction draw requests and back-up documentation received from the General Contractor;

(h) to cause BOE and BCA to coordinate their construction progress monitoring and inspections with Company and the Lenders and provide copies of any reports prepared pursuant to such construction progress monitoring and inspections in a timely manner;

(i) to assist, advise and consult with the Company on the selection of, and assist, advise and consult with the Company in connection with the coordination and supervision of, the architect and engineer in connection with the preparation of and the making of any changes to the site plan for the Project and the renderings, drawings and specifications for the development of the Campus and the construction of the improvements thereon (the “**Plans and Specifications**”);

(j) to provide the Plans and Specifications to the Company and once such Plans and Specifications have been approved by the Company, to obtain the Company’s written consent for any changes to the Plans and Specifications;

(k) to correct variances from the approved Plans and Specifications if requested by the Company or a duly designated representative of a governmental agency;

(l) to submit all Budget changes, change orders or increases in the costs of construction to the Company for approval, which approval shall be given or withheld in accordance with the Loan Agreement and not otherwise unreasonably withheld, delayed or conditioned;

(m) to advise the Company with respect to compliance with any applicable state or local requirements as such laws relate to the development of the Campus and to assist in the coordination of the services of professionals in connection therewith;

(n) to advise the Company with respect to rules or regulations, city ordinances, including health and fire safety regulations, or any other requirements of law or governmental authorities applicable to the development of the improvements and to assist the Company in coordinating the services of professionals in connection therewith;

(o) to consult with, advise with and assist the Company with obtaining permits and approvals for and in connection with the development of the Project, including occupancy permits for tenants;

(p) to consult with advise and assist the Company in obtaining construction financing for the development of the Project, including, without limitation, reviewing and commenting on proposed construction loan and security documents, in preparation of the Budget and pro forma cash flow projections and in coordination of professionals in connection therewith;

(q) to consult with, advise and assist the Company with respect to, compliance with any and all obligations of the Company under any agreements with lenders or any governmental entities, which agreements have been executed by the Company in connection with approvals for construction financing for the construction of the Campus and any improvements thereto, including tenant improvements;

(r) to cause BOE to manage the General Contractor and monitor the work and the timely and efficient performance of the General Contractor and to facilitate the completion of the construction of the development of the Campus, all in accordance with the price set forth in the Construction Contract;

(s) to cause the General Contractor, through the BOE and BCA, to submit invoices directly to the Company for payment by the Company and to cooperate with the requirements of any Lender and/or USBCDC for disbursement of funds;

(t) to maintain or cause to be maintained office and accounting facilities and equipment necessary to adequately perform all functions of the Developer specified herein;

(u) to assist in the choice of contractors, managers and consultants, whenever such services may be needed;

(v) to resolve or cause others to resolve any mechanics' liens or other disputes related to the Project; and

(w) to provide to the other party hereto and Lenders copies of all material correspondence received with respect to the development of the Campus, including, without limitation, any correspondence with respect to tax credits, insurance, utilities, taxes, lawsuits, assessments, reserve accounts and/or asserted defaults under any construction loan incurred in connection with such development.

Except for the Developer's obligation to make the Direct Construction Contribution which obligation is not assignable, the Developer may retain the services of independent

consultants and subcontract the Services to third parties to perform the Services, including, without limitation BOE and BCA, provided the Company shall have no direct responsibility to such independent parties other than paying for such Services as provided in this Agreement. The Developer shall be deemed to have fully performed any obligation required to be performed by it under this Agreement if the Developer, BOE, BCA or any other independent consultant or subcontractor retained by the Developer shall perform such obligation, and performance by officers of the Developer shall be deemed to be performance by the Developer. Developer agrees and acknowledges that all improvements located on and comprising in part the Campus, including any buildings and improvements existing as of the date hereof, and any buildings and improvements constructed by Developer pursuant to this Agreement, and all tenant improvements constructed on the Campus, shall be and remain subject to Company's leasehold interest until the expiration of the term of the Ground Lease.

Section 2. Obligations of the Company. The Company shall have the following duties, obligations and responsibilities:

- (a) to provide full information regarding its or the Lenders' requirements for the Project to Developer;
- (b) to designate a representative who shall be fully acquainted with the scope of the work and has authority to render decisions promptly and furnish information expeditiously;
- (c) to review the Plans and Specifications in a timely manner, however the Company shall not be liable for delays in construction or costs incurred by Developer as a result of such delays, related to the review process;
- (d) if the Company becomes aware of any fault or defect in the Project or nonconformance with any contract or other documents, it shall give prompt written notice thereof to the Developer;
- (e) to coordinate with Lenders and their third party inspectors all construction monitoring and inspections as required in the Loan Agreement;
- (f) to enter into the Disbursement Agreement with Lenders and provide the Lenders with all information required for the timely disbursement of the proceeds of the Loan;
- (g) to pay the invoices submitted by the General Contractor pursuant to Section 1(s) above up to a total aggregate amount not to exceed [\$27,380,800] unless the same is a result of Company-approved change orders to the Project; and
- (h) to cause Lenders to disburse proceeds of the Loan to fund interim and final construction draws to General Contractor for construction on the Project in accordance with the terms and conditions of the Loan Agreement, Disbursement Agreement and Construction Contract.

Section 3. Termination of Duties and Responsibilities of Developer. The Developer shall have no further duties or obligations hereunder after receipt of a final certificate of occupancy or equivalent for the Project, following the lien free completion of the construction of the improvements for the Campus included in the Construction Contract, the completion of all punch list items and supervision and correction of any defects and the payment and satisfaction of all invoices and claims of all contractors and subcontractors, including the resolution of any mechanics' lien claims or other disputes relating to the Project. The Developer's duties, responsibilities and rights hereunder shall not be terminated by the Company except for "cause" as finally determined by a court of competent jurisdiction. For purposes hereof, "cause" shall mean fraud, dishonesty, reckless disregard for customary practices and intentional misconduct after at least 30 days prior written notice and opportunity to cure. The parties hereto shall have all rights and remedies available at law or equity, including specific performance, to enforce the terms and conditions hereof; provided however, the Company shall have no recourse to the Developer's officers, representatives, successors and assigns, for damages or otherwise.

Section 4. Miscellaneous.

(a) This Agreement shall be binding upon the parties hereto and their respective successors and permitted assigns. This Agreement may not be assigned by any of the parties hereto without the prior written consent of the other party, except that Company, as borrower, may collaterally assign, pledge or hypothecate its right, title and interest in and to this Agreement to the Lenders without the prior written consent of Developer.

(b) The descriptive paragraph headings of this Agreement are inserted for convenience only and are not intended to and shall not be construed to limit, enlarge, or affect the scope or intent of this Agreement nor the meaning of any provision hereof.

(c) The Recitals set forth above shall be incorporated into the terms and conditions of this Agreement.

(d) This Agreement and the rights and obligations of the parties hereto shall be governed and construed and enforced in accordance with the laws of the State of California, applicable to contracts made and to be enforced in the State of California.

(e) This Agreement and the Master Lease embody the entire agreement and understanding between the parties relating to the subject matter hereof and supersedes all prior agreements and understandings related to such subject matter, and it is agreed that there are no terms, understandings, representations or warranties, express or implied, other than those set forth herein.

(f) This Agreement shall not be amended or modified in any respect without the prior written consent of each party hereto.

(g) No party hereto shall file or attempt to file this Agreement of record.

(h) This Agreement and the obligations of the Developer hereunder are solely for the benefit of the Company and no benefits to third parties are intended; provided,

however, that no modifications or alterations may be made to this Agreement without the consent of USBCDC and the Lenders.

(i) In the event any provision hereof is deemed to be unenforceable or against public policy, then such provision shall be deemed omitted from this Agreement and to the extent possible such provision shall be replaced with an enforceable provision which corresponds with the spirit of the omitted provision, and no other provision of this Agreement shall be affected by such omission or unenforceability.

(j) The waiver by any party of any breach of this Agreement shall not operate or be construed to be a waiver of any subsequent breach.

Section 5. Notice. Any notice required to be given hereunder shall be in writing and either hand delivered or mailed by certified mail, postage prepaid or by overnight service, simultaneously to all parties at the addresses set forth below. Each party shall have the right to change its address for the receipt of notices, upon the giving of proper notice to all other parties hereto. Whenever a period of time is to be computed from the date of receipt of an item of certified mail, such period shall be computed from the date of receipt if indicated on the receipt, if the notice is accepted, and from the fifth day following the date of mailing if delivery of the certified mail item is refused by the party to whom it was directed.

If to the Company:

Fax Number: _____

Attn: _____

If to Developer:

Fax Number: _____

Attn: _____

Section 6. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original copy and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart.

Section 7. Independent Contractor. The parties hereto do not intend this Agreement to create a partnership or any similar association for any purpose. The Developer shall be an independent contractor for all purposes.

[Signature Pages Attached]

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year first above written.

DEVELOPER:

CITY OF LOS ANGELES, acting by and through its
DEPARTMENT OF WATER AND POWER BY
BOARD OF WATER AND POWER
COMMISSIONERS OF THE CITY OF LOS
ANGELES

By: _____
Ronald O. Nichols
General Manager

Date: _____

And: _____
Barbara E. Moschos
Secretary

[Signature Page 1 of 2 to Development Services Agreement]

COMPANY:

La Kretz Innovation Campus, a California
nonprofit public benefit corporation

By: _____

Name: _____

Title: _____

DATE: _____

[Signature Page 2 of 2 to Development Services Agreement]

EXHIBIT A
LEGAL DESCRIPTION

3

**Lease Agreement for the Use, Operation
and Maintenance of La Kretz Innovation
Campus**

LEASE AGREEMENT

FOR THE USE, OPERATION, AND MAINTENANCE OF

LA KRETZ INNOVATION CAMPUS

Between

LA KRETZ INNOVATION CAMPUS

and

THE CITY OF LOS ANGELES

ACTING BY AND THROUGH ITS

DEPARTMENT OF WATER AND POWER

LEASE AGREEMENT
BETWEEN LA KRETZ INNOVATION CAMPUS AND
THE CITY OF LOS ANGELES, ACTING BY AND THROUGH
ITS DEPARTMENT OF WATER AND POWER
FOR THE USE, OPERATION, AND MAINTENANCE OF
LA KRETZ INNOVATION CAMPUS

ARTICLE 1. BASIC LEASE PROVISIONS

1.1. Parties. This Lease Agreement ("Lease") is entered into this ____ day of _____ 2013, by and between the LA KRETZ INNOVATION CAMPUS, a California nonprofit public benefit corporation ("La Kretz"), as Landlord, and the CITY OF LOS ANGELES, a municipal corporation, acting by and through its DEPARTMENT OF WATER AND POWER ("LADWP"), with a mailing address of 111 North Hope Street, Los Angeles, CA 90012 as Tenant.

1.2. Recitals.

1.2.1. La Kretz has a leasehold interest in certain lands known as the La Kretz Innovation Campus as more particularly defined as the "Premises" in Section 1.3.14 below pursuant to that certain Ground Lease of even date herewith between LADWP, as landlord, and La Kretz, as tenant (the "Ground Lease").

1.2.2. La Kretz and LADWP desire to enter into a sublease for the use of the Premises as an innovation campus (the "Campus") fostering a community for cleantech demonstration centers, research and development laboratories, conference facilities, work force training facilities and rentable space for existing and emerging cleantech companies.

1.3. Definitions in Lease. When used in this Lease, or in any Exhibits or Attachments to this Lease, except where a different definition is clearly and expressly given, the following words or phrases, capitalized as shown, shall mean:

1.3.1. Board. "Board" shall mean the Board of Water and Power Commissioners of the City of Los Angeles.

1.3.2. Campus. "Campus" shall mean the Premises and the improvements thereon as of the Effective Date of this Lease and any improvements and facilities constructed on the Premises by La Kretz or LADWP at any time and from time to time during the Term for purposes of this Lease as set forth in Article 5.

1.3.3. City. "City" shall mean the City of Los Angeles, a municipal corporation. Except where clearly and expressly provided otherwise in this Lease or the Municipal Code, any action to be taken by the City may be taken for the City by the General Manager as defined in Paragraph 1.3.7. Except where clearly and expressly provided otherwise in this Lease, any benefits, obligations,

or restrictions conferred or imposed by this Lease on the City shall be limited to that capacity and shall not relate to or otherwise affect any activity of the City of Los Angeles in its governmental or regulatory capacity including, but not limited to: enacting laws; inspecting structures; reviewing and issuing permits; and all other legislative, administrative, or enforcement functions of the City of Los Angeles pursuant to federal, state, or local law.

1.3.4. Department. "Department" shall mean the Department of Water and Power of the City of Los Angeles.

1.3.5. Development Agreement. "Development Agreement" shall mean that certain Development Services Agreement by and between La Kretz and LADWP dated as of the date hereof.

1.3.6. USBCDC. "USBCDC" shall mean U.S. Bancorp Community Development Corporation, a Minnesota corporation.

1.3.7. Effective Date. "Effective Date" shall mean the date the Office of the City Clerk of Los Angeles attests this Lease.

1.3.8. General Manager. "General Manager" shall mean the General Manager of the Department. General Manager shall also include any person designated in writing by the Board or General Manager to act on behalf of the General Manager.

1.3.9. Construction Contract. "Construction Contract" shall mean the agreement entered into by the City, acting by and through its Department of Public Works – Bureau of Engineering ("BOE"), and its Department of Public Works – Bureau of Contract Administration ("BCA") and USS Cal Builders, Inc. (the "Contractor") governing construction and rehabilitation of the Premises. LADWP caused BOE and BCA to enter into the Construction Contract pursuant to that certain Memorandum of Understanding dated December 17, 2012 by and among LADWP and BOE (the "MOU").

1.3.10. La Kretz. "La Kretz" shall mean the La Kretz Innovation Campus, a California nonprofit public benefit corporation.

1.3.11. Landlord Operational Costs. "Landlord Operational Costs" shall mean those costs and expenses related to the operations of La Kretz, to include costs incurred to further La Kretz's mission as a nonprofit public benefit corporation. These costs shall not include the costs associated with the operation and maintenance of the Premises.

1.3.12. Lender. "Lender" shall mean any lender or lenders advancing funds to La Kretz to assist La Kretz in the construction, operation and/or maintenance of the Campus, including, without limitation Clearinghouse NMTC (Sub 30), LLC, a California limited liability company, Consortium America XXXIII, LLC, a Delaware limited liability company, URP Subsidiary CDE XVII, LLC, a Maryland

limited liability company, LADF IX, LLC, a California limited liability company, and USBCDE Sub-CDE 92, LLC, a Missouri limited liability company.

1.3.13. Operation and Maintenance Expenses. "Operation and Maintenance Expenses" shall mean the costs associated with LADWP's operation and maintenance of the Premises in accordance with this Lease. However, Operation and Maintenance Expenses shall not include any operation expenses of La Kretz or any subtenant which are not specifically assumed by LADWP pursuant to the terms of this Lease.

1.3.14. Premises. "Premises" shall collectively refer to the Landlord's leasehold interest in and to the land, building, and improvements located at 501 and 537 Hewitt Street and 516, 524 and 542 Colyton Street, Los Angeles, California, and as depicted in Exhibit A "Map and Legal Description."

ARTICLE 2. TERM

2.1. Term. The term of this Lease shall be for thirty (30) years, beginning on the Effective Date of this Lease. This lease expires at midnight of the day immediately prior to the thirtieth (30th) anniversary of the Effective Date ("Term").

ARTICLE 3. CONSIDERATION AND FINANCING

3.1. Consideration. The consideration for this Lease shall be the operation of the Campus (including payment of Operation and Maintenance Expenses) as set forth in Articles 5 of this Lease at the Premises, plus the quarterly payment during the Term of this Lease by LADWP of the quarterly fixed rent amounts shown on Schedule 1 attached hereto and made a part hereof. Commencing on [September 1, 2013], LADWP shall pay the quarterly fixed rent in the amounts shown on Schedule 1 on the 5th day of the last month of the calendar quarter in which rent is due (pro-rated on a per diem basis for any quarter that is not a full calendar quarter), without deduction, set-off, recoupment, counterclaim, or demand. Payments of rent shall be made to La Kretz at 111 North Hope Street, Los Angeles, CA 90012 via check, wire transfer or in other immediately available funds. La Kretz shall receive the rent required in this Section 3.1 free and clear of any and all impositions, operating costs, taxes, assessments, liens, charges or expenses of any nature whatsoever in connection with the leasehold ownership, maintenance, repair, replacement and operation of the Premises, but explicitly excluding any Landlord Operational Costs. As additional rent under this Lease, LADWP shall be solely responsible for and shall pay all insurance premiums pursuant to Section 10.1, Operation and Maintenance Expenses, taxes (including real estate taxes, levied and pending assessments, sales or use taxes), other operating charges, impositions, maintenance charges, rental costs under equipment or similar leases, and any other charges, costs and expenses which arise or may be contemplated under any provision of this Lease during the term (and any extension or renewal thereof), but explicitly excluding any Landlord Operational Costs. Notwithstanding anything to the contrary contained in this Lease, (without in any way limiting the obligation to pay) payments by LADWP under this Lease shall be payable

from any legally available funds held in the Power Revenue Fund and Water Revenue Fund described in Section 679 of the Charter of the City of Los Angeles.

3.2. Financing. Through a transaction involving the New Markets Tax Credit Program (as hereinafter defined). La Kretz has obtained financing from the Lenders for construction and development of the Campus.

ARTICLE 4. PREMISES

4.1. Premises. LADWP leases from La Kretz the Premises, defined in Section 1.3.14 above and as depicted in Exhibit A, "Map and Legal Description."

4.2. Acceptance of Premises. LADWP agrees to manage the construction, development and rehabilitation of the Premises as set forth in the Development Agreement and cause BOE and BCA to perform under the MOU and Construction Contract. LADWP agrees to accept the Premises on an "as is" basis on the Effective Date.

4.3. Leasehold of Premises. All improvements located on and comprising in part the Premises, including any buildings and improvements existing as of the Effective Date, and any buildings and improvements constructed or caused to be constructed by LADWP pursuant to this Lease and the Development Agreement shall be and remain subject to La Kretz's leasehold interest until the expiration of the term of the Ground Lease.

ARTICLE 5. USE OF PREMISES FOR THE CAMPUS

5.1. Use of Premises. The Premises shall be used for the purpose of an innovation campus fostering a community for cleantech demonstration centers, research and development laboratories, conference facilities, work force training facilities and rentable space for existing and emerging cleantech companies and all other uses in permitted under applicable law. Specifically, the Premises will be used to further the development of new clean technology concepts, products and systems that show promise for assisting LADWP in meeting its legally mandated water conservation and energy goals. In no event shall the Premises be used in any manner that violates Section 5.4 of this Lease or the New Markets Tax Credit Program. No person may live on the Premises (i.e. the facility may not be used as a home or living quarters) except during emergencies declared by state or federal government or officials.

5.2. Alcoholic Beverages. The dispensing of beer, wine, or other intoxicating liquors shall not be permitted, except under such circumstances and conditions as may be approved in writing in advance by La Kretz. In no circumstances shall alcohol be sold or dispensed on the premises in violation of the requirements of the New Markets Tax Credit Program.

5.3. On Premises Signs and Advertising. Signage on the Premises and advertising shall be governed as follows:

5.3.1. Signs. All signage shall comply with all Los Angeles Municipal Code sign regulations and relevant Department policies. In addition, all signage must be approved in advance, in writing, by La Kretz and such consent may not be unreasonably withheld or delayed. The parties agree to the placement of signage by La Kretz in compliance with all Los Angeles Municipal Code sign regulations on the Premises during construction acknowledging the participation and contribution of each Lender and USBCDC, to the extent required by the same.

5.3.2. LADWP Acknowledgements. The cooperation between LADWP and La Kretz shall be recognized in a mutually agreed to manner consistent with the sign regulations of the Los Angeles Municipal Code and Department policies.

5.4. New Markets Tax Credit Covenants. LADWP shall not operate nor permit a subtenant to operate on the Premises any trade or business consisting of the operation of any private or commercial golf course, country club, massage parlor, hot tub facility, suntan facility, racetrack or other facility used for gambling, or any store the principal business of which is the sale of alcoholic beverages for consumption off premises, nor shall it enter into any sublease with a tenant which intends to operate any such trade or business on the Premises. LADWP shall comply and cause all subtenants to comply with the terms of any Lender financing documents related to the Premises and applicable to a lessee of the Premises, including without limitation, all requirements relating to the operation of a "qualified business" under Section 45D of the Code and the Treasury Regulations thereunder (collectively the "New Markets Tax Credit Program").

ARTICLE 6. SECURITY, MAINTENANCE, CUSTODIAL SERVICES AND REPAIR OF THE CAMPUS

6.1. LADWP's Responsibilities. LADWP shall keep and maintain, at LADWP's sole cost and expense, the Premises, in good condition and repair during the entire Term of this Lease. LADWP shall be responsible for providing all security, maintenance, and custodial services as are required for the Premises. LADWP shall pay the cost of all such services. The condition and state of repair covering the entire Premises including the interior, exterior, and all access areas thereto, shall at all times, include but not be limited to the following: safe and free from known hazards; free of rodents and other pests; free from unsightly signs, displays, markings, and graffiti; free from litter and debris; all plumbing, electrical, heating cooling and other systems in good operating condition and free from hazard of obstruction of any kind; sidewalks, fencing, landscaping, and play and parking areas in neat and safe condition; all areas adequately illuminated; and all areas in such condition as not to detract from the surrounding neighborhood and be in compliance with all building and fire codes and public health regulations. La Kretz shall have the right to inspect the Premises for compliance under this Section pursuant to Section 9.3.

6.2. La Kretz is Not Obligated to Repair. Except as provided expressly in this Lease, in no event shall La Kretz be required or obligated to perform any maintenance

or to make any repairs, changes, alterations, additions, modifications or replacements of any nature whatsoever, on the Premises, or any part thereof, at any time during the Term of this Lease and LADWP shall be or shall cause its subtenants to be responsible for the same.

6.3. Refuse and Trash. LADWP shall keep the Premises clean and sanitary at all times. No refuse matter, nor any substance constituting an unnecessary, unreasonable or unlawful fire hazard, or material detrimental to the public health, shall be permitted or allowed to remain thereon, and LADWP shall take all reasonable precautions to prevent any such matter or material from being or accumulating upon the Premises. LADWP shall, solely at its expense, provide for the collection and removal of all garbage and/or refuse from the Premises as often as is necessary. LADWP shall furnish all equipment and materials therefore, including trash receptacles of a size, type and number approved by La Kretz for use by the occupants of and invitees to the Premises. Such approval shall not be unreasonably withheld. LADWP shall provide an enclosed area concealing trash storage from public view. LADWP shall, during the Term of this Lease and at LADWP's sole expense, conduct a recycling program on the Premises in conjunction with the Facilities Recycling Program of the City of Los Angeles, or any similar program subsequently implemented. Such program will include all materials which may be reasonably recycled (e.g., white paper, mixed paper, newspaper, aluminum cans, and plastic and glass containers).

6.4. Safety Deficiencies. LADWP shall promptly correct all safety deficiencies and violations of safety practices of which it has knowledge and shall cooperate fully with La Kretz in the investigation of accidents occurring on the Premises. As soon as possible after an event of injury, LADWP shall submit to La Kretz a City Form General No. 87 ("Non-Employee Accident or Illness Report") or make such other report as La Kretz may reasonably require.

6.5. Failure to Perform Maintenance. In the event LADWP does not perform maintenance or repairs such that the improvements on the Premises, or any portion thereof, are no longer suitable for use by the public or other occupancy, as reasonably determined by either La Kretz or LADWP, or that the improvements on the Premises, or any portion thereof, are not in compliance with applicable federal, state, or local laws on or after the date provided for such compliance, in each case beyond applicable notice and cure periods, La Kretz, in its sole discretion, may:

6.5.1. Perform or have performed the necessary remedial work at LADWP's expense and LADWP shall immediately reimburse La Kretz for any expenses incurred in performing or having the remedial work performed;

6.5.2. Initiate Default proceedings in accordance with Article 15; or

6.5.3. Require the immediate vacation of all of the improvements on the Premises or, at the sole discretion of La Kretz, a portion of the improvements on the Premises until such time as such maintenance or repairs are complete or such time as the improvements on the Premises are in compliance with such

laws, as the case may be. The remedy provided in this Paragraph 6.5.3 may be used independently or in conjunction with the remedies provided in either Paragraph 6.5.1 or Paragraph 6.5.2.

6.6. Effect of Inspections or Approvals. Wherever in this Lease inspections or approvals are required from La Kretz in its role as Landlord under this Lease, such inspections or approvals are additional to, and are not in lieu of, any inspections or approvals otherwise required under any applicable ordinance, regulation, or statute. Such inspections or approvals by La Kretz are discretionary acts and shall not impose any liability on La Kretz to third persons nor to LADWP and, in addition, shall not obligate La Kretz for any costs or expenses related to the construction, improvement, or maintenance of any building or other structure at the Premises.

6.7. [Service Contracts.] LADWP shall be responsible, at its sole cost and expense during the term of the Lease (and all extensions and renewals thereof), for all Operation and Maintenance Expenses relating to the Premises, including charges under maintenance and service contracts for the Premises.]

6.8. Security. LADWP shall, at its sole cost and expense, provide for reasonable precautions to protect the security and safety of the Premises, contents contained therein. La Kretz is not obligated under this Lease to provide any security for the Premises, contents contained therein, or persons who lawfully or unlawfully enter the Premises.

ARTICLE 7. UTILITIES, SEWERS AND STORM DRAINS

7.1. Utilities. To the extent not provided for as part of the Construction Contract and related agreements between BOE, BCA and design professionals or construction contractors as of the date of this Lease, LADWP shall install or cause to be installed and pay all charges associated with the installation of electricity, natural gas, sewer and water services. LADWP shall be responsible for all periodic fees and permits for said services and any charges for utilities or utility-like products or services, including without limitation, water, gas, garbage removal, sewage, and electricity supplied by private or quasi-public companies, and obligations for any and all other governmental charges, of any kind and nature whatsoever, including, but not limited to, assessments for sidewalks, streets, sewers, water, or any public improvements, and any other improvements or benefits which shall, during the term of this Lease (and any extensions or renewals thereof) be made, assessed, levied, or imposed upon, or become due and payable in connection with or a lien upon the Premises, or any part thereof, or upon this Lease.

7.2. Sewers and Storm Drains. Sewage lines and storm drainage lines which were or will be constructed in connection with the improvements on the Premises are the responsibility of LADWP, which shall maintain and repair such sewage lines and storm drainage lines at LADWP's sole cost and expense. La Kretz shall not be responsible for payment of any fees or delays in permit processing or approvals and LADWP shall be responsible for the same.

ARTICLE 8. REPORTS AND AUDITS

8.1. Reporting. LADWP shall provide and shall cause any subtenants to provide information to La Kretz relative to their respective management, operation, and maintenance on the Premises to the extent La Kretz is required to provide such information to any Lender or shall reasonably request such information.

8.2. Business Records. LADWP shall maintain a method of accounting of all receipts and disbursements received or made in connection with the Premises which shall correctly and accurately reflect the gross receipts and disbursements received or made by LADWP from the operation of the Campus. These records shall be prepared by LADWP, be consistent with recognized accounting principles and subject to review by LADWP's auditors or certified accountants.

8.3. Inspection and Audit of Records by La Kretz. All documents, books and accounting records required to be maintained or retained under this Article shall be open for inspection and re-inspection by La Kretz with reasonable prior notice during regular operating hours during the Term of this Lease and for a period of seven (7) years thereafter. In addition, La Kretz may from time to time consistent with recognized accounting principles, at La Kretz's sole cost and expense, perform an audit or re-audit of the books and business conducted by LADWP with respect to LADWP's operations of the Premises and the Campus and observe the operation of business so that accuracy of the above records can be confirmed. LADWP shall cooperate with La Kretz to comply with requests from the Lenders related to audits and inspections of documents, books and accounting records required to be maintained or retained under this Article.

ARTICLE 9. COMPLIANCE WITH ALL LAWS AND REGULATIONS

9.1. Federal, State and Local Laws. LADWP agrees that in achieving its goals and performing its obligations as set forth in this Lease, it will comply with all applicable laws, ordinances, rules and regulations enacted or promulgated or which are enacted or promulgated in the future by the City of Los Angeles, the County of Los Angeles, the State of California, and the Federal Government. LADWP shall also adhere to all restrictions and requirements imposed upon the Premises by any Lender to La Kretz set forth in the loan documents between La Kretz and such Lender dated as of the date hereof, as amended from time to time, and provided to LADWP.

9.2. Compliance with Americans with Disabilities Act. LADWP agrees that as between LADWP and La Kretz, LADWP shall be responsible for compliance, including all costs of compliance, with the Americans With Disabilities Act of 1990 (42 U.S.C. § 12101, et seq.) and any and all other federal, state, and local laws related to the accessibility of the Premises to persons with disabilities.

9.3. Right of Entry. La Kretz, its Lenders and their authorized representatives, agents and employees shall have the right to enter upon the Premises at any and all reasonable times within operating hours for the purposes of inspection and observation

of LADWP's operations. La Kretz shall endeavor to conduct such inspections and observations in a manner calculated to minimize disruption to the use and enjoyment of the Premises by LADWP, its employees, and patrons. Said inspections may be made by persons identified to LADWP as La Kretz employees or by independent contractors engaged by La Kretz. Inspections of areas not open to the general public shall be made with reasonable prior notice (except in the case of emergency, where no notice is required).

9.4. Operating Permits and Licenses. LADWP shall obtain and maintain, at its sole expense, any and all permits or licenses that may be required in connection with its operations including, but not limited to, tax permits, business licenses, and health permits. La Kretz is not responsible for payment of any fees nor for delays in permit processing or approvals and LADWP shall be responsible for the same.

ARTICLE 10. INSURANCE AND INDEMNIFICATION

10.1. Insurance. Prior to the occupancy of the Premises, under the provisions and conditions of this Lease, LADWP shall furnish La Kretz with evidence of insurance from insurers (i) reasonably acceptable to La Kretz, and (ii) on a form reasonably acceptable to La Kretz of the type and amount regularly carried by LADWP at similar properties it owns or occupies. Such coverages shall be maintained by LADWP at its sole cost and expense throughout the Term of this Lease. As of the date hereof, La Kretz and its Lenders have reviewed and approved the insurance coverage to be provided by LADWP.

10.2. Self-Insurance Programs. Self-insurance programs and self-insured retention in insurance policies are subject to separate approval by La Kretz upon review of evidence of financial capacity to respond. Additionally, such programs or retention must provide La Kretz with at least the same protection from liability and defense of suits as would be afforded by first-dollar insurance. As of the date hereof, La Kretz and its Lenders have reviewed and approved the self-insurance coverage to be provided by LADWP.

10.3. Failure to Maintain Insurance. LADWP's failure to procure or maintain required insurance shall constitute a material breach of this Lease under which La Kretz may declare a Default pursuant to Article 15 of this Lease, or, at its discretion, procure or renew such insurance to protect La Kretz's interest and pay any and all premiums in connection therewith, and recover all monies so paid from LADWP. If La Kretz elects to terminate this Lease in accordance with Article 15, LADWP agrees to immediately cease all operations and activities under this Lease and to peacefully surrender the Premises.

10.4. Indemnification/Hold Harmless. Except for the gross negligence or willful misconduct of La Kretz, or any of its Boards, Officers, Agents, Employees, Assigns and Successors in Interest, to the extent permitted by law, LADWP undertakes and agrees

to defend, indemnify and hold harmless La Kretz and any of its Boards, Officers, Agents, Employees, Assigns, and Successors in Interest from and against all suits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees and cost of litigation, damage or liability of any nature whatsoever, for death or injury to any person, including LADWP's employees and agents, or damage or destruction of any property of either party hereto or of third parties, arising in any manner from LADWP's occupancy of the Premises under this Lease. The provisions of this paragraph survive expiration or termination of this Lease.

ARTICLE 11. RESERVED

ARTICLE 12. DAMAGE AND RESTORATION

12.1. Damage. Except as otherwise provided in this Lease, if any improvements located on the Premises are damaged and such damage was caused by fire or other peril covered by LADWP's insurance, LADWP agrees to repair such damage to the extent set forth in this Section, and this Lease shall continue in full force and effect. If such improvements are damaged as the result of any cause other than perils covered by LADWP's insurance, and the cost to restore and repair the improvements to substantially the same condition they were in immediately prior to the occurrence of the damage is greater than [\$500,000] then LADWP may, at LADWP's option, either (i) repair such damage as soon as reasonably practicable at LADWP's sole cost and expense, in which event this Lease shall continue in full force and effect, or (ii) give written notice to La Kretz within ninety (90) days after the date of occurrence of such damage of LADWP's intention to cancel and terminate this Lease as of the date of the occurrence of such damage. Upon such termination, LADWP shall, if requested by La Kretz, complete demolition of the damaged Campus or other damaged improvement and restoration of the Premises to the condition it was in prior to rehabilitation of the improvements at LADWP's sole cost and expense.

12.2. Obligation to Restore. If this Lease is not terminated pursuant to any of the provisions of this Article 12, LADWP shall, to the extent of available insurance proceeds plus any deductible LADWP elects to carry, promptly and diligently restore and repair the improvements to substantially the same condition, to the extent commercially reasonable, they were in immediately prior to the occurrence of the damage, except for modifications required by building codes and other laws and except for any other modifications to the improvements considered desirable by LADWP and approved by La Kretz. LADWP's obligation to restore is subject to reasonable delays for insurance adjustment and other matters beyond LADWP's reasonable control. During any period of restoration pursuant to this Section, the Campus shall not be required to be open for operation (except where such restoration is minimal or reasonably would not affect partial operation of the Campus).

12.3. Lender Requirements. The requirements of this Section 12 shall be subject to any requirements imposed upon La Kretz by any Lender with respect to the Premises.

ARTICLE 13. DESIGN AND CONSTRUCTION OF IMPROVEMENTS

13.1. Design and Construction of Improvements by La Kretz. As set forth in the Development Agreement, a copy of which is attached hereto as Exhibit D, LADWP shall be responsible for managing on behalf of La Kretz and achieving the completion of construction and rehabilitation of improvements, to the extent commercially reasonable, included in the Premises and cause BOE and BCA to perform their obligations under the Construction Contract and subject to the terms and conditions of any finance documents with La Kretz and its Lenders and USBCDC. As set forth in the Development Agreement, LADWP shall direct BOE and BCA to cause the Contractor under the Construction Contract to submit invoices directly to La Kretz for payment by La Kretz and to cooperate with the requirements of any Lender and/or USBCDC for disbursement of funds. LADWP shall perform or cause to be performed all work and complete all installations, to the extent commercially reasonable, described in the Development Agreement, in accordance with the approved plans and specifications pursuant to the Development Agreement. All such items installed by LADWP shall be new or in "like-new" condition. LADWP shall not do any construction work or make any alterations, nor shall LADWP install any equipment, without first obtaining La Kretz's written approval of the plans and specifications therefor. The approval by La Kretz of such plans and specifications shall not constitute the assumption of any liability on the part of La Kretz for their accuracy or conformity with any building code or other governmental requirements, and LADWP shall be solely responsible for such plans and obtaining all permits and approvals from local governmental bodies. In the event LADWP shall fail to complete or fail to cause others to complete any portion of its construction of the Premises or the installation of any equipment or other items to be installed therein as required by this Lease within the time periods set forth, La Kretz, in addition to any other rights and remedies it may then have, may complete such construction or make such installations for the account of LADWP, after forty-five (45) days' notice to LADWP of its intention to do so and LADWP's failure to cure, and LADWP covenants and agrees to pay La Kretz, as additional rent hereunder, within ten (10) days after the date La Kretz mails to LADWP a statement therefor, the cost incurred by La Kretz in completing such construction or making such installations up to the amount stated in the Development Agreement.

ARTICLE 14. HAZARDOUS MATERIALS

14.1. Hazardous Materials. La Kretz and LADWP agree as follows with respect to the existence or use of Hazardous Materials (as defined in Paragraph 14.1.3. below) on the Premises:

14.1.1. Prohibition. LADWP shall not cause or permit any Hazardous Material to be brought upon, kept or used in or about the Premises by LADWP, its agents, employees, contractors or invitees or subtenants in violation of law or in quantities which would require reporting to a governmental entity, without the prior written consent of La Kretz, which consent shall not be unreasonably withheld. If LADWP breaches the obligations stated in the preceding sentence, or if the presence of Hazardous Material on the Premises caused or permitted by LADWP results in contamination of the Premises, or if contamination of the Premises by Hazardous Material otherwise occurs for reasons other than La

Kretz's gross negligence or willful misconduct, then LADWP shall indemnify (to the extent permitted by law), hold La Kretz harmless, and defend La Kretz (with counsel reasonably acceptable to La Kretz) from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses (including, without limitation, diminution in value of the Premises, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises, damages arising from any adverse impact on marketing of space on the Premises, and sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees) which arise during or after the Term as a result of such contamination. This indemnification of La Kretz by LADWP includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision because of Hazardous Material present in the soil or ground water on or under the Premises. Without limiting the foregoing, if the presence of any Hazardous Material on the Premises that is not caused by the gross negligence or willful misconduct of La Kretz, results in any contamination of the Premises, LADWP shall promptly take all actions at its sole expense as are necessary to return the Premises to the condition existing prior to the introduction of any such Hazardous Material to the Premises; provided that La Kretz's approval of such actions shall first be obtained, which approval shall not unreasonably be withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Premises. However, the foregoing provisions shall not prohibit LADWP from transportation to and from, and the use, storage, maintenance, and handling within the Premises of substances customarily used in connection with normal office or Campus use provided: a) such substances shall be used and maintained only in such quantities as are reasonably necessary for the permitted use of the Premises set forth in Section 5.1. of this Lease, strictly in accordance with applicable laws and the manufacturers' instructions therefore; b) such substances shall not be disposed of, released, or discharged at the Premises, and shall be transported to and from the Premises in compliance with all applicable laws, and as La Kretz shall reasonably require; c) if any applicable law or the trash removal contractor requires that any such substances be disposed of separately from ordinary trash, LADWP shall make arrangements at LADWP's expense for such disposal directly with a qualified and licensed disposal company at a lawful disposal site, and shall ensure that disposal occurs frequently enough to prevent unnecessary storage of such substances on or around the Premises; and d) any remaining such substances shall be completely, properly, and lawfully removed from the Premises upon expiration or earlier termination of this Lease.

14.1.2. Compliance Costs. La Kretz and LADWP acknowledge that La Kretz shall not be legally liable for the costs of complying with laws relating to Hazardous Material which are not the result of La Kretz's conduct. To the extent permitted by law, LADWP agrees to indemnify, defend and hold harmless La Kretz from and against any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses in connection with such compliance costs referred to in this Section 14.1.2, in the manner and to the extent set forth in Section 14.1.1.

14.1.3. "Hazardous Material" - Definition. As used herein, the defined term "Hazardous Material" means any chemical, substance, material, or waste or component thereof the presence of which requires investigation or remediation under any federal, state, or local statute, regulation, ordinance, order, action, policy, or common law, or which is now or hereafter listed, defined, or regulated as a flammable explosive, radioactive material, hazardous or toxic chemical, substance, material or waste or component thereof (whether injurious by themselves or in conjunction with other materials) by any federal, state, or local governing or regulatory body having jurisdiction, or which would trigger any employee or community "right-to-know" requirements adopted by such body, or for which any such body has adopted any requirements for the preparation or distribution of a material safety data sheet. "Hazardous Material" includes, without limitation, any material or substance which is: a) defined as a "hazardous waste," "extremely hazardous waste" or "restricted hazardous waste" under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140, of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law); b) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act, California Health and Safety Code Section 25300, *et seq.*); c) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory, California Health and Safety Code Section 25500, *et seq.*); d) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances, California Health and Safety Code Section 25280, *et seq.*); e) petroleum; f) asbestos; g) defined as a "hazardous constituent," "hazardous material," "hazardous waste," or "toxic waste" under Article 2 of Chapter 10 (Section 66260.10) or defined as a "hazardous waste" under Article 1 of Chapter 11 (Section 66261.3) of Title 22 of the California Code of Regulations, Division 4.5 (Environmental Health Standards for the Management of Hazardous Waste, 22 C.C.R. Section 66001, *et seq.*); h) designated as a "hazardous substance" pursuant to Section 311 (33 U.S.C. § 1321) of the Clean Water Act of 1977, as amended (Federal Water Pollution Control Act, 33 U.S.C. § 1251, *et seq.*); i) defined as a "hazardous waste" pursuant to Section 1004 (42 U.S.C. § 6903) of the Federal Resource Conservation and Recovery Act of 1976, as amended (RCRA, 42 U.S.C. § 6901, *et seq.*); j) defined as a "hazardous substance" pursuant to Section 101 (42 U.S.C. § 9601) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (CERCLA, 42 U.S.C. § 9601, *et seq.*); or k) defined as "hazardous material" under Section 103 (49 U.S.C. § 1802) of the Hazardous Materials Transportation Act (49 U.S.C. § 1801, *et seq.*), as such laws may be amended from time to time, and the regulations adopted and publications promulgated pursuant to such laws.

14.1.4. Disposal of Hazardous Material. If LADWP disposes of any soil, material or groundwater contaminated with hazardous material, LADWP shall

provide La Kretz copies of all records including a copy of each uniform hazardous waste manifest indicating the quantity and type of material being disposed of, the method of transportation of the material to the disposal site and the location of the disposal site. Except where presence of Hazardous Material predated this Lease, La Kretz shall not appear on any manifest document as a generator of such material disposed of by LADWP.

14.1.5. Hazardous Material Tests. Any tests required of LADWP by this Article shall be performed by a State of California Department of Health Services certified testing laboratory satisfactory to La Kretz. By signing this Lease, LADWP hereby irrevocably directs any such laboratory to provide La Kretz, upon written request from La Kretz, copies of all of its reports, test results, and data gathered. As used in this Article, the term "LADWP" includes agents, employees, contractors, subcontractors, and/or invitees of LADWP.

14.1.6. Notice of Hazardous Substances. California Health and Safety Code section 25359.7(a) requires any owner of nonresidential real property who knows, or has reasonable cause to believe, that any release of hazardous substance has come to be located on or beneath that real property to, prior to the lease or rental of that real property or when the presence of such release is actually known, give written notice of that condition to the lessee or renter. California Health and Safety Code section 25359.7(b) requires any tenant of real property who knows, or has reasonable cause to believe, that any release of a hazardous substance has come to be located on or beneath that real property to give written notice of such condition to the owners. LADWP and La Kretz shall comply with the requirements of section 25359.7 and any successor statute thereto and with all other statutes, laws, ordinances, rules, regulations and orders of governmental authorities with respect to hazardous substances.

ARTICLE 15. DEFAULT AND TERMINATION

15.1. Events of Default. The following occurrences are "Events of Default":

15.1.1. Breach of Lease. LADWP or La Kretz materially breaches or fails in the performance of any of the provisions or conditions of this Lease, including, without limitation, LADWP's failure to pay rent on the date and in the manner as required under this Section 3.1; or

15.1.2. Failure to Comply with Laws. LADWP fails to comply with applicable federal, state, county or local laws, rules, regulations or policies; or

15.1.3. Lack of Funds. If LADWP is no longer able to carry out the purposes of the Lease because of a lack of funds or funding; or

15.1.4. New Markets Tax Credit Covenants. LADWP ceases to comply with the covenants contained in Section 5.4 related to the New Markets Tax Credit Program.

15.2. Default - La Kretz's Remedies. If any one or more of the "Events of Default" set forth in Section 15.1. above occurs, then La Kretz may, at its election, without any further notice to or authorization from LADWP, and without waiving any of La Kretz's rights at any time to select any other remedy provided in this Section, or elsewhere in this Lease, if applicable, or under law, do any one or more of the following:

15.2.1. Termination of Lease. La Kretz may give LADWP written notice of such "Event of Default." If LADWP does not cure said default within thirty (30) days (for a non-monetary default) or fifteen (15) days (for failure to pay any amount due and owing under this Lease, including, without limitation rent on the date and in the manner as required under Section 3.1) after notice (provided, no cure period shall apply to a default involving health, sanitary or safety conditions or pertaining to the maintenance of insurance required under this Lease) or such longer period as is reasonably necessary to remedy such default, as determined by La Kretz, provided that LADWP shall continuously and diligently pursue such cure at all times until such default is cured, La Kretz may, by delivering written notice to LADWP, terminate this Lease and LADWP shall vacate the Premises and comply with Section 16.1; and/or

15.2.2. Recovery at Law. La Kretz may recover at law any and all claims which may be due La Kretz; and/or

15.2.3. Self-help. In the event that neither La Kretz nor LADWP terminates the term of this lease agreement under the conditions herein defined, La Kretz may, but is not obligated to, perform such work as it deems necessary to cure any "Event of Default" and charge LADWP for the cost of labor and materials expended. La Kretz may exercise this option immediately in an "Event of Default" involving health, sanitary or safety considerations. Otherwise, La Kretz may exercise this option within sixty (60) days after giving LADWP written notice of a default involving Premises' maintenance if LADWP does not commence to cure. La Kretz shall provide LADWP with reasonably detailed invoice for the labor and materials expended and LADWP shall pay the full sum of the invoice within sixty (60) days of LADWP's receipt of the invoice. In the event LADWP disputes any of the charges on the invoice or LADWP's obligation to pay for any or all of the items, LADWP shall pay the full sum of the invoice within the sixty (60) day period, subject to prompt reimbursement from La Kretz to the extent LADWP prevails on any items in dispute.

The specified remedies to which La Kretz may resort under the provisions of this Lease are cumulative and not intended to be exclusive of any other remedies afforded by law or equity.

15.3. Default by La Kretz. In the event La Kretz defaults in the performance of any of the provisions or conditions of this Lease, and if written notice of such default is issued to La Kretz by LADWP, and if La Kretz does not commence to cure said default within thirty (30) days of receipt of said notice, LADWP may immediately terminate this Lease and/or obtain specific performance.

15.4. No Waiver. The conduct of either party or the acceptance of all or part of any payment by La Kretz after an "Event of Default" for any period after an "Event of Default" shall not be deemed a waiver of any rights and remedies, nor a waiver of the default of the same or any other provision, covenant or condition. Waiver by either La Kretz or LADWP of any breach by the other of any covenant, condition or obligation herein contained or failure by either La Kretz or LADWP to exercise any right or remedy in respect of any such breach shall not constitute a waiver or relinquishment for the failure of any such covenant, condition or obligation or of any subsequent breach of any such covenant, condition or obligation nor bar any right or remedy of La Kretz or LADWP in respect of any such subsequent breach.

ARTICLE 16. SURRENDER OF PREMISES

16.1. Surrender of Premises. Upon termination of this Lease, LADWP shall quit and surrender possession of the Premises to La Kretz in good and usable condition, subject to normal wear and tear, provided, however, that La Kretz, at La Kretz's sole discretion, may require LADWP to demolish and remove portions of the improvements on the Premises and restore the Premises to its original condition as of the Effective Date of the Lease or to a reasonably acceptable condition as approved by La Kretz. LADWP's personal property and fixtures related thereto shall remain the property of LADWP or its assigns and may be removed by LADWP from the Premises upon termination of this Lease, provided LADWP shall be responsible for any damage to the Premises resulting from such removal. Should LADWP fail to remove such property, improvements, or fixtures after the termination of this Lease, La Kretz may, at La Kretz's option: (1) retain all or any of such property, and title thereto shall thereupon vest in La Kretz; or (2) remove the same, in which event LADWP shall pay to La Kretz upon demand the reasonable costs of such removal plus the cost to restore the Premises to an acceptable condition as approved by La Kretz.

16.2. No Implied Surrender. LADWP agrees on the last day of the Term, or on the earlier termination of this Lease, to surrender the Premises, including all then existing improvements. No act or thing done by La Kretz during the Term shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept such surrender shall be valid unless in writing and signed by La Kretz.

16.3. Failure to Surrender. If LADWP fails to surrender the Premises, together with the improvements thereon, upon the termination of this Lease, LADWP agrees to indemnify (to the extent permitted by law) and hold harmless La Kretz from and against any loss or liability, including costs and reasonable attorney's fees, resulting from such failure to surrender, including, but not limited to, any claims made by any succeeding tenant based on or resulting from such failure to surrender. Nothing herein contained shall be construed as consent to any occupancy or possession of any portion of the Premises and the improvements thereon by LADWP beyond the expiration of the Term or the earlier termination of this Lease.

ARTICLE 17. ASSIGNMENT AND BANKRUPTCY

17.1. Assignment and Subletting. Each sublease entered into with respect to the Premises shall provide that any violation of the covenants contained in Section 5.4 shall be a material default giving rise to an immediate right of termination of the sublease to the extent permitted by applicable law subject to the minimum notice requirements of applicable law. Subject to the foregoing, LADWP may under-let or sublet the Premises or any part thereof or allow the same to be used or occupied by any other person, group or organization for the uses consistent with the provisions of this Lease without the consent of La Kretz, provided that LADWP shall use a sublease form approved in advance by La Kretz. Without limiting the foregoing sentence, LADWP shall not assign this Lease, nor transfer, assign or in any manner convey any of the rights or privileges herein granted without the consent of La Kretz, which may give or deny consent at their sole discretion. Short term and occasional use of the Premises for other activities such as location filming, special events, and projects with artists or other non-profit or governmental agencies shall not be considered as assignments or subletting and LADWP may allow such use with the prior consent of La Kretz. LADWP shall not rent, lease, or offer any space for storing any article or articles unrelated to the permissible uses of the Campus within or on the Premises. Any attempt to assign or transfer without the consent required by this Section shall be void.

17.2. Bankruptcy. To the extent permitted by law, neither this Lease nor the rights herein granted shall be assignable or transferable by any process or proceedings in any court, or by attachment, execution, proceedings in insolvency or bankruptcy either voluntary or involuntary, or receivership proceedings. To the extent the previous sentence is not permitted by law, in the event that LADWP shall be adjudicated a bankrupt, or become involved in any proceedings under the bankruptcy laws of the United States or the receivership laws of the State of California, or if the leasehold interest created by this Lease or any improvements constructed pursuant to this Lease are transferred due to operations of law, including, without limitation, the enforcement of a judgment, the trustee in bankruptcy, the receiver, the assignee, or the judgment purchaser shall be bound by all provisions of this Lease, including, without limitation, the requirement that the Premises be operated as a Campus (Section 5.1.).

ARTICLE 18. CONDEMNATION

18.1. Condemnation. Should any or all of the Premises be acquired for public use under the power of eminent domain or by purchase in lieu thereof, La Kretz shall be entitled to all compensation and severance damages attributable to the land and improvements. LADWP shall receive any compensation and severance damages which may be paid for damage or loss of the leasehold interest only.

ARTICLE 19. NOTICES

19.1. Notices. All notices and demands which may or are to be required or permitted to be given by either party to the other hereunder shall be in writing. All notices and demands shall be personally delivered (including by means of professional messenger service), sent by United States mail, postage prepaid, return receipt requested, or transmitted by telecopier (e.g., Fax) or electronic mail (upon mutual agreement of

participating parties), in which case the receiving party shall immediately confirm receipt of such telecopied or e-mailed notice. All notices are effective upon receipt. For the purposes of such notices, the addresses for the parties are set forth in Section 19.2 below. In the event La Kretz is unable to give notice to LADWP at the address(es) provided to La Kretz by LADWP, notice shall be deemed effective when addressed to LADWP at the Premises. Either party may from time to time designate another person or place in a notice.

19.2. Notices - Where Sent. All notices given under this Lease which are mailed or telecopied shall be addressed (unless redesignated as provided above) to the respective parties as follows:

To La Kretz:

La Kretz Innovation Campus
c/o LADWP
111 North Hope Street
Los Angeles, CA 90012-2607
Attn: Kelli Bernard
Phone: _____
Fax: _____

with a copy of any notice to:

Kutak Rock LLP
1801 California Street, Suite 3000
Denver, CO 80202
Attention: John Henry
Phone: (303) 297-2400
Fax: (303) 292-7799

To LADWP:

City of Los Angeles, acting by and through its
Department of Water and Power
111 North Hope Street
Los Angeles, CA 90012-2607
Phone: _____
Fax: _____

with a copy of any notice to:

Kutak Rock LLP
1801 California Street, Suite 3000
Denver, CO 80202
Attention: John Henry
Phone: (303) 297-2400
Facsimile: (303) 292-7799

To USBCDC:

1307 Washington Avenue, Suite 300
St. Louis, MO 63103
Project #22607
Attention: Director of Asset Management NMTC
Phone: (314) 335-2600
Fax: (314) 335-2602

To Lender(s):

Clearinghouse NMTC (Sub 30), LLC
c/o Clearinghouse CDFI
23861 El Toro Road, Suite 401
Lake Forest, CA 92630
Attention: Jay Harrison
Phone: (949) 528-3069
Fax: (949) 859-8534

Consortium America XXXIII, LLC
3299 K Street, NW, Suite 700
Washington, D.C. 20007
Phone: (202) 478-7557
Fax: (202) 333-3323

URP Subsidiary CDE XVII, LLC
c/o Townsend Capital, LLC
11311 McCormick Road Suite 470
Hunt Valley, MD 21031
Attention: Josh Ferguson
Phone: _____
Fax: _____

LADF IX, LLC
c/o Los Angeles Development Fund
1200 W. 7th Street, 8th Floor
Los Angeles, CA 90017
Attention: Sandra Rahimi
Phone: (213) 808-8959
Email: sandra.rahimi@lacity.org

USBCDE Sub-CDE 92, LLC
c/o USBCDC
1307 Washington Avenue, Suite 300
St. Louis, MO 63103
Project #22607
Attention: Director of Asset Management NMTC

Phone: (314) 335-2600

Fax: (314) 335-2602

ARTICLE 20. STANDARD PROVISIONS FOR CITY CONTRACTS

20.1. Standard Provisions for City Contracts. This Lease is subject to the City's Standard Provisions for City Contracts, attached hereto and incorporated herein by reference as Exhibit B "Standard Provisions for City Contracts."

ARTICLE 21. ORDINANCE MANDATED PROVISIONS

21.1. Child Support Assignment Orders. This Lease is subject to Section 10.10, Article 1, Chapter 1, Division 10 of the Los Angeles Administrative Code related to Child Support Assignment Orders. Pursuant to this Section, La Kretz (and any subcontractor of La Kretz providing services to LADWP under this Lease) shall (1) fully comply with all state and federal employment reporting requirements for La Kretz or La Kretz's subcontractors' employees applicable to Child Support Assignment Orders; (2) certify that the principal owner(s) of La Kretz and applicable subcontractors are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (3) fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with California Family Code section 5230, *et seq.*; and (4) maintain such compliance throughout the Term of this Lease. Pursuant to Section 10.10.b of the Los Angeles Administrative Code, failure of La Kretz or an applicable subcontractor to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment Orders and Notices of Assignment or the failure of any principal owner(s) of La Kretz or applicable subcontractors to comply with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally shall constitute a default of this Lease subjecting this Lease to termination where such failure shall continue for more than ninety days after notice of such failure to La Kretz by LADWP (in lieu of any time for cure provided in Article 15).

21.2. Service Contract Worker Retention Ordinance. This Lease is subject to the Service Contract Worker Retention Ordinance ("SCWRO") (Section 10.36, *et seq.*, of the Los Angeles Administrative Code. The SCWRO requires that, unless specific exemptions apply, all employers (as defined) under contracts that are primarily for the furnishing of services to or for the City of Los Angeles and that involve an expenditure or receipt in excess of \$25,000 and a contract term of at least three months shall provide retention by a successor contractor for a ninety (90)-day transition period of the employees who have been employed for the preceding twelve months or more by the terminated contractor or subcontractor, if any, as provided for in the SCWRO. Under the provisions of Section 10.36.3(c) of the Los Angeles Administrative Code, LADWP has the authority, under appropriate circumstances, to terminate this Lease and otherwise pursue legal remedies that may be available if LADWP determines that the subject contractor violated the provisions of the SCWRO.

21.3. Living Wage Ordinance.

21.3.1. General Provisions: Living Wage Policy. This Lease is subject to the Living Wage Ordinance ("LWO") (Section 10.37, *et seq.*, of the Los Angeles Administrative Code. The LWO requires that, unless specific exemptions apply, any employees of tenants or licensees of City property who render services on the leased or licensed premises are covered by the LWO if any of the following applies: (1) the services are rendered on premises at least a portion of which are visited by substantial numbers of the public on a frequent basis, (2) any of the services could feasibly be performed by City employees if the awarding authority had the requisite financial and staffing resources, or (3) the designated administrative agency of the City of Los Angeles has determined in writing that coverage would further the proprietary interests of the City of Los Angeles. Employees covered by the LWO are required to be paid not less than a minimum initial wage rate, as adjusted each year (July 1, 2006, levels: \$9.39 per hour with health benefits of at least \$1.25 per hour or otherwise \$10.64 per hour). The LWO also requires that employees be provided with at least twelve compensated days off per year for sick leave, vacation, or personal necessity at the employee's request, and at least ten additional days per year of uncompensated time pursuant to Section 10.37.2(b). The LWO requires employers to inform employees making less than twelve dollars (\$12.00) per hour of their possible right to the federal Earned Income Tax Credit ("EITC") and to make available the forms required to secure advance EITC payments from the employer pursuant to Section 10.37.4. La Kretz shall permit access to work sites for authorized City representatives to review the operation, payroll, and related documents, and to provide certified copies of the relevant records upon request by the City. Whether or not subject to the LWO, La Kretz shall not retaliate against any employee claiming non-compliance with the provisions of the LWO, and, in addition, pursuant to Section 10.37.6(c), La Kretz agrees to comply with federal law prohibiting retaliation for union organizing.

21.3.2. Living Wage Coverage Determination. Department has made the initial determination that this Lease, as a public lease or a public license, is subject to the LWO. La Kretz, although subject to the LWO, may be exempt from most of the requirements of the LWO if La Kretz qualifies for such exemption under the provisions of the LWO. Determinations as to whether an employer or employee is exempt from coverage under the LWO are not final, but are subject to review and revision as additional facts are examined and/or other interpretations of the law are considered. Applications for exemption must be renewed every two years. To the extent La Kretz claims non-coverage or exemption from the provisions of the LWO, the burden shall be on La Kretz to prove such non-coverage or exemption and, where applicable, renew such exemption.

21.3.3. Compliance; Termination Provisions and Other Remedies: Living Wage Policy. If La Kretz is not initially exempt from the LWO, La Kretz shall comply with all of the provisions of the LWO, including payment to employees at

the minimum wage rates, effective on the Execution Date of this Lease, and shall execute a Declaration of Compliance Form contemporaneously with the execution of this Lease. If La Kretz is initially exempt from the LWO, but later no longer qualifies for any exemption, La Kretz shall, at such time as La Kretz is no longer exempt, comply with the provisions of the LWO and execute the then-currently used Declaration of Compliance Form, or such form as the LWO requires. Under the provisions of Section 10.37.6(c) of the Los Angeles Administrative Code, violation of the LWO shall constitute a material breach of this Lease and LADWP shall be entitled to terminate this Lease and otherwise pursue legal remedies that may be available, including those set forth in the LWO, if LADWP determines that La Kretz violated the provisions of the LWO. The procedures and time periods provided in the LWO are in lieu of the procedures and time periods provided in Article 15 of this Lease. Nothing in this Lease shall be construed to extend the time periods or limit the remedies provided in the LWO.

21.4. Non-Discrimination.

21.4.1. Non-Discrimination in Use of Premises. There shall be no discrimination against or segregation of any person, or group of persons, on account of race, religion, national origin, ancestry, sex, sexual orientation, age, physical handicap, marital status, domestic partner status, or medical condition in the lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Premises or any part of the Premises or any operations or activities conducted on the Premises or any part of the Premises, nor shall La Kretz or any person working under or through La Kretz establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use of occupancy of tenants, subtenants, or vendees of the Premises. Any sublease or assignment which may be permitted under this Lease shall also be subject to the non-discrimination clauses contained in this Section 21.4.

21.4.2. Non-Discrimination in Employment. La Kretz agrees and obligates itself in the performance of this Lease not to discriminate against any employee or applicant for employment because of the employee's or applicant's race, religion, national origin, ancestry, sex, sexual orientation, age, physical handicap, marital status, domestic partner status, or medical condition.

21.4.3. Equal Employment Practices. This Lease is a contract with or on behalf of the City of Los Angeles for which the consideration is one thousand dollars (\$1,000) or more. Accordingly, during the performance of this Lease, La Kretz further agrees to comply with Section 10.8.3 of the Los Angeles Administrative Code ("Equal Employment Practices"). By way of specification but not limitation, pursuant to Sections 10.8.3.E and 10.8.3.F of the Los Angeles Administrative Code, the failure of La Kretz to comply with the Equal Employment Practices provisions of this Lease may be deemed to be a material breach of this Lease. No such finding shall be made or penalties assessed except upon a full

and fair hearing after notice and an opportunity to be heard have been given to LADWP. Upon a finding duly made that La Kretz has failed to comply with the Equal Employment Practices provisions of this Lease, this Lease may be forthwith terminated.

21.4.4. Equal Benefits Provisions. This Lease is subject to Section 10.8.2.1, Article 1, Chapter 1, Division 10 of the Los Angeles Administrative Code ("Equal Benefits Provisions") related to equal benefits to employees. La Kretz agrees to comply with the provisions of Section 10.8.2.1. By way of specification but not limitation, pursuant to Section 10.8.2.1.c of the Los Angeles Administrative Code, the failure of La Kretz to comply with the Equal Employment Practices provisions of this Lease may be deemed to be a material breach of this Lease. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard have been given to La Kretz. Upon a finding duly made that La Kretz has failed to comply with the Equal Employment Practices provisions of this Lease, this Lease may be forthwith terminated.

21.5. Contractor Responsibility Ordinance.

21.5.1. General Provisions; Contractor Responsibility Policy. This Lease is subject to the Contractor Responsibility Ordinance ("CRO") (Section 10.40, *et seq.* of the Los Angeles Administrative Code) and the rules and regulations promulgated pursuant thereto as they may be updated. The CRO requires that, unless specific exemptions apply as specified in Section 10.40.4(a), lessees or licensees of City property who render services on the leased or licensed premises are covered by the CRO if any of the following applies: (1) the services are rendered on premises at least a portion of which are visited by substantial numbers of the public on a frequent basis, (2) any of the services could feasibly be performed by City employees if the awarding authority had the requisite financial and staffing resources, or (3) designated administrative agency of the City has determined in writing that coverage would further the proprietary interests of the City. Lessees or licensees of City property who are not exempt pursuant to Section 10.40.4 (a) or (b), unless subject to the CRO solely due to an amendment to an existing lease or license, are required to have completed a questionnaire ("Questionnaire") signed under penalty of perjury designed to assist the City in determining that the lessee or licensee is one that has the necessary quality, fitness and capacity to perform the work set forth in the contract. All lessees or licensees of City property who are covered by the CRO, including those subject to the CRO due to an amendment, are required to complete the following Pledge of Compliance ("POC"):

- (1) comply with all applicable federal state, and local laws and regulations in the performance of the contract including, but not limited to, laws regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees;

(2) notify the awarding authority within thirty calendar days after receiving notification that any government agency has initiated an investigation that may result in a finding that the lessee or licensee did not comply with Subsection (1) above in the performance of the lease or license;

(3) notify the awarding authority within thirty calendar days of all findings by a government agency or court of competent jurisdiction that the lessee or licensee has violated Subsection (1) above in the performance of the lease or license;

(4) ensure within thirty days (or such shorter time as may be required by the awarding authority) that subcontractors working on the lease or license submit a POC to the awarding authority signed under penalty of perjury; and

(5) ensure that subcontractors working on the lease or license abide by the requirements of the POC and the requirement to notify the awarding authority within thirty calendar days that any government agency or court of competent jurisdiction has initiated an investigation or has found that the subcontractor has violated Subsection (1) above in the performance of the lease or license.

La Kretz shall ensure that their subcontractors meet the criteria for responsibility set forth in the CRO and any rules and regulations promulgated thereto. La Kretz may not use any subcontractor that has been determined or found to be a non-responsible contractor by the City. The listing of non-responsible contractors may be accessed on the Internet at: <http://www.lacity.org/bidresp>. Subject to approval by the awarding authority, La Kretz may substitute a non-responsible subcontractor with another subcontractor with no change in the consideration for this Lease. La Kretz shall submit to City a POC for each subcontractor listed by La Kretz in its Questionnaire, as performing work on this Lease within thirty calendar days of execution of this Lease, unless the Department of General Services requires in its discretion the submission of a POC within a shorter time period. The signature of La Kretz on this Lease shall constitute a declaration under penalty of perjury that La Kretz shall comply with the POC.

21.5.2. Update of Information. La Kretz shall:

(1) notify the awarding authority within thirty calendar days after receiving notification that any governmental agency has initiated an investigation that may result in a finding that La Kretz did not comply with any applicable federal, state, or local law in the performance of this Lease including, but not limited to, laws regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees;

(2) notify the awarding authority within thirty calendar days of receiving notice of any findings by a government agency or court of competent jurisdiction that La Kretz violated any applicable federal, state, or local law in the performance of this Lease including, but not limited to, laws regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees; and

(3) notify the awarding authority within thirty calendar days of becoming aware of any information regarding its subcontractors and investigations or findings regarding the subcontractor's violations of any applicable federal, state, or local law in the performance of this Lease including, but not limited to, laws regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees.

Updates of information contained in La Kretz's responses to the Questionnaire must be submitted to the awarding authority within thirty days of any changes to the responses if the change would affect La Kretz's fitness and ability to continue performing this Lease. Notwithstanding the above, La Kretz shall not be required to provide updates to the Questionnaire if La Kretz became subject to the CRO solely because of an amendment to the original lease or license. La Kretz shall cooperate in any investigation pursuant to CRO by providing such information as shall be requested by LADWP. La Kretz agrees that LADWP may keep the identity of any complainant confidential. La Kretz shall ensure that subcontractors who perform work on this Lease abide by these same updating requirements including the requirement to:

(1) Notify the awarding authority within thirty calendar days after receiving notification that any government agency has initiated an investigation which may result in a finding that the subcontractor did not comply with any applicable federal, state, or local law in the performance of this Lease including, but not limited to, laws regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees; and

(2) Notify the awarding authority within thirty calendar days of all findings by a government agency or court of competent jurisdiction that the subcontractor violated any applicable federal, state, or local law in the performance of this Lease including, but not limited to, laws regarding health and safety, labor and employment, wage and hour, and licensing laws which affect employees.

The requirement that La Kretz provide Questionnaires and updates to Questionnaire responses does not apply to subcontractors.

21.5.3. Compliance; Termination Provisions and Other Remedies. If La Kretz is not exempt from the CRO, La Kretz shall comply with all of the provisions of the CRO and this Lease. Failure to comply with the provisions of the CRO, including without limitation the requirements that all responses to the Questionnaire are complete and accurate, to provide updates as provided therein and to correct any deficiencies within ten (10) days of notice by LADWP, or failure to comply with the provisions of this Lease shall constitute a material breach of this Lease and LADWP shall be entitled to terminate this Lease and otherwise pursue any legal remedies that may be available, including those set forth in the CRO. Nothing in this Lease shall be construed to extend the time periods or limit the remedies provided in the CRO.

21.6. Business Tax Registration Certificates and Tax Payments. This Section is applicable where La Kretz is engaged in business within the City of Los Angeles and La Kretz is required to obtain a Business Tax Registration Certificate ("BTRC") pursuant to one or more of the following articles (collectively "Tax Ordinances") of Chapter II of the Los Angeles Municipal Code: Article 1 (Business Tax Ordinance) [section 21.00, *et seq.*], Article 1.3 (Commercial the City's Occupancy Tax) [section 21.3.1, *et seq.*], Article 1.7 (Transient Occupancy Tax) [section 21.7.1, *et seq.*], Article 1.11 (Payroll Expense Tax) [section 21.11.1, *et seq.*], or Article 1.15 (Parking Occupancy Tax) [section 21.15.1, *et seq.*]. Prior to the execution of this Lease, or the effective date of any extension of the Term or renewal of this Lease, La Kretz shall provide to Department proof satisfactory to City that La Kretz has the required BTRCs and that La Kretz is not then currently delinquent in any tax payment required under the Tax Ordinances. LADWP may terminate this Lease upon thirty days' prior written notice to La Kretz if LADWP determines that La Kretz failed to have the required BTRCs or was delinquent in any tax payments required under the Tax Ordinances at the time of entering into, extending the Term of, or renewing this Lease. LADWP may also terminate this Lease upon ninety days' prior written notice to La Kretz at any time during the Term of this Lease if La Kretz fails to maintain required BTRCs or becomes delinquent in tax payments required under the Tax Ordinances and La Kretz fails to cure such deficiencies within the ninety day period (in lieu of any time for cure provided in Article 15).

21.7. Slavery Disclosure Ordinance. This Lease is subject to the applicable provisions of the Slavery Disclosure Ordinance ("SDO") (Section 10.41, *et seq.*, of the Los Angeles Administrative Code). Unless otherwise exempt in accordance with the provision of this Ordinance, La Kretz certifies that it has complied with the applicable provisions of the Ordinance. Under the provisions of Section 10.41.2(b) of the Los Angeles Administrative Code, LADWP has the authority, under appropriate circumstances, to terminate this Lease and otherwise pursue legal remedies that may be available to LADWP if LADWP determines that La Kretz failed to fully and accurately complete the SDO affidavit or otherwise violated any provision of the SDO.

21.8. No attribution. Notwithstanding any provision of Article 21 or Exhibit B to the contrary, La Kretz shall not be deemed to be in violation of the provisions of Article 21 or Exhibit B by reason of any failure of compliance under any contract, employment

arrangement, or other relationship entered into by LADWP or any subcontractors for any construction, services, or other matters that are the responsibility of LADWP under the Lease, and no such failures of compliance shall be attributed to La Kretz.

ARTICLE 22. MISCELLANEOUS PROVISIONS

22.1. Intentionally Omitted.

22.2. Amendment of Lease. No amendment, modification, supplement or mutual termination of any provision of this Lease shall in any event be effective unless the same shall be in writing and signed by La Kretz and LADWP.

22.3. Binding Effect. Subject to the provisions of this Lease relative to assignment (Section 17.1), this Lease shall be binding upon and inure to the benefit of the heirs, executors, administrators, transferees, successors and assigns of the respective parties hereto.

22.4. Captions, Table of Contents, and Index. The captions and table of contents of this Lease are inserted only as a matter of convenience and reference, and they in no way define, limit, or describe the scope of any provisions of this Lease, or the intent of any provision of this Lease, and shall not be used with respect to the interpretation of any provision of this Lease.

22.5. Conflict of Laws and Venue. This Lease shall be governed by and construed under the laws of the State of California. Venue on any action arising out of this Lease will be proper only in the County of Los Angeles, State of California.

22.6. Corporate Resolution. LADWP shall provide to La Kretz a current copy of a Resolution depicting the names of the officers or employees authorized to execute legal documents, including this Lease, on behalf of LADWP. Within thirty (30) days of any change in such names, LADWP shall provide to La Kretz the updated resolution.

22.7. Counterparts. This Lease may be executed in one or more counterparts, each of which may be deemed an original, but all of which together shall constitute one and the same instrument.

22.8. Exhibits and Recitals - Incorporation in Lease. All exhibits referred to are attached to this Lease and incorporated by reference. The Recitals set forth in this Lease are incorporated into the terms and conditions of this Lease.

22.9. Force Majeure. Whenever either party hereto shall be required by the provisions of this Lease or by law to perform any contract, act, work, construction, labor or services (excepting only the obligation to pay rent due hereunder), or to discharge any lien against the Premises, or to perform and comply with any laws, rules, orders, ordinances, regulations or zoning regulations, said party shall not be deemed to be in default herein and the other party shall not enforce or exercise any of its right under this Lease, if and so long as nonperformance or default herein shall be directly caused by strikes, nonavailability of materials, war or national defense preemptions,

governmental restrictions, acts of God or other similar causes beyond the reasonable control of the nonperforming party provided; however, that notwithstanding any of the provisions of the foregoing, the nonperforming party shall commence such performance and continue the same with diligence and continuity immediately after the removal of any of the causes hereinabove specified.

22.10. Gender. As used herein, the neuter gender includes the feminine and masculine, the masculine includes the feminine and the neuter, and feminine includes the masculine and the neuter, and each includes corporations, limited liability companies, partnerships or other legal entities when the context so requires.

22.11. Memorandum of Lease. A Memorandum of Lease, substantially in the form as that attached to this Lease as Exhibit C "Memorandum of Lease," shall be completed and executed by both parties concurrently with the execution of this Lease. La Kretz may record such Memorandum of Lease.

22.12. No Prior Agreements. This Lease contains all of the agreements of the parties hereto with respect to the matters covered hereby, and no prior agreements, oral or written, or understandings or representations of any nature whatsoever pertaining to any such matters shall be effective for any purpose unless expressly incorporated in the provisions of this Lease.

22.13. No Relocation Assistance. LADWP acknowledges that it is not entitled to relocation assistance or any other benefits under the California Relocation Assistance Act (Government Code section 7260, *et seq.*), the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C.A. § 4601, *et seq.*), or any other provisions of law upon termination of this Lease.

22.14. Quiet Enjoyment. If LADWP is not in default as provided herein, LADWP shall and may peaceably and quietly have, hold, and enjoy the Premises with necessary ingress and egress in accordance with the provisions hereof.

22.15. Severability. If any provision of this Lease or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

22.16. Sole Discretion. In those instances in this Lease where it is provided that La Kretz may approve a request in the exercise of "sole discretion" or words of like import, the parties expressly agree that La Kretz has the absolute unfettered discretion to grant or withhold approval, either arbitrarily or otherwise, and with or without reason, and neither LADWP nor any other party or tribunal shall have any right or power to inquire into or review the granting or withholding of such approval or the reasons or lack of reasons therefore.

22.17. Time. Time is of the essence with respect to the performance or observance of each of the obligations, covenants and agreements under this Lease. Except where expressly stated to be "business days" or "working days," the word "days" shall mean "calendar days."

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, LA KRETZ INNOVATION CAMPUS, a California nonprofit public benefit corporation, Landlord herein, and the DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES, Tenant herein, have caused this Lease to be executed as of the date of the attestation by the City Clerk.

APPROVED AS TO FORM:
MICHAEL N. FEUER, City Attorney

LADWP:
**DEPARTMENT OF WATER AND
POWER OF THE CITY OF LOS
ANGELES**

By: Deputy City Attorney

By: Ronald O. Nichols, General Manager

DATE: _____

By: Secretary

DATE: _____

ATTEST:
JUNE LAGMAY, City Clerk

By: Deputy

DATE: _____

LANDLORD:
La Kretz INNOVATION CAMPUS, a California nonprofit public benefit corporation

By _____

Name: _____

Title: _____

DATE: _____

SCHEDULE 1
ANNUAL LEASE PAYMENTS

To be included in final lease agreement

EXHIBIT A
MAP AND LEGAL DESCRIPTION

To be included in final lease agreement

EXHIBIT B
STANDARD PROVISIONS FOR CITY CONTRACTS

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STANDARD PROVISIONS FOR CITY CONTRACTS

PSC-1. CONSTRUCTION OF PROVISIONS AND TITLES HEREIN

All titles, subtitles, or headings in this Contract have been inserted for convenience, and shall not be deemed to affect the meaning or construction of any of the terms or provisions hereof. The language of this Contract shall be construed according to its fair meaning and not strictly for or against the **CITY** or **CONTRACTOR**. The word "**CONTRACTOR**" herein in this Contract includes the party or parties identified in the Contract. The singular shall include the plural; if there is more than one **CONTRACTOR** herein, unless expressly stated otherwise, their obligations and liabilities hereunder shall be joint and several. Use of the feminine, masculine, or neuter genders shall be deemed to include the genders not used.

PSC-2. NUMBER OF ORIGINALS

The number of original texts of this Contract shall be equal to the number of the parties hereto, one text being retained by each party. At the **CITY'S** option, one or more additional original texts of this Contract may also be retained by the City.

PSC-3. APPLICABLE LAW, INTERPRETATION AND ENFORCEMENT

Each party's performance hereunder shall comply with all applicable laws of the United States of America, the State of California, and the **CITY**, including but not limited to, laws regarding health and safety, labor and employment, wage and hours and licensing laws which affect employees. This Contract shall be enforced and interpreted under the laws of the State of California without regard to conflict of law principles. **CONTRACTOR** shall comply with new, amended, or revised laws, regulations, and/or procedures that apply to the performance of this Contract.

In any action arising out of this Contract, **CONTRACTOR** consents to personal jurisdiction, and agrees to bring all such actions, exclusively in state or federal courts located in Los Angeles County, California.

If any part, term or provision of this Contract is held void, illegal, unenforceable, or in conflict with any law of a federal, state or local government having jurisdiction over this Contract, the validity of the remaining parts, terms or provisions of the Contract shall not be affected thereby.

PSC-4. TIME OF EFFECTIVENESS

Unless otherwise provided, this Contract shall take effect when all of the following events have occurred:

- A. This Contract has been signed on behalf of **CONTRACTOR** by the person or persons authorized to bind **CONTRACTOR** hereto;
- B. This Contract has been approved by the City Council or by the board, officer or employee authorized to give such approval;
- C. The Office of the City Attorney has indicated in writing its approval of this Contract as to form; and
- D. This Contract has been signed on behalf of the **CITY** by the person designated by the City Council, or by the board, officer or employee authorized to enter into this Contract.

PSC-5. INTEGRATED CONTRACT

This Contract sets forth all of the rights and duties of the parties with respect to the subject matter hereof, and replaces any and all previous Contracts or understandings, whether written or oral, relating thereto. This Contract may be amended only as provided for in paragraph PSC-6 hereof.

PSC-6. AMENDMENT

All amendments to this Contract shall be in writing and signed and approved pursuant to the provisions of PSC-4.

PSC-7. EXCUSABLE DELAYS

In the event that performance on the part of any party hereto is delayed or suspended as a result of circumstances beyond the reasonable control and without the fault and negligence of said party, none of the parties shall incur any liability to the other parties as a result of such delay or suspension. Circumstances deemed to be beyond the control of the parties hereunder include, but are not limited to, acts of God or of the public enemy; insurrection; acts of the Federal Government or any unit of State or Local Government in either sovereign or contractual capacity; fires; floods; earthquakes; epidemics; quarantine restrictions; strikes; freight embargoes or delays in transportation, to the extent that they are not caused by the party's willful or negligent acts or omissions, and to the extent that they are beyond the party's reasonable control.

PSC-8. BREACH

Except for excusable delays as described in PSC-7, if any party fails to perform, in whole or in part, any promise, covenant, or agreement set forth herein, or should any representation made by it be untrue, any aggrieved party may avail itself of all rights and remedies, at law or equity, in the courts of law. Said rights and remedies are cumulative of those provided for herein except that in no event shall any party recover more than once, suffer a penalty or forfeiture, or be unjustly compensated.

PSC-9. WAIVER

A waiver of a default of any part, term or provision of this Contract shall not be construed as a waiver of any succeeding default or as a waiver of the part, term or provision itself. A party's performance after the other party's default shall not be construed as a waiver of that default.

PSC-10. TERMINATION

A. TERMINATION FOR CONVENIENCE

~~The CITY may terminate this Contract for the CITY'S convenience at any time by giving CONTRACTOR thirty days written notice thereof. Upon receipt of said notice, CONTRACTOR shall immediately take action not to incur any additional obligations, cost or expenses, except as may be reasonably necessary to terminate its activities. The CITY shall pay CONTRACTOR its reasonable and allowable costs through the effective date of termination and those reasonable and necessary costs incurred by CONTRACTOR to affect such termination. Thereafter, CONTRACTOR shall have no further claims against the CITY under this Contract. All finished and unfinished documents and materials procured for or produced under this Contract, including all intellectual property rights thereto, shall become CITY property upon the date of such termination. CONTRACTOR agrees to execute any documents necessary for the CITY to perfect, memorialize, or record the CITY'S ownership of rights provided herein.~~

B. TERMINATION FOR BREACH OF CONTRACT

1. Except for excusable delays as provided in PSC-7, if **CONTRACTOR** fails to perform any of the provisions of this Contract or so, fails to make progress as to endanger timely performance of this Contract, the **CITY** may give **CONTRACTOR** written notice of such default. If **CONTRACTOR** does not cure such default or provide a plan to cure such default which is acceptable to the **CITY** within the time permitted by the **CITY**, then the **CITY** may terminate this Contract due to **CONTRACTOR'S** breach of this Contract.
2. If a federal or state proceeding for relief of debtors is undertaken by or against **CONTRACTOR**, or if **CONTRACTOR** makes an assignment for the benefit of creditors, then the **CITY** may immediately terminate this Contract.
3. If **CONTRACTOR** engages in any dishonest conduct related to the performance or administration of this Contract or violates the **CITY'S** lobbying policies, then the **CITY** may immediately terminate this Contract.
4. In the event the **CITY** terminates this Contract as provided in this section, the **CITY** may procure, upon such terms and in such manner as the **CITY** may deem appropriate, services similar in scope and level of effort to those so terminated, and **CONTRACTOR** shall be liable to the **CITY** for all of its costs and damages, including, but not limited, any excess costs for such services.
4. All finished or unfinished documents and materials produced or procured under this Contract, including all intellectual property rights thereto, shall become **CITY** property upon date of such termination. **CONTRACTOR** agrees to execute any documents necessary for the **CITY** to perfect, memorialize, or record the **CITY'S** ownership of rights provided herein.
5. If, after notice of termination of this Contract under the provisions of this section, it is determined for any reason that **CONTRACTOR** was not in default under the provisions of this section, or that the default was excusable under the terms of this Contract, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to PSC-10(A) Termination for Convenience.
6. The rights and remedies of the **CITY** provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

PSC-11. INDEPENDENT CONTRACTOR

CONTRACTOR is acting hereunder as an independent contractor and not as an agent or employee of the **CITY**. **CONTRACTOR**, shall not represent or otherwise hold out itself or any of its directors, officers, partners, employees, or agents to be' an agent or employee of the **CITY**.

PSC-12. CONTRACTOR'S PERSONNEL

Unless otherwise provided or approved by the **CITY**, **CONTRACTOR** shall use its own employees to perform the services described in this Contract. The **CITY** shall have the right to review and approve any personnel who are assigned to work under this Contract. **CONTRACTOR** agrees to remove personnel from performing work under this Contract if requested to do so by the **CITY**.

CONTRACTOR shall not use subcontractors to assist in performance of this Contract without the prior written approval of the **CITY**. If the **CITY** permits the use of subcontractors, **CONTRACTOR** shall remain responsible for performing all aspects of this Contract. The **CITY** has the right to approve **CONTRACTOR'S** subcontractors, and the **CITY** reserves the right to request replacement of subcontractors. The **CITY** does not have any obligation to pay **CONTRACTOR'S** subcontractors, and nothing herein creates any privity between the **CITY** and the subcontractors.

PSC-13. PROHIBITION AGAINST ASSIGNMENT OR DELEGATION

CONTRACTOR may not, unless it has first obtained the written permission of the **CITY**:

- A. Assign or otherwise alienate any of its rights under this Contract, including the right to payment; or
- B. Delegate, subcontract, or otherwise transfer any of its duties under this Contract.

PSC-14. PERMITS

CONTRACTOR and its directors, officers, partners, agents, employees, and subcontractors, to the extent allowed hereunder, shall obtain and maintain all licenses, permits, certifications and other documents necessary for **CONTRACTOR'S** performance hereunder and shall pay any fees required therefor. **CONTRACTOR** certifies to immediately notify the **CITY** of any suspension, termination, lapses, non-renewals, or restrictions of licenses, permits, certificates, or other documents.

PSC-15. CLAIMS FOR LABOR AND MATERIALS

CONTRACTOR shall promptly pay when due all amounts payable for labor and materials furnished in the performance of this Contract so as to prevent any lien or other claim under any provision of law from arising against any **CITY** property (including reports, documents, and other tangible or intangible matter produced by **CONTRACTOR** hereunder), against **CONTRACTOR'S** rights to payments hereunder, or against the **CITY**, and shall pay all amounts due under the Unemployment Insurance Act with respect to such labor.

PSC-16. CURRENT LOS ANGELES CITY BUSINESS TAX REGISTRATION CERTIFICATE REQUIRED

If applicable, **CONTRACTOR** represents that it has obtained and presently holds the Business Tax Registration Certificate(s) required by the **CITY'S** Business Tax Ordinance, Section 21.00 *et seq.* of the Los Angeles Municipal Code. For the term covered by this Contract, **CONTRACTOR** shall maintain, or obtain as necessary, all such Certificates required of it under the Business Tax Ordinance, and shall not allow any such Certificate to be revoked or suspended.

PSC-17. RETENTION OF RECORDS, AUDIT AND REPORTS

CONTRACTOR shall maintain all records, including records of financial transactions, pertaining to the performance of this Contract, in their original form, in accordance with requirements prescribed by the **CITY**. These records shall be retained for a period of no less than three years following final payment made by the **CITY** hereunder or the expiration date of this Contract, whichever occurs last. Said records shall be subject to examination and audit by authorized **CITY** personnel or by the **CITY'S** representative at any time during the term of this Contract or within the three years following final payment made by the **CITY** hereunder or the expiration date of this Contract, whichever occurs last. **CONTRACTOR** shall provide any reports requested by the **CITY** regarding performance of this Contract. Any subcontract entered into by **CONTRACTOR**, to the extent allowed hereunder, shall include a like provision for work to be performed under this Contract.

PSC-18. FALSE CLAIMS ACT

CONTRACTOR acknowledges that it is aware of liabilities resulting from submitting a false claim for payment by the **CITY** under the False Claims Act (Cal. Gov. Code §§ 12650 et seq.), including treble damages, costs of legal actions to recover payments, and civil penalties of up to \$10,000 per false claim.

PSC-19. BONDS

All bonds which may be required hereunder shall conform to **CITY** requirements established by Charter, ordinance or policy, and shall be filed with the Office of the City Administrative Officer, Risk Management for its review and acceptance in accordance with Sections 11.47 through 11.56 of the Los Angeles Administrative Code.

PSC-20. INDEMNIFICATION

Except for the active negligence or willful misconduct of the **CITY**, or any of its Boards, Officers, Agents, Employees, Assigns and Successors in Interest, **CONTRACTOR** undertakes and agrees to defend, indemnify and hold harmless the **CITY** and any of its Boards, Officers, Agents, Employees, Assigns, and Successors in Interest from and against all suits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by the **CITY**, including but not limited to, costs of experts and consultants), damages or liability of any nature whatsoever, for death or injury to any person, including **CONTRACTOR'S** employees and agents, or damage or destruction of any property of either party hereto or of third parties, arising in any manner by reason of the negligent acts, errors, omissions or willful misconduct incident to the performance of this Contract by **CONTRACTOR** or its subcontractors of any tier. Rights and remedies available to the **CITY** under this provision are cumulative of those provided for elsewhere in this Contract and those allowed under the laws of the United States, the State of California, and the **CITY**. The provisions of PSC-20 shall survive expiration or termination of this Contract.

PSC-21. INTELLECTUAL PROPERTY INDEMNIFICATION

CONTRACTOR, at its own expense, undertakes and agrees to defend, indemnify, and hold harmless the **CITY**, and any of its Boards, Officers, Agents, Employees, Assigns, and Successors in Interest from and against all suits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by the **CITY**, including but not limited to, costs of experts and consultants), damages or liability of any nature whatsoever arising out of the infringement, actual or alleged, direct or contributory, of any intellectual property rights, including, without limitation, patent, copyright, trademark, trade secret, right of publicity and proprietary information right (1) on or in any design, medium, matter, article, process, method, application, equipment, device, instrumentation, software, hardware, or firmware used by **CONTRACTOR**, or its subcontractors of any tier, in performing the work under this Contract; or (2) as a result of the **CITY'S** actual or intended use of any Work Product furnished by **CONTRACTOR**, or its subcontractors of any tier, under the Agreement. Rights and remedies available to the **CITY** under this provision are cumulative of those provided for elsewhere in this Contract and those allowed under the laws of the United States, the State of California, and the **CITY**. The provisions of PSC-21 shall survive expiration or termination of this Contract.

PSC-22. INTELLECTUAL PROPERTY WARRANTY

CONTRACTOR represents and warrants that its performance of all obligations under this Contract does not infringe in any way, directly or contributorily, upon any third party's intellectual property rights, including, without limitation, patents, copyrights, trademarks, trade secrets, rights of publicity and proprietary information.

PSC-23. OWNERSHIP AND LICENSE

Unless otherwise provided for herein, all Work Products originated and prepared by **CONTRACTOR** or its subcontractors of any tier under this Contract shall be and remain the exclusive property of the **CITY** for its use in any manner it deems appropriate. Work Products are all works, tangible or not, created under this Contract including, without limitation, documents, material, data, reports, manuals, specifications, artwork, drawings, sketches, computer programs and databases, schematics, photographs, video and audiovisual recordings, sound recordings, marks, logos, graphic designs, notes, websites, domain names, inventions, processes, formulas matters and combinations thereof, and all forms of intellectual property. **CONTRACTOR** hereby assigns, and agrees to assign, all goodwill, copyright, trademark, patent, trade secret and all other intellectual property rights worldwide in any Work Products originated and prepared by **CONTRACTOR** under this Contract. **CONTRACTOR** further agrees to execute any documents necessary for the **CITY** to perfect, memorialize, or record the **CITY'S** ownership of rights provided herein.

For all Work Products delivered to the **CITY** that are not originated or prepared by **CONTRACTOR** or its subcontractors of any tier under this Contract, **CONTRACTOR** hereby grants a non-exclusive perpetual license to use such Work Products for any **CITY** purposes.

CONTRACTOR shall not provide or disclose any Work Product to any third party without prior written consent of the **CITY**.

Any subcontract entered into by **CONTRACTOR** relating to this Contract, to the extent allowed hereunder, shall include a like provision for work to be performed under this Contract to contractually bind or otherwise oblige its subcontractors performing work under this Contract such that the **CITY'S** ownership and license rights of all Work Products are preserved and protected as intended herein. Failure of **CONTRACTOR** to comply with this requirement or to obtain the compliance of its subcontractors with such obligations shall subject **CONTRACTOR** to the imposition of any and all sanctions allowed by law, including but not limited to termination of **CONTRACTOR'S** contract with the **CITY**.

PSC-24. INSURANCE

During the term of this Contract and without limiting **CONTRACTOR'S** indemnification of the **CITY**, **CONTRACTOR** shall provide and maintain at its own expense a program of insurance having the coverages and limits customarily carried and actually arranged by **CONTRACTOR**, but not less than the amounts and types listed on the Required Insurance and Minimum Limits sheet (Form General 146 in Exhibit 1 hereto), covering its operations hereunder. Such insurance shall conform to **CITY** requirements established by Charter, ordinance or policy, shall comply with the Insurance Contractual Requirements (Form General 133 in Exhibit 1 hereto) and shall otherwise be in a form acceptable to the Office of the City Administrative Officer, Risk Management. **CONTRACTOR** shall comply with all Insurance Contractual Requirements shown on Exhibit 1 hereto. Exhibit 1 is hereby incorporated by reference and made a part of this Contract.

PSC-25. DISCOUNT TERMS

CONTRACTOR agrees to offer the **CITY** any discount terms that are offered to its best customers for the goods and services to be provided hereunder and apply such discount to payments made under this Contract which meet the discount terms.

PSC-26. WARRANTY AND RESPONSIBILITY OF CONTRACTOR

CONTRACTOR warrants that the work performed hereunder shall be completed in a manner consistent with professional standards practiced among those firms within **CONTRACTOR'S** profession, doing the same or similar work under the same or similar circumstances.

PSC-27. NON-DISCRIMINATION

Unless otherwise exempt, this Contract is subject to the non-discrimination provisions in Sections 10.8 through 10.8.2 of the Los Angeles Administrative Code, as amended from time to time. The **CONTRACTOR** shall comply with the applicable non-discrimination and affirmative action provisions of the laws of the United States of America, the State of California, and the **CITY**. In performing this Contract, **CONTRACTOR** shall not discriminate in its employment practices against any employee or applicant for employment because of such person's race, religion, national origin, ancestry, sex, sexual orientation, age, disability, domestic partner status, marital status or medical condition. Any subcontract entered into by **CONTRACTOR**, to the extent allowed hereunder, shall include a like provision for work to be performed under this Contract.

Failure of **CONTRACTOR** to comply with this requirement or to obtain the compliance of its subcontractors with such obligations shall subject **CONTRACTOR** to the imposition of any and all sanctions allowed by law, including but not limited to termination of **CONTRACTOR'S** contract with the **CITY**.

PSC-28. EQUAL EMPLOYMENT PRACTICES

Unless otherwise exempt, this Contract is subject to the equal employment practices provisions in Section 10.8.3 of the Los Angeles Administrative Code, as amended from time to time.

- A. During the performance of this Contract, **CONTRACTOR** agrees and represents that it will provide equal employment practices and **CONTRACTOR** and each subcontractor hereunder will ensure that in his or her employment practices persons are employed and employees are treated equally and without regard to or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.
 - 1. This provision applies to work or service performed or materials manufactured or assembled in the United States.
 - 2. Nothing in this section shall require or prohibit the establishment of new classifications of employees in any given craft, work or service category.
 - 3. **CONTRACTOR** agrees to post a copy of Paragraph A hereof in conspicuous places at its place of business available to employees and applicants for employment.
- B. **CONTRACTOR** will, in all solicitations or advertisements for employees placed by or on behalf of **CONTRACTOR**, state that all qualified applicants will receive consideration for employment without regard to their race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.
- C. As part of the **CITY'S** supplier registration process, and/or at the request of the awarding authority, or the Board of Public Works, Office of Contract Compliance, **CONTRACTOR** shall certify in the specified format that he or she has not discriminated in the performance of **CITY** contracts against any employee or applicant for employment on the basis or because of race, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status or medical condition.
- D. **CONTRACTOR** shall permit access to and may be required to provide certified copies of all of his or her records pertaining to employment and to employment practices by the awarding authority or the Office of Contract Compliance for the purpose of investigation to ascertain compliance with the Equal Employment Practices provisions of **CITY**

contracts. On their or either of their request **CONTRACTOR** shall provide evidence that he or she has or will comply therewith.

- E. The failure of any **CONTRACTOR** to comply with the Equal Employment Practices provisions of this Contract may be deemed to be a material breach of **CITY** contracts. Such failure shall only be established upon a finding to that effect by the awarding authority, on the basis of its own investigation or that of the Board of Public Works, Office of Contract Compliance. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard has been given to **CONTRACTOR**.
- F. Upon a finding duly made that **CONTRACTOR** has failed to comply with the Equal Employment Practices provisions of a **CITY** contract, the contract may be forthwith canceled, terminated or suspended, in whole or in part, by the awarding authority, and all monies due or to become due hereunder may be forwarded to and retained by the **CITY**. In addition thereto, such failure to comply may be the basis for a determination by the awarding authority or the Board of Public Works that the **CONTRACTOR** is an irresponsible bidder or proposer pursuant to the provisions of Section 371 of the Charter of the City of Los Angeles. In the event of such a determination, **CONTRACTOR** shall be disqualified from being awarded a contract with the **CITY** for a period of two years, or until **CONTRACTOR** shall establish and carry out a program in conformance with the provisions hereof.
- G. Notwithstanding any other provision of this Contract, the **CITY** shall have any and all other remedies at law or in equity for any breach hereof.
- H. Intentionally blank.
- I. Nothing contained in this Contract shall be construed in any manner so as to require or permit any act which is prohibited by law.
- J. At the time a supplier registers to do business with the **CITY**, or when an individual bid or proposal is submitted, **CONTRACTOR** shall agree to adhere to the Equal Employment Practices specified herein during the performance or conduct of **CITY** Contracts.
- K. Equal Employment Practices shall, without limitation as to the subject or nature of employment activity, be concerned with such employment practices as:
 - 1. Hiring practices;
 - 2. Apprenticeships where such approved programs are functioning, and other on-the-job training for non-apprenticeable occupations;
 - 3. Training and promotional opportunities; and
 - 4. Reasonable accommodations for persons with disabilities.
- L. Any subcontract entered into by **CONTRACTOR**, to the extent allowed hereunder, shall include a like provision for work to be performed under this Contract. Failure of **CONTRACTOR** to comply with this requirement or to obtain the compliance of its subcontractors with all such obligations shall subject **CONTRACTOR** to the imposition of any and all sanctions allowed by law, including but not limited to termination of the **CONTRACTOR'S** Contract with the **CITY**.

PSC-29. AFFIRMATIVE ACTION PROGRAM

Unless otherwise exempt, this Contract is subject to the affirmative action program provisions in Section 10.8.4 of the Los Angeles Administrative Code, as amended from time to time.

- A. During the performance of a **CITY** contract, **CONTRACTOR** certifies and represents that **CONTRACTOR** and each subcontractor hereunder will adhere to an affirmative action program to ensure that in its employment practices, persons are employed and employees are treated equally and without regard to or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition
 - 1. This provision applies to work or services performed or materials manufactured or assembled in the United States.
 - 2. Nothing in this section shall require or prohibit the establishment of new classifications of employees in any given craft, work or service category.
 - 3. **CONTRACTOR** shall post a copy of Paragraph A hereof in conspicuous places at its place of business available to employees and applicants for employment.
- B. **CONTRACTOR** will, in all solicitations or advertisements for employees placed by or on behalf of **CONTRACTOR**, state that all qualified applicants will receive consideration for employment without regard to their race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.
- C. As part of the **CITY'S** supplier registration process, and/or at the request of the awarding authority or the Office of Contract Compliance, **CONTRACTOR** shall certify on an electronic or hard copy form to be supplied, that **CONTRACTOR** has not discriminated in the performance of **CITY** contracts against any employee or applicant for employment on the basis or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition..
- D. **CONTRACTOR** shall permit access to and may be required to provide certified copies of all of its records pertaining to employment and to its employment practices by the awarding authority or the Office of Contract Compliance, for the purpose of investigation to ascertain compliance with the Affirmative Action Program provisions of **CITY** contracts, and on their or either of their request to provide evidence that it has or will comply therewith.
- E. The failure of any **CONTRACTOR** to comply with the Affirmative Action Program provisions of **CITY** contracts may be deemed to be a material breach of contract. Such failure shall only be established upon a finding to that effect by the awarding authority, on the basis of its own investigation or that of the Board of Public Works, Office of Contract Compliance. No such finding shall be made except upon a full and fair hearing after notice and an opportunity to be heard has been given to **CONTRACTOR**.
- F. Upon a finding duly made that **CONTRACTOR** has breached the Affirmative Action Program provisions of a **CITY** contract, the contract may be forthwith cancelled, terminated or suspended, in whole or in part, by the awarding authority, and all monies due or to become due hereunder may be forwarded to and retained by the **CITY**. In addition thereto, such breach may be the basis for a determination by the awarding authority or the Board of Public Works that the said **CONTRACTOR** is an irresponsible bidder or proposer pursuant to the provisions of Section 371 of the Los Angeles City Charter. In the event of such determination, such **CONTRACTOR** shall be disqualified

from being awarded a contract with the **CITY** for a period of two years, or until he or she shall establish and carry out a program in conformance with the provisions hereof.

- G. In the event of a finding by the Fair Employment and Housing Commission of the State of California, or the Board of Public Works of the City of Los Angeles, or any court of competent jurisdiction, that **CONTRACTOR** has been guilty of a willful violation of the California Fair Employment and Housing Act, or the Affirmative Action Program provisions of a **CITY** contract, there may be deducted from the amount payable to **CONTRACTOR** by the **CITY** under the contract, a penalty of ten dollars (\$10.00) for each person for each calendar day on which such person was discriminated against in violation of the provisions of a **CITY** contract.
- H. Notwithstanding any other provisions of a **CITY** contract, the **CITY** shall have any and all other remedies at law or in equity for any breach hereof.
- I. Intentionally blank.
- J. Nothing contained in **CITY** contracts shall be construed in any manner so as to require or permit any act which is prohibited by law.
- K. **CONTRACTOR** shall submit an Affirmative Action Plan which shall meet the requirements of this chapter at the time it submits its bid or proposal or at the time it registers to do business with the **CITY**. The plan shall be subject to approval by the Office of Contract Compliance prior to award of the contract. The awarding authority may also require contractors and suppliers to take part in a pre-registration, pre-bid, pre-proposal, or pre- award conference in order to develop, improve or implement a qualifying Affirmative Action Plan. Affirmative Action Programs developed pursuant to this section shall be effective for a period of twelve months from the date of approval by the Office of Contract Compliance. In case of prior submission of a plan, **CONTRACTOR** may submit documentation that it has an Affirmative Action Plan approved by the Office of Contract Compliance within the previous twelve months. If the approval is 30 days or less from expiration, **CONTRACTOR** must submit a new Plan to the Office of Contract Compliance and that Plan must be approved before the contract is awarded.
 - 1. Every contract of \$5,000 or more which may provide construction, demolition, renovation, conservation or major maintenance of any kind shall in addition comply with the requirements of Section 10.13 of the Los Angeles Administrative Code.
 - 2. **CONTRACTOR** may establish and adopt as its own Affirmative Action Plan, by affixing his or her signature thereto, an Affirmative Action Plan prepared and furnished by the Office of Contract Compliance, or it may prepare and submit its own Plan for approval.
- L. The Office of Contract Compliance shall annually supply the awarding authorities of the **CITY** with a list of contractors and suppliers who have developed Affirmative Action Programs. For each contractor and supplier the Office of Contract Compliance shall state the date the approval expires. The Office of Contract Compliance shall not withdraw its approval for any Affirmative Action Plan or change the Affirmative Action Plan after the date of contract award for the entire contract term without the mutual agreement of the awarding authority and **CONTRACTOR**.
- M. The Affirmative Action Plan required to be submitted hereunder and the pre-registration, pre-bid, pre-proposal or pre-award conference which may be required by the Board of Public Works, Office of Contract Compliance or the awarding authority shall, without

limitation as to the subject or nature of employment activity, be concerned with such employment practices as:

1. Apprenticeship where approved programs are functioning, and other on-the-job training for non-apprenticeable occupations;
 2. Classroom preparation for the job when not apprenticeable;
 3. Pre-apprenticeship education and preparation;
 4. Upgrading training and opportunities;
 5. Encouraging the use of contractors, subcontractors and suppliers of all racial and ethnic groups, provided, however, that any contract subject to this ordinance shall require the contractor, subcontractor or supplier to provide not less than the prevailing wage, working conditions and practices generally observed in private industries in the contractor's, subcontractor's or supplier's geographical area for such work;
 6. The entry of qualified women, minority and all other journeymen into the industry; and
 7. The provision of needed supplies or job conditions to permit persons with disabilities to be employed, and minimize the impact of any disability.
- N. Any adjustments which may be made in the contractor's or supplier's workforce to achieve the requirements of the CITY'S Affirmative Action Contract Compliance Program in purchasing and construction shall be accomplished by either an increase in the size of the workforce or replacement of those employees who leave the workforce by reason of resignation, retirement or death and not by termination, layoff, demotion or change in grade.
- O. Affirmative Action Agreements resulting from the proposed Affirmative Action Plan or the pre-registration, pre-bid, pre-proposal or pre-award conferences shall not be confidential and may be publicized by the contractor at his or her discretion. Approved Affirmative Action Agreements become the property of the CITY and may be used at the discretion of the CITY in its Contract Compliance Affirmative Action Program.
- P. Intentionally blank.
- Q. All contractors subject to the provisions of this section shall include a like provision in all subcontracts awarded for work to be performed under the contract with the **CITY** and shall impose the same obligations, including but not limited to filing and reporting obligations, on the subcontractors as are applicable to the contractor. Failure of the contractor to comply with this requirement or to obtain the compliance of its subcontractors with all such obligations shall subject the contractor to the imposition of any and all sanctions allowed by law, including but not limited to termination of the contractor's contract with the **CITY**.

PSC-30. CHILD SUPPORT ASSIGNMENT ORDERS

This Contract is subject to the Child Support Assignment Orders Ordinance, Section 10.10 of the Los Angeles Administrative Code, as amended from time to time. Pursuant to the Child Support Assignment Orders Ordinance, **CONTRACTOR** will fully comply with all applicable State and Federal employment reporting requirements for **CONTRACTOR'S** employees. **CONTRACTOR** shall also certify (1) that the

STANDARD PROVISIONS

FOR CITY CONTRACTS (Rev. 3/09)

4827-8414-0052.11

Principal Owner(s) of **CONTRACTOR** are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (2) that **CONTRACTOR** will fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with Section 5230, *et seq.* of the California Family Code; and (3) that **CONTRACTOR** will maintain such compliance throughout the term of this Contract.

Pursuant to Section 10.10(b) of the Los Angeles Administrative Code, the failure of **CONTRACTOR** to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment Orders or Notices of Assignment, or the failure of any Principal Owner(s) of **CONTRACTOR** to comply with any Wage and Earnings Assignment Orders or Notices of Assignment applicable to them personally, shall constitute a default by the **CONTRACTOR** under this Contract, subjecting this Contract to termination if such default shall continue for more than ninety (90) days after notice of such default to **CONTRACTOR** by the CITY.

Any subcontract entered into by **CONTRACTOR**, to the extent allowed hereunder, shall include a like provision for work to be performed under this Contract. Failure of **CONTRACTOR** to obtain compliance of its subcontractors shall constitute a default by **CONTRACTOR** under this Contract, subjecting this Contract to termination where such default shall continue for more than ninety (90) days after notice of such default to **CONTRACTOR** by the CITY.

CONTRACTOR certifies that, to the best of its knowledge, it is fully complying with the Earnings Assignment Orders of all employees, and is providing the names of all new employees to the New Hire Registry maintained by the Employment Development Department as set forth in Section 7110(b) of the California Public Contract Code.

PSC-31. LIVING WAGE ORDINANCE AND SERVICE CONTRACTOR WORKER RETENTION ORDINANCE

- A. Unless otherwise exempt, this Contract is subject to the applicable provisions of the Living Wage Ordinance (LWO), Section 10.37 *at seq.* of the Los Angeles Administrative Code, as amended from time to time, and the Service Contractor Worker Retention Ordinance (SCWRO), Section 10.36 *et seq.*, of the Los Angeles Administrative Code, as amended from time to time. These Ordinances require the following:
1. **CONTRACTOR** assures payment of a minimum initial wage rate to employees as defined in the LWO and as may be adjusted each July 1 and provision of compensated and uncompensated days off and health benefits, as defined in the LWO.
 2. **CONTRACTOR** further pledges that it will comply with federal law proscribing retaliation for union organizing and will not retaliate for activities related to the LWO. **CONTRACTOR** shall require each of its subcontractors within the meaning of the LWO to pledge to comply with the terms of federal law proscribing retaliation for union organizing. **CONTRACTOR** shall deliver the executed pledges from each such subcontractor to the CITY within ninety (90) days of the execution of the subcontract. **CONTRACTOR'S** delivery of executed pledges from each such subcontractor shall fully discharge the obligation of **CONTRACTOR** with respect to such pledges and fully discharge the obligation of **CONTRACTOR** to comply with the provision in the LWO contained in Section 10.37.6(c) concerning compliance with such federal law.
 3. **CONTRACTOR**, whether an employer, as defined in the LWO, or any other person employing individuals, shall not discharge, reduce in compensation, or otherwise discriminate against any employee for complaining to the CITY with regard to the employer's compliance or anticipated compliance with the LWO,

for opposing any practice proscribed by the LWO, for participating in proceedings related to the LWO, for seeking to enforce his or her rights under the LWO by any lawful means, or otherwise asserting rights under the LWO. **CONTRACTOR** shall post the Notice of Prohibition Against Retaliation provided by the **CITY**.

4. Any subcontract entered into by **CONTRACTOR** relating to this Contract, to the extent allowed hereunder, shall be subject to the provisions of PSC-31 and shall incorporate the provisions of the LWO and the SCWRO.
 5. **CONTRACTOR** shall comply with all rules, regulations and policies promulgated by the **CITY'S** Designated Administrative Agency which may be amended from time to time.
- B. Under the provisions of Sections 10.36.3(c) and 10.37.6(c) of the Los Angeles Administrative Code, the **CITY** shall have the authority, under appropriate circumstances, to terminate this Contract and otherwise pursue legal remedies that may be available if the **CITY** determines that the subject **CONTRACTOR** has violated provisions of either the LWO or the SCWRO, or both.
- C. Where under the LWO Section 10.37.6(d), the **CITY'S** Designated Administrative Agency has determined (a) that **CONTRACTOR** is in violation of the LWO in having failed to pay some or all of the living wage, and (b) that such violation has gone uncured, the **CITY** in such circumstances may impound monies otherwise due **CONTRACTOR** in accordance with the following procedures. Impoundment shall mean that from monies due **CONTRACTOR**, **CITY** may deduct the amount determined to be due and owing by **CONTRACTOR** to its employees. Such monies shall be placed in the holding account referred to in LWO Section 10.37.6(d)(3) and disposed of under procedures described therein through final and binding arbitration. Whether **CONTRACTOR** is to continue work following an impoundment shall remain in the sole discretion of the **CITY**. **CONTRACTOR** may not elect to discontinue work either because there has been an impoundment or because of the ultimate disposition of the impoundment by the arbitrator.
- D. **CONTRACTOR** shall inform employees making less than Twelve Dollars (\$12.00) per hour of their possible right to the federal Earned Income Credit (EIC). **CONTRACTOR** shall also make available to employees the forms informing them about the EIC and forms required to secure advance EIC payments from **CONTRACTOR**.

PSC-32. AMERICANS WITH DISABILITIES ACT

CONTRACTOR hereby certifies that it will comply with the Americans with Disabilities Act, 42 U.S.C. §§ 12101 *et seq.*, and its implementing regulations. **CONTRACTOR** will provide reasonable accommodations to allow qualified individuals with disabilities to have access to and to participate in its programs, services and activities in accordance with the provisions of the Americans with Disabilities Act. **CONTRACTOR** will not discriminate against persons with disabilities nor against persons due to their relationship to or association with a person with a disability. Any subcontract entered into by **CONTRACTOR**, relating to this Contract, to the extent allowed hereunder, shall be subject to the provisions of this paragraph.

PSC-33. CONTRACTOR RESPONSIBILITY ORDINANCE

Unless otherwise exempt, this Contract is subject to the provisions of the Contractor Responsibility Ordinance, Section 10.40 *et seq.*, of the Los Angeles Administrative Code, as amended from time to time, which requires **CONTRACTOR** to update its responses to the responsibility questionnaire within

thirty calendar days after any change to the responses previously provided if such change would affect **CONTRACTOR'S** fitness and ability to continue performing this Contract.

In accordance with the provisions of the Contractor Responsibility Ordinance, by signing this Contract, **CONTRACTOR** pledges, under penalty of perjury, to comply with all applicable federal, state and local laws in the performance of this Contract, including but not limited to, laws regarding health and safety, labor and employment, wages and hours, and licensing laws which affect employees. **CONTRACTOR** further agrees to: (1) notify the **CITY** within thirty calendar days after receiving notification that any government agency has initiated an investigation which may result in a finding that **CONTRACTOR** is not in compliance with all applicable federal, state and local laws in performance of this Contract; (2) notify the **CITY** within thirty calendar days of all findings by a government agency or court of competent jurisdiction that **CONTRACTOR** has violated the provisions of Section 10.40.3(a) of the Contractor Responsibility Ordinance; (3) unless exempt, ensure that its subcontractor(s), as defined in the Contractor Responsibility Ordinance, submit a Pledge of Compliance to the **CITY**; and (4) unless exempt, ensure that its subcontractor(s), as defined in the Contractor Responsibility Ordinance, comply with the requirements of the Pledge of Compliance and the requirement to notify the **CITY** within thirty calendar days after any government agency or court of competent jurisdiction has initiated an investigation or has found that the subcontractor has violated Section 10.40.3(a) of the Contractor Responsibility Ordinance in performance of the subcontract.

PSC-34. MINORITY, WOMEN, AND OTHER BUSINESS ENTERPRISE OUTREACH PROGRAM

CONTRACTOR agrees and obligates itself to utilize the services of Minority, Women and Other Business Enterprise firms on a level so designated in its proposal, if any. **CONTRACTOR** certifies that it has complied with Mayoral Directive 2001-26 regarding the Outreach Program for Personal Services Contracts Greater than \$100,000, if applicable. **CONTRACTOR** shall not change any of these designated subcontractors, nor shall **CONTRACTOR** reduce their level of effort, without prior written approval of the **CITY**, provided that such approval shall not be unreasonably withheld.

PSC-35. EQUAL BENEFITS ORDINANCE

Unless otherwise exempt, this Contract is subject to the provisions of the Equal Benefits Ordinance (EBO), Section 10.8.2.1 of the Los Angeles Administrative Code, as amended from time to time.

During the performance of the Contract, **CONTRACTOR** certifies and represents that **CONTRACTOR** will comply with the EBO.

- A. The failure of **CONTRACTOR** to comply with the EBO will be deemed to be a material breach of this Contract by the **CITY**.
- B. If **CONTRACTOR** fails to comply with the EBO the **CITY** may cancel, terminate or suspend this Contract, in whole or in part, and all monies due or to become due under this Contract may be retained by the **CITY**. The **CITY** may also pursue any and all other remedies at law or in equity for any breach.
- C. Failure to comply with the EBO may be used as evidence against **CONTRACTOR** in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40 *et seq.*, Contractor Responsibility Ordinance.
- D. If the **CITY'S** Designated Administrative Agency determines that a **CONTRACTOR** has set up or used its contracting entity for the purpose of evading the intent of the EBO, the **CITY** may terminate the Contract. Violation of this provision may be used as evidence against **CONTRACTOR** in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40 *et seq.*, Contractor Responsibility Ordinance.

CONTRACTOR shall post the following statement in conspicuous places at its place of business available to employees and applicants for employment:

"During the performance of a Contract with the City of Los Angeles, the Contractor will provide equal benefits to its employees with spouses and its employees with domestic partners. Additional information about the City of Los Angeles' Equal Benefits Ordinance may be obtained from the Department of Public Works, Office of Contract Compliance at (213) 847-1922."

PSC-36. SLAVERY DISCLOSURE ORDINANCE

Unless otherwise exempt, this Contract is subject to the Slavery Disclosure Ordinance, Section 10.41 of the Los Angeles Administrative Code, as amended from time to time. CONTRACTOR certifies that it has complied with the applicable provisions of the Slavery Disclosure Ordinance. Failure to fully and accurately complete the affidavit may result in termination of this Contract.

EXHIBIT 1

INSURANCE CONTRACTUAL REQUIREMENTS

CONTACT For additional information about compliance with City Insurance and Bond requirements, contact the Office of the City Administrative Officer, Risk Management at (213) 978-RISK (7475) or go online at www.lacity.org/cao/risk. The City approved Bond Assistance Program is available for those contractors who are unable to obtain the City-required performance bonds. A City approved insurance program may be available as a low cost alternative for contractors who are unable to obtain City-required insurance.

CONTRACTUAL REQUIREMENTS

CONTRACTOR AGREES THAT:

1. **Additional Insured/Loss Payee.** The **CITY** must be included as an Additional Insured in applicable liability policies to cover the **CITY'S** liability arising out of the acts or omissions of the named insured. The **CITY** is to be named as an Additional Named Insured and a Loss Payee As Its Interests May Appear in property insurance in which the **CITY** has an interest, e.g., as a lien holder.
2. **Notice of Cancellation.** All required insurance will be maintained in full force for the duration of its business with the **CITY**. By ordinance, all required insurance must provide at least thirty (30) days' prior written notice (ten (10) days for non-payment of premium) directly to the **CITY** if your insurance company elects to cancel or materially reduce coverage or limits prior to the policy expiration date, for any reason except impairment of an aggregate limit due to prior claims.
3. **Primary Coverage.** CONTRACTOR will provide coverage that is primary with respect to any insurance or self-insurance of the **CITY**. The **CITY'S** program shall be excess of this insurance and non-contributing.
4. **Modification of Coverage.** The **CITY** reserves the right at any time during the term of this Contract to change the amounts and types of insurance required hereunder by giving **CONTRACTOR** ninety (90) days' advance written notice of such change. If such change should result in substantial additional cost to **CONTRACTOR**, the **CITY** agrees to negotiate additional compensation proportional to the increased benefit to the **CITY**.
5. **Failure to Procure Insurance.** All required insurance must be submitted and approved by the Office of the City Administrative Officer, Risk Management prior to the inception of any operations by **CONTRACTOR**.

CONTRACTOR'S failure to procure or maintain required insurance or a self-insurance program during the entire term of this Contract shall constitute a material breach of this Contract under which the **CITY** may immediately suspend or terminate this Contract or, at its discretion, procure or renew such insurance to protect the **CITY'S** interests and pay any and all premiums in connection therewith and recover all monies so paid from **CONTRACTOR**.

6. **Workers' Compensation.** By signing this Contract, **CONTRACTOR** hereby certifies that it is aware of the provisions of Section 3700 et seq., of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and that it will comply with such provisions at all time during the performance of the work pursuant to this Contract.
7. **California Licensee.** All insurance must be provided by an insurer admitted to do business in California or written through a California-licensed surplus lines broker or through an insurer otherwise acceptable to the **CITY**. Non-admitted coverage must contain a Service of Suit clause

in which the underwriters agree to submit as necessary to the jurisdiction of a California court in the event of a coverage dispute. Service of process for this purpose must be allowed upon an agent in California designated by the insurer or upon the California Insurance Commissioner.

8. **Aggregate Limits/Impairment.** If any of the required insurance coverages contain annual aggregate limits, **CONTRACTOR** must give the **CITY** written notice of any pending claim or lawsuit which will materially diminish the aggregate within thirty (30) days of knowledge of same. You must take appropriate steps to restore the impaired aggregates or provide replacement insurance protection within thirty (30) days of knowledge of same. The **CITY** has the option to specify the minimum acceptable aggregate limit for each line of coverage required. No substantial reductions in scope of coverage which may affect the **CITY'S** protection are allowed without the **CITY'S** prior written consent.

9. **Commencement of Work.** For purposes of insurance coverage only, this Contract will be deemed to have been executed immediately upon any party hereto taking any steps that can be considered to be in furtherance of or towards performance of this Contract. The requirements in this Section supersede all other sections and provisions of this Contract, including, but not limited to, PSC-4, to the extent that any other section or provision conflicts with or impairs the provisions of this Section.

Exhibit 1 (Continued)
Required Insurance and Minimum Limits

Name: _____ Date: _____

Agreement/Reference: _____
Evidence of coverages checked below, with the specified minimum limits, must be submitted and approved prior to occupancy/start of operations. Amounts shown are Combined Single Limits ("CSLs"). For Automobile Liability, split limits may be substituted for a CSL if the total per occurrence equals or exceeds the CSL amount.

Limits

Workers' Compensation — Workers' Compensation (WC) and Employer's Liability (EL)

- | | | |
|---|---|---------------------|
| <input type="checkbox"/> Waiver of Subrogation in favor of City | <input type="checkbox"/> Longshore & Harbor Workers | WC <u>Statutory</u> |
| | <input type="checkbox"/> Jones Act | EL _____ |

_____ General Liability _____

<input type="checkbox"/> Products/Completed Operations	<input type="checkbox"/> Sexual Misconduct	_____
<input type="checkbox"/> Fire Legal Liability		
<input type="checkbox"/> _____		_____

_____ Automobile Liability (for any and all vehicles used for this Contract, other than commuting to/from work) _____

_____ Professional Liability (Errors and Omissions) _____

_____ Property Insurance (to cover replacement cost of building — as determined by insurance company)

<input type="checkbox"/> All Risk Coverage	<input type="checkbox"/> Boiler and Machinery	_____
<input type="checkbox"/> Flood	<input type="checkbox"/> Builder's Risk	
<input type="checkbox"/> Earthquake	<input type="checkbox"/> _____	_____

_____ Pollution Liability _____

_____ Surety Bonds — Performance and Payment (Labor and Materials) Bonds 100 % of Contract Price

_____ Crime Insurance _____

Other: _____

**EXHIBIT C
MEMORANDUM OF LEASE**

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City OF LOS ANGELES
DEPARTMENT OF GENERAL SERVICES
c/o Office of the City Attorney
Michael N. Feuer, City Attorney
Annette Bogna, Deputy City Attorney
Real Property/Environment Division
700 City Hall East
200 North Main Street
Los Angeles, California 90012

**Free recording in accordance with
California Government Code section 6103**

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE ("Memorandum") is made as of the date of attestation by the City Clerk of the City of Los Angeles of page 2 of this Memorandum, by and between La Kretz Innovation Campus, a California non-profit public benefit corporation, as Landlord ("La Kretz") and Department of Water and Power of the City of Los Angeles ("LADWP"), with a principal mailing address at _____, California, as Tenant, who agree as follows:

1. **Term and Premises.** La Kretz leases to LADWP, and La Kretz leases from LADWP, the real property located in the City of Los Angeles, County of Los Angeles, State of California, described as:

_____, for a term of Thirty (30) Years, commencing on or about the date of this Memorandum on the provisions of the lease between the parties, which lease ("Lease") is dated on the same date as this Memorandum. These provisions are incorporated into this Memorandum by reference.

2. **Provisions Binding on La Kretz.** The provisions of the Lease to be performed by La Kretz, whether affirmative or negative in nature, are intended to and shall bind Landlord and its successors and assigns at any time, and shall inure to the benefit of La Kretz and its successors and assigns.

3. **Provisions Binding on LADWP.** The provisions of the Lease to be performed by LADWP, whether affirmative or negative in nature, are intended to and shall bind LADWP and its successors and assigns at any time, and shall inure to the benefit of LADWP and its successors and assigns.

4. **Purpose of Memorandum.** This Memorandum is prepared for the purpose of recordation, and it in no way modifies the provisions of the Lease.

5. **Reference to Lease for All Purposes.** Reference is hereby made to the entire Lease for any and all purposes. A true copy of the Lease is on file with the City Clerk of the City of Los Angeles, whose office is Room 360, City Hall, 200 North Spring Street, Los Angeles, California 90012.

LADWP:

CITY OF LOS ANGELES, acting by and through its DEPARTMENT OF WATER AND POWER BY BOARD OF WATER AND POWER COMMISSIONERS OF THE CITY OF LOS ANGELES

By: _____
Ronald O. Nichols
General Manager

Date: _____

And: _____
Barbara E. Moschos
Secretary

[Signature Page 1 of 2 to Lease Agreement]

LANDLORD:

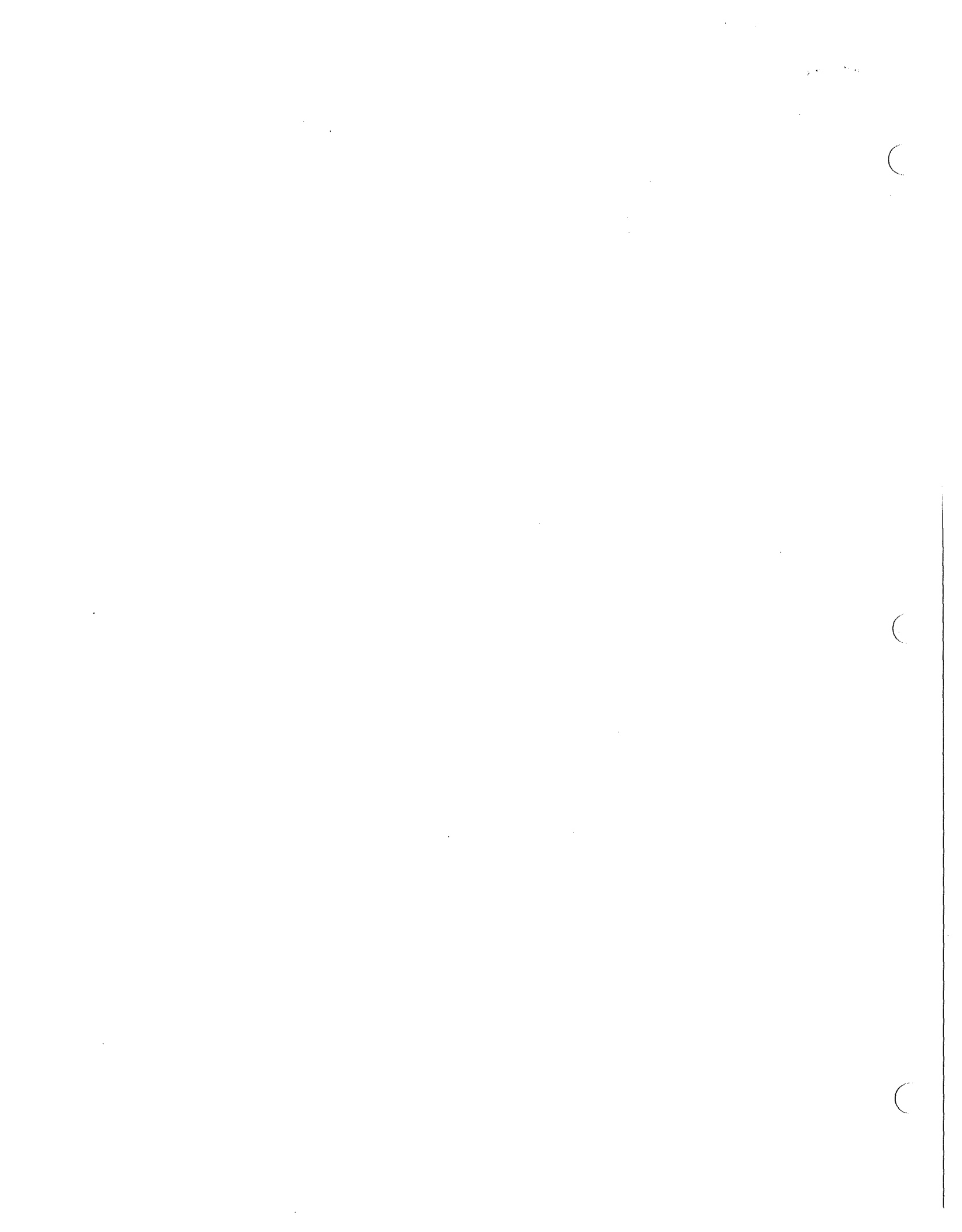
LA KRETZ INNOVATION CAMPUS, a
California nonprofit public benefit corporation

By _____
Name _____
Title _____
DATE: _____

[SIGNATURE PAGE 2 OF 2 TO LEASE AGREEMENT]

**EXHIBIT D
DEVELOPMENT SERVICES AGREEMENT**

[See attached]



4

SNDA related to Master Lease

After recording, Return to:

THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT (this "Agreement") dated as of this _____ day of _____ 2013, by and among **Clearinghouse NMTC (Sub 30), LLC**, a California limited liability company, having an office at c/o Clearinghouse CDFI, 23861 El Toro Road, Suite 401, Lake Forest, CA 92630, Attention: Jay Harrison; **Consortium America XXXIII, LLC**, a Delaware limited liability company, having an office at 3299 K Street NW, Suite 700, Washington, DC 20007 Attention: [____]; **URP Subsidiary CDE XVII, LLC**, a Maryland limited liability company, having an office at c/o Townsend Capital, LLC, 11311 McCormick Road Suite 470, Hunt Valley, MD 21031, Attention: Josh Ferguson; **LADF IX, LLC**, a California limited liability company, having an office at Los Angeles Development Fund, 1200 W. 7th Street, 8th Floor, Los Angeles CA 90017, Attention: Sandy Rahimi; **USBCDE Sub-CDE 92, LLC**, a Missouri limited liability company having an office at c/o USBCDC, 1307 Washington Ave, Suite 300, St. Louis, MO 63103, Attention: Director of Asset Management NMTC (collectively, the "Lender"); **La Kretz Innovation Campus** (the "Landlord"), with an address at [____] Hewitt Street, Los Angeles, California], Attention: Kelli Bernard; and **City of Los Angeles**, a municipal corporation acting by and through its **Department of Water and Power** (the "Tenant"), with an address at 111 N. Hope Street, Los Angeles, CA 90012, Attention: _____.

WITNESSETH THAT:

WHEREAS, the Landlord has a leasehold interest in that certain real property located in the City of Los Angeles, California, and more particularly described in Exhibit A attached hereto (the "Property") pursuant to that certain Ground Lease (the "Ground Lease") dated as of _____, 2013 between Tenant, as ground lessor, and Landlord, as ground lessee, a notice of which lease was recorded or is to be recorded in the real estate records of Los Angeles County, California ("State") as instrument number _____; and

WHEREAS, pursuant to a Loan Agreement dated as of _____, 2013 (the "Agreement") and certain promissory notes dated _____, 2013 (collectively, the "Note"), the Lender made certain loans to the Landlord. The obligations under the Agreement and Note are secured by a security instrument covering the Landlord's leasehold interest in and to the Property (the "Security Instrument") dated _____, 2013, from the Landlord to the Lender, and recorded or to be recorded in the real estate records of the aforesaid County and State as instrument number _____ (the Agreement, Note, Security Instrument and any and all other documents executed in connection with the Loan, as the same may be amended, renewed, replaced or supplemented from time to time, collectively the "Loan Documents"); and

WHEREAS, under the terms of that certain Lease Agreement dated _____, 2013 (the "Lease"), a notice of which lease was recorded or is to be recorded in the real estate records of the aforesaid County and State as instrument number _____, the Landlord leased to the

Tenant all of the Property described in the Lease (the "**Demised Premises**") under the terms and conditions more particularly described therein; and

WHEREAS, the Security Instrument provides that the Lease shall be subordinate to the Security Instrument and the parties hereto desire to confirm such subordination and to establish rights of quiet and peaceful possession for the benefit of the Tenant under the Lease and to define the terms, covenants and conditions precedent for such rights.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained and intending to be legally bound, the parties hereto agree as follows:

1. **Subordination of Lease.** The Lease and the entire right, title and interest of the Tenant thereunder are and shall be subject and subordinate in all respects to the lien, right, title and terms of the Loan Documents and, in particular, the Security Instrument and all advances made or to be made thereunder. Notwithstanding any provision to the contrary contained herein, Tenant's fee ownership in and to the Property and the Ground Lease shall not be affected or encumbered by terms and conditions of this Agreement.

2. **Consent of Tenant.** The Tenant acknowledges notice of and consents to the Security Instrument and the terms and conditions thereof. The Tenant agrees to continue making payments of rent and other amounts owed under the Lease to the Landlord, and to otherwise recognize the rights of the Landlord under the Lease, until notified otherwise in writing by the Lender, as herein provided. The Landlord and Tenant agree that, if the Lender delivers to the Tenant a notice stating that a default has occurred under the Loan Documents and requesting that all payments due under the Lease be thereafter paid directly to the Lender, the Tenant shall thereafter make, and is hereby authorized and directed by the Landlord to make, all such payments directly to the Lender, as provided in the Security Instrument, without any duty of further inquiry on the part of the Tenant.

3. **Tenant's Duty to Notify Lender of any Default Under the Lease.** The Tenant shall provide the Lender with prompt notice of any asserted default against the Landlord under the Lease. In the event of any act or omission of the Landlord which would give the Tenant the right, immediately or after lapse of time, to cancel or terminate the Lease, or to claim a partial or total eviction or to exercise any other remedy, the Tenant shall not exercise such right or remedy until Lender has received notice and said default has not been cured within thirty (30) days of receipt of said notice by Lender, said cure period commencing after the end of Landlord's cure period and after Lender is entitled under the Security Instrument to remedy same; provided that the Lender shall give the Tenant written notice of its intention to, and shall commence and continue with due diligence to, remedy such act or omission. Notwithstanding the foregoing, the Lender shall have no obligation to remedy or to continue to remedy any such act or omission.

4. **Nondisturbance of Tenant.** Provided (i) the Lease shall at all times be in full force and effect, (ii) the term of the Lease has commenced, (iii) the Tenant is in actual possession of the Demised Premises, and (iv) the Tenant shall not be in default thereunder or under this Agreement, then:

(a) The right of possession by the Tenant to the Demised Premises and any or all of the Tenant's rights under the Lease shall not be terminated by the Lender (or by anyone claiming

by, through or under the Lender) in the exercise of any of the Lender's rights under the Loan Documents.

(b) The Tenant shall not be named as a party defendant to any foreclosure of the lien of the Security Instrument for the purpose of terminating the Lease, unless Lender is required by any applicable law, order, regulation, rule of court or judicial decision to name the Tenant as a party defendant.

(c) If the Lender or its successors or assigns comes into possession of the Demised Premises (through receivership, as a Lender in possession, or otherwise) or acquires the leasehold interest of the Landlord by foreclosure of the Security Instrument, or by proceedings under the Loan Documents, deed in lieu or otherwise, the Lease shall not be terminated by any such foreclosure or proceedings; and the Lease shall continue in full force and effect upon the Tenant's attornment, as hereinafter provided, as a direct lease between the Tenant and the Lender upon all the terms, covenants, conditions and agreements set forth in the Lease and this Agreement.

(d) If Landlord's leasehold interest in the Property is sold or otherwise disposed of pursuant to any right or power contained in the Loan Documents or as a result of proceedings thereon, the Lease shall not be terminated thereby, and the Foreclosure Purchaser (as that term is defined in Section 14 hereof) of the Landlord's leasehold interest in the Property or any person acquiring title thereto shall so acquire such interest, subject to the Lease; and the Lease shall continue in full force and effect upon the Tenant's attornment, as hereinafter provided, as a direct lease between the Tenant and any party acquiring title to the Landlord's leasehold interest therein, as aforesaid, upon all the terms, covenants, conditions and agreements set forth in the Lease.

5. Attornment of Tenant to Lender or Foreclosure Purchaser. If the Lender or any Foreclosure Purchaser shall succeed to the rights of the Landlord under the Lease, then the Tenant shall attorn to and recognize the Lender or such Foreclosure Purchaser as the Tenant's landlord under the Lease and the Lender or such Foreclosure Purchaser shall be conclusively deemed to have accepted such attornment. Such attornment shall be self-operative and effective without execution and delivery of any further instrument, immediately upon the Lender's or any Foreclosure Purchaser's succession to the interest of the Landlord under the Lease. Upon such attornment, the Lease shall continue in full force and effect as a direct lease between the Lender or such Foreclosure Purchaser and the Tenant except that the Lender shall not be bound by any amendment or modification of the Lease made without the Lender's written consent and except that the Lender or such Foreclosure Purchaser shall not be liable to the Tenant:

(a) For any past act, default or omission on the part of the Landlord or for any accrued obligation of the Landlord under the Lease and the Tenant shall have no right to assert the same or any damages arising therefrom as an offset or defense against the Lender or such Foreclosure Purchaser;

(b) For the commencement or completion of any construction or any contribution toward construction or installation of any improvements upon the Demised Premises, or any expansion or rehabilitation of existing improvements thereon, or for restoration of improvements following any casualty not required to be insured under the Lease or for the costs of any

restoration in excess of the proceeds recovered under any insurance required to be carried under the Lease;

(c) For any prepayment of rent, rental security or any other sums deposited with the Landlord under the Lease and not actually delivered to the Lender or such Foreclosure Purchaser;

(d) For the payment of any leasing commissions or other expenses which the Landlord or any prior landlord shall have failed to pay any third party; or

(e) obligated or liable (financially or otherwise) on account of any representation, warranty, or indemnification obligation of Landlord with respect to hazardous materials, asbestos, or other environmental laws, claims or liabilities, whether expressly stated as such or subsumed within general obligations to comply with laws or preserve the benefits of Tenant's use and enjoyment of the Demised Premises.

The Lender or such Foreclosure Purchaser shall be liable to the Tenant under the Lease only during the Lender's or such Foreclosure Purchaser's period of ownership, and such liability shall not continue or survive as to the transferor after a transfer by the Lender or such Foreclosure Purchaser of its interest in the Lease and the Demised Premises. Notwithstanding anything to the contrary contained herein, officers, directors, shareholders, agents, servants and employees of the Lender shall have no personal liability to Tenant and the liability of the Lender shall be limited to the Lender's interest in the Landlord's leasehold interest in and to the Property.

6. **Modification or Encumbrance of Lease.** Without the Lender's prior written consent, which may be given, conditioned or withheld in Lender's sole discretion (other than as expressly provided below), the Tenant shall not (a) amend or terminate the Lease, (b) prepay any rent or other sums due under the Lease for more than one month in advance of the due dates thereof, (c) voluntarily surrender the Demised Premises, or (d) assign the Lease or sublet the Demised Premises or any part thereof except as permitted under the Lease, (e) encumber all or any portion of Tenant's interest in the Lease; provided, that Lender's consent to amendments to the Lease that do not affect the principal economic terms of the Lease or impair compliance with New Markets Tax Credit program requirements shall not be unreasonably withheld, conditioned or delayed.

7. **Representations of Tenant.** The Tenant represents and warrants to the Lender that as of the date of this Agreement:

(a) the Tenant occupies and is the leasehold owner of the Demised Premises pursuant to the terms of the Lease;

(b) the Lease constitutes the entire agreement between the Landlord and the Tenant with respect to its subject matter, has not been modified (except as noted above) or terminated and, to the best of the Tenant's knowledge, is in full force and effect as of the date of this Agreement;

(c) all rent and other sums due under the Lease have been paid in full, but have not been paid for more than one month in advance of the due dates thereof;

(d) no funds constituting a tenant finish or construction allowance are or will be due from the Landlord to the Tenant, and there is no free rent period provided for in the Lease;

(e) to the best of the Tenant's knowledge, the Landlord is not in default of any of its obligations under the Lease nor has any event occurred which with the giving of notice or passage of time or both would constitute an event of default by the Landlord under the Lease, and the Tenant has no defenses or offsets against the Landlord;

(f) the Tenant is not in default of any of its obligations under the Lease nor has any event occurred which with the giving of notice or passage of time or both would constitute an event of default by the Tenant under the Lease;

(g) the Tenant has not sublet any portion of the Demised Premises, granted any license or concession relating to the Demised Premises or any portion thereof or assigned any or all of its interest in the Lease, except as permitted under the Lease; and

(h) the Tenant has received no notice of any assignment or transfer by Landlord, or proposed assignment or transfer (including for collateral purposes), of the Lease or of the rents reserved in the Lease.

8. Application of Casualty Insurance Proceeds and Condemnation Awards. The Tenant hereby agrees that, notwithstanding anything to the contrary contained in the Lease, the terms and provisions of the Security Instrument with respect to the application of casualty insurance proceeds and condemnation awards shall control.

9. Confirmation of Lease Status. The Landlord and the Tenant hereby agree that, upon the Lender's request, they shall from time to time execute and deliver to the Lender, and without charge to the Lender, an estoppel certificate setting forth whatever information the Lender may reasonably require to confirm the current status of the Lease including, without limitation, a confirmation that the Lease is and remains in full force and effect.

10. Notices. All notices, demands, requests, consents, approvals and other communications required or permitted hereunder must be in writing and will be effective upon receipt. Such notices and other communications may be hand-delivered, sent by facsimile transmission with confirmation of delivery and a copy sent by first-class mail, or sent by nationally recognized overnight courier service, to a party's address set forth above or to such other address as any party may give to the other in writing for such purpose.

11. Changes in Writing. No modification, amendment or waiver of, or consent to any departure from, any provision of this Agreement nor consent to any departure by the Landlord or Tenant therefrom will be effective unless made in a writing signed by the Lender, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on the Landlord or Tenant in any case will entitle the Landlord or Tenant to any other or further notice or demand in the same, similar or other circumstance.

12. **Entire Agreement.** This Agreement constitutes the entire agreement and supersedes all other prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof.

13. **Counterparts.** This Agreement may be signed in any number of counterpart copies and by the parties hereto on separate counterparts, but all such copies shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart. Any party so executing this Agreement by facsimile transmission shall promptly deliver a manually executed counterpart, provided that any failure to do so shall not affect the validity of the counterpart executed by facsimile transmission.

14. **Definitions.** As used in this Agreement, the word "Tenant" shall mean the Tenant and/or the subsequent holder of an interest under the Lease, provided the interest of such holder is acquired in accordance with the terms and provisions of the Lease, the word "Lender" shall mean the Lender or any subsequent holder or holders of the Security Instrument, and the word "Foreclosure Purchaser" shall mean any party other than the Lender acquiring the leasehold interest in and to the Property by purchase at a foreclosure sale, by deed or otherwise. Subject to the foregoing, this Agreement shall bind and inure to the benefit of the Landlord, the Tenant and the Lender, their heirs, legal representatives, successors and assigns.

15. **Governing Law and Jurisdiction.** This Agreement has been delivered to and accepted by the Lender and will be deemed to be made in the State where the Lender's office indicated above is located. **THIS AGREEMENT WILL BE INTERPRETED AND THE RIGHTS AND LIABILITIES OF THE PARTIES HERETO DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA, EXCLUDING ITS CONFLICT OF LAWS RULES.** The Lender, Landlord and the Tenant hereby irrevocably consent to the exclusive jurisdiction of any state or federal court in the State of California. The Lender, the Landlord and the Tenant agree that the venue provided above is the most convenient forum for the Lender, the Landlord and the Tenant. The Landlord and the Tenant waive any objection to venue and any objection based on a more convenient forum that either may have in any action instituted under this Agreement.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

The Landlord and the Tenant acknowledge that each has read and understood all the provisions of this Agreement and has been advised by counsel as necessary or appropriate.

WITNESS the due execution hereof as a document under seal, as of the date first written above.

LANDLORD:

LA KRETZ INNOVATION CAMPUS, a California
nonprofit public benefit corporation

By _____
Name _____
Its _____

ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA ,)
) SS.
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(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf on 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 _____

CLEARINGHOUSE SUB 30:

**Clearinghouse NMTC (Sub 30), LLC
a California limited liability company**

By: Clearinghouse Community
Development Financial Institution,
its Manager

By: _____
Douglas J. Bystry
President and CEO

ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA

)

COUNTY OF LOS ANGELES

) SS.

)

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(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf on 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 _____

CONSORTIUM XXXIII

**Consortium America XXXIII, LLC, a Delaware
limited liability company**

By: Consortium America, LLC,
a Delaware limited liability company,
its managing member

By: TC MidAtlantic Development,
Inc., a Delaware corporation,
its managing member

By: _____
T. Christopher Roth
President

ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA

)

) SS.

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(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf on 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 _____

URP XVII:

**URP Subsidiary CDE XVII, LLC, a Maryland
limited liability company**

By: Urban Research Park CDE, LLC, a
Maryland limited liability company,
its managing member

By _____
Joshua Ferguson
President

LADF IX:

**LADF IX, LLC, a California limited liability
company**

By: LADF MANAGEMENT, INC., a
Delaware corporation,
its managing member

By: _____
Rushmore Cervantes
President

ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA

)

COUNTY OF LOS ANGELES

) SS.

)

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(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf on 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 _____

USB SUB 92:

USBCDE Sub-CDE 92, LLC, a Missouri limited liability company

By: USBCDE LLC, a Delaware limited liability company, its Managing Member

By: U.S. Bancorp Community Development Corporation, a Minnesota corporation, its Managing Member

By: _____
Tina Lin, Authorized Officer

ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA

)

) SS.

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(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf on 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 _____

ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA

)

COUNTY OF LOS ANGELES

) SS.

)

On _____ before me, _____
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subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf on 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 _____

TENANT:

LADWP:

**CITY OF LOS ANGELES, acting by and through its
DEPARTMENT OF WATER AND POWER BY
BOARD OF WATER AND POWER
COMMISSIONERS OF THE CITY OF LOS
ANGELES**

By: _____
Ronald O. Nichols
General Manager

Date: _____

And: _____
Barbara E. Moschos
Secretary

ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA

)

COUNTY OF LOS ANGELES

) SS.

)

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(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf on 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.



5

**Fund Loan Agreement (LKIC Investment
Fund 1)**

FUND LOAN AGREEMENT

THIS FUND LOAN AGREEMENT (the "*Fund Loan Agreement*"), dated as of August [], 2013, is entered into by and between LKIC INVESTMENT FUND 1, LLC, a Missouri limited liability company (the "*Fund Borrower*"), and the CITY OF LOS ANGELES, a municipal corporation acting by and through its DEPARTMENT OF WATER AND POWER (the "*Fund Lender*").

For good and valuable consideration, intending to be legally bound, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Defined Terms. Capitalized terms not otherwise defined herein shall have the meanings set forth in, and the interpretations applicable thereto under the Fund Agreement, as amended and modified from time to time in accordance with its terms. The following terms used herein shall have the following meanings:

"*Advance*" means the sum of all money disbursed by Fund Lender to Fund Borrower hereunder as provided herein for the purposes described in Sections 2.02 and Section 2.03.

"*Bankruptcy Code*" means any Section or Chapter of the United States Bankruptcy Code.

"*Business Day*" means any day other than a Saturday; Sunday or any legal holiday on which banks in St. Louis, Missouri or Los Angeles, California are authorized or required to close.

"*CDEs*" means, collectively, the Consortium CDE, the Clearinghouse CDE, the LADF CDE and the URP CDE.

"*CDE Agreements*" means, collectively, the Clearinghouse CDE Agreement, the Consortium CDE Agreement, the LADF CDE Agreement and the URP CDE Agreement.

"*CDE Loan Agreement*" means that certain Loan Agreement dated as of the date hereof, by and between CDEs, USB CDE and QALICB, as amended, restated or modified from time to time.

"*CDE Loan Documents*" means the CDE Loan Agreement and all other instruments and agreements which evidence, secure or are otherwise executed in connection with the CDE Loan, including all amendments, modifications, renewals, extensions, restatements and replacements thereof.

"*CDE Loan*" means that certain loan in the aggregate principal amount of \$[42,460,000] made by CDEs and USB CDE to QALICB pursuant to the CDE Loan Documents.

"*Clearinghouse CDE*" means Clearinghouse NMTC (Sub 30), LLC, a California limited liability company.

“*Clearinghouse CDE Agreement*” means that certain Amended and Restated Operating Agreement of the Clearinghouse CDE dated as of even date herewith, and all amendments and modifications thereto.

“*Consortium CDE*” means Consortium America XXXIII, LLC, a Delaware limited liability company.

“*Consortium CDE Agreement*” means that certain Amended and Restated Operating Agreement of the Consortium CDE dated as of even date herewith, and all amendments and modifications thereto.

“*Default*” means any of the events specified in Section 7.01 hereof, whether or not any requirement for the giving of notice, the lapse of time, or both, or any other condition, has been satisfied.

“*Default Rate*” means a rate of interest per annum equal to five percent (5%) in excess of the rate of interest otherwise payable under this Fund Loan Agreement.

“*Event of Default*” has the meaning set forth in Section 7.01.

“*Fund Agreement*” means that certain Operating Agreement of Fund Borrower by and between USBCDC, as the sole member, and Manager, as manager, dated as of even date herewith.

“*Fund Loan*” has the meaning set forth in Section 2.01 of this Fund Loan Agreement.

“*Fund Loan Agreement*” has the meaning set forth in the Preamble hereof.

“*Fund Loan Documents*” means, collectively, each and every agreement, document and instrument now or hereafter executed in connection with this Fund Loan Agreement or evidencing, securing or otherwise ancillary to the Fund Loan as the same may from time to time be modified, amended, restated or replaced, including, without limitation, the following loan documents:

- (a) this Fund Loan Agreement;
- (b) the Note;
- (c) the Fund Pledge Agreement; and
- (d) the UCC Financing Statement showing Fund Borrower as debtor and Fund Lender as secured party with respect to the security interests granted under the Fund Pledge Agreement.

“*Fund Obligations*” means the outstanding principal of and interest on the Fund Loan and the Note and all fees and other amounts (other than principal and interest) due and payable to Fund Lender under the Fund Loan Documents. Interest shall include any interest that accrues after the commencement of an Insolvency Proceeding with respect to Fund Borrower, or that

would accrue but for the commencement of such proceeding, whether or not allowed as a claim in such Insolvency Proceeding.

“*Fund Pledge Agreement*” means that certain Pledge Agreement between Fund Borrower and Fund Lender dated as of even date herewith pursuant to which Fund Borrower has granted a security interest in certain assets to Fund Lender.

“*Fund Pledged Collateral*” has the meaning given such term in the Fund Pledge Agreement.

“*GAAP*” means generally accepted accounting principles in the United States of America in effect from time to time (as set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board, or in such other statements by such other entities as may be in general use by significant segments of the accounting profession, which are applicable to the circumstances as of the date of determination).

“*Governmental Authority*” means any nation or government, any state or other political subdivision thereof, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing, whether domestic or foreign.

“*Indemnity Agreements*” means any of (i) that certain Unconditional Guaranty of New Markets Tax Credits, Put Price and Environmental Indemnification dated as of the date hereof by the QALICB and Fund Lender in favor of USBCDC, (ii) that certain CDE Recapture Indemnity, dated as of the date hereof, by Clearinghouse CDE and Clearinghouse Community Development Financial Institution, a California corporation, in favor of USBCDC, (iii) that certain Indemnification Agreement, dated as of the date hereof, by Bernstein TC Investors, LLC, a Delaware limited liability company, in favor of USBCDC, (iv) that certain Indemnification Agreement, dated as of the date hereof, by Urban Research Park CDE, LLC, a Maryland limited liability company and URP CDE, in favor of USBCDC, together with that certain Unconditional Guaranty of Payment and Performance (Indemnity) by Townsend Capital, LLC, a Maryland limited liability company, in favor of Fund Borrower and USBCDC, and (v) that certain Indemnification Agreement, dated as of the date hereof, by Los Angeles Development Fund, a California corporation, and LADF CDE, in favor of USBCDC.

“*Indemnity Payments*” has the meaning set forth in Section 7.02(c) of this Fund Loan Agreement.

“*Insolvency Proceeding*” means any proceeding commenced by or against any Person under any provision of the Bankruptcy Code or under any other state or federal bankruptcy or insolvency law, assignments for the benefit of creditors, or proceedings seeking reorganization, arrangement, or other similar relief.

“*Interest Rate*” means a rate per annum equal to 1.190945%.

“*Investor Member*” means USBCDC, as the investor member of Fund Borrower, and its successors and assigns.

“*LADF CDE*” means LADF IX, LLC, a California limited liability company.

“*LADF CDE Agreement*” means that certain Amended and Restated Operating Agreement of the LADF CDE dated as of even date herewith, and all amendments and modifications thereto.

“*Lien Enforcement Action*” means (i) any action to foreclose on, take possession of, sell or otherwise realize (judicially or non-judicially) upon the Fund Pledged Collateral, or any rights or privileges attendant thereto (including, without limitation, by set-off), (ii) any action to assert ownership rights with respect to any of the Fund Pledged Collateral, or any rights or privileges attendant thereto (including without limitation the exercise or withholding of consent or voting rights), (iii) any action (judicially or non-judicially) to dissolve or liquidate Fund Borrower, and/or (iv) the commencement of any legal proceedings to facilitate any of the actions described in clauses (i), (ii) or (iii) above.

“*Manager*” means Twain Financial Partners, a Missouri limited liability company, in its capacity as the manager of Fund Borrower, and its successors and assigns.

“*Material Adverse Effect*” means a material adverse effect on (i) the business, operations, property, condition (financial or otherwise) or prospects of Fund Borrower, (ii) the ability of Fund Borrower to perform its obligations under the Fund Loan Documents, or (iii) the validity or enforceability of the Fund Loan Documents or the rights or remedies of Fund Lender thereunder.

“*Maturity Date*” means [August 14], 2043.

“*Member(s)*” means Investor Member.

“*Note*” means that certain Promissory Note in the principal amount of Twenty-Seven Million Eight Hundred Fifteen Thousand Four Hundred Twenty-Five and No/100 Dollars (\$27,815,425) made by Fund Borrower payable to Fund Lender dated as of even date herewith, a form of which is attached hereto as Exhibit A.

“*Notice*” means a writing containing the information required to be communicated to a Person and delivered in accordance with Section 8.09(g) of this Fund Loan Agreement.

“*Person*” means any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, limited liability company, government, or any agency or political division thereof, or any other entity.

“*Put and Call Agreement*” means that certain Investment Fund Put and Call Agreement dated as of the date hereof between USBCDC and Fund Lender.

“*QALICB*” means La Kretz Innovation Campus, a California nonprofit public benefit corporation.

“*URP CDE*” means URP Subsidiary CDE XVII, LLC, a Maryland limited liability company.

“*URP CDE Agreement*” means that certain Amended and Restated Operating Agreement of the URP CDE dated as of even date herewith, and all amendments and modifications thereto.

“*USB CDE*” means USBCDE Sub-CDE 92, LLC, a Missouri limited liability company.

“*USBCDC*” means U.S. Bancorp Community Development Corporation, a Minnesota corporation.

Section 1.02. Accounting Terms. For purposes of this Fund Loan Agreement, all accounting terms not otherwise defined herein shall have the meanings assigned to such terms in conformity with GAAP.

Section 1.03. Other Definitional Provisions.

(a) The words “hereof,” “herein” and “hereunder” and words of similar import when used in this Fund Loan Agreement shall refer to this Fund Loan Agreement as a whole and not to any particular provision of this Fund Loan Agreement, and section, schedule and exhibit references are to this Fund Loan Agreement unless otherwise specified.

(b) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

ARTICLE II

THE FUND LOAN

Section 2.01. Agreement to Make the Fund Loan. Subject to the terms and conditions of this Fund Loan Agreement, Fund Lender hereby agrees to make the loan (the “*Fund Loan*”) to Fund Borrower in an aggregate principal amount of [[Twenty-Seven Million Eight Hundred Fifteen Thousand Four Hundred Twenty-Five and] No/100 Dollars (\$[27,815,425])]. Fund Lender shall advance [\$15,290,425] of the proceeds of the Fund Loan (the “*First Advance*”) on the date hereof to Fund Borrower upon the satisfaction of the conditions precedent set forth in Article 4 below and shall advance the remainder of the proceeds of the Fund Loan (the “*Second Advance*”) upon satisfaction of [_____].

Section 2.02. Purpose of the First Advance. The proceeds of the First Advance in addition to equity contributed by USBCDC in the amount of [\$12,472,200] shall be used by the Fund Borrower to (i) make an equity investment of [\$10,000,000] in the Clearinghouse CDE, (ii) make an equity investment of [\$7,000,000] in the Consortium CDE, (iii) make an equity investment of [\$10,000,000] in the LADF CDE, (iv) make an equity investment of [\$12,000,000] in the URP CDE, (v) pay the Bridge Equity Fee (as defined in the Fund Agreement), (vi) pay a sponsor fee of [\$350,000] to Consortium America Advisors, LLC, (vii) pay an upfront fee of \$870,000 to Urban Research Park CDE, LLC, a Maryland limited liability company, (viii) fund a reserve in the amount of \$5,000.

Section 2.03. Purpose of Second Advance. The proceeds of the Second Advance shall be used by the Fund Borrower to make a distribution in the amount of [\$12,525,000] to USBCDC as a return of equity.

Section 2.04. Note. The Fund Loan shall be evidenced by the Note.

Section 2.05. Prepayment of Fund Loan. Fund Borrower may prepay the Note, in whole or in part, prior to the Maturity Date without Fund Lender's consent and without penalty or premium.

ARTICLE III

PAYMENTS

Section 3.01. Interest. Provided no Event of Default has occurred under the Fund Loan Documents, from the date of the advance of the Fund Loan until the Maturity Date, interest on the Fund Loan shall accrue at the Interest Rate. From the date of any Event of Default hereunder and during the continuance thereof and from and after the Maturity Date, interest on all principal amounts outstanding under the Note shall accrue at the Default Rate. All interest payable hereunder shall be computed on the basis of a ninety (90) calendar day quarter and a three hundred sixty (360) calendar day year; provided however that the first quarterly payment of interest shall be calculated based on the period through the end of the first quarter after the Advance, and thereafter through the end of each succeeding quarter. Fund Lender is authorized to rely on the written loan requests, including facsimile, telecopy or telegraphic loan requests, which Fund Lender believes in its good faith judgment to emanate from a properly authorized representative of Fund Borrower, whether or not that is in fact the case.

Section 3.02. Payments. With respect to the Fund Loan, (i) from and after the date of the Advance through and including [June] 20, 2020 (the "*Initial Loan Period*"), interest accrued through the last day of each calendar quarter shall be payable in arrears in quarterly installments on the [twentieth (20th)] day of the third (3rd) month of each calendar quarter with respect to all principal amounts disbursed under the Fund Loan, with such payments commencing on [September [20], 2013 (provided the first such payment on September 20, 2013 shall be of interest accrued from the date of the First Advance, through September 30, 2013)]; (ii) following the end of the Initial Loan Period until the Maturity Date, Fund Borrower shall make equal quarterly payments of principal and interest in an amount sufficient to fully amortize the Fund Loan at the then applicable Interest Rate over the remaining term of the Fund Loan, with such payments commencing on [September 20, 2020]; and (iii) a final payment of all outstanding principal, accrued but unpaid interest and any and all unpaid fees and other charges owed pursuant to the Fund Loan Documents shall be due and payable on the Maturity Date.

Section 3.03. No Setoff or Counterclaim. All sums payable by Fund Borrower hereunder shall be paid in full without setoff or counterclaim by reason of any claim Fund Borrower may have against Fund Lender.

Section 3.04. Application of Payments. Absent the occurrence of an Event of Default, any payments received by Fund Lender pursuant to the terms hereof shall be applied first to sums, other than principal and interest, due to Fund Lender pursuant to the Fund Loan Documents, next to the payment of all interest accrued to the date of such payment, and the balance, if any, to the payment of principal. Any payments received by Fund Lender after the occurrence of an Event of Default shall be applied to the amounts specified in this Section in such order as Fund Lender may elect, in its sole discretion. In calculating interest and applying

payments as set forth above, interest shall be calculated and collected in arrears through and including the day prior to the payment date and to interest in advance from the payment date through and including the last day of the calendar quarter in which such payment was made (except for the final payment at maturity for which interest shall be calculated through the date payment is actually received by Fund Lender). To the extent that Fund Borrower makes a payment or Fund Lender receives any payment or proceeds of the Fund Pledged Collateral for Fund Borrower's benefit that is subsequently invalidated, set aside or required to be repaid to any other person or entity, then, to such extent, the Fund Obligations intended to be satisfied shall be revived and continue as if such payment or proceeds had not been received by Fund Lender and Fund Lender may adjust the balance of the Fund Loan as Fund Lender deems appropriate under the circumstances.

ARTICLE IV

CONDITIONS PRECEDENT

Section 4.01. Conditions Precedent to this Loan Agreement. The obligations of Fund Lender under this Fund Loan Agreement are subject to the receipt by Fund Lender of the following documents, in form and substance satisfactory to Fund Lender and its counsel:

- (a) executed copies of this Fund Loan Agreement, duly executed and delivered by Fund Borrower;
- (b) the Note duly completed, executed and delivered by Fund Borrower and dated as of the date hereof, in the original principal amount of \$[27,815,425] bearing interest at the Interest Rate;
- (c) executed copies of the Fund Pledge Agreement, the Fund Agreement, and the CDE Agreement; and
- (d) such other documents as Fund Lender shall reasonably require.

Disbursement of loan proceeds shall be deemed as Fund Lender's satisfaction that all conditions precedent set forth in this Section 4.01 have been satisfied by Fund Borrower.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

Fund Borrower represents and warrants to Fund Lender as follows:

Section 5.01. Formation, Qualification and Ownership. Fund Borrower is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Missouri.

Section 5.02. Power and Authority; Limited Liability Company Action. Fund Borrower has full power and authority to incur the Fund Loan obligations hereunder, to execute and deliver this Fund Loan Agreement and the other Fund Loan Documents to which it is a party and to perform and observe the terms and conditions stated herein and therein. Fund Borrower

has taken all necessary manager and member action to authorize the execution, delivery and performance of its obligations under this Fund Loan Agreement and the other Fund Loan Documents to which it is a party. Fund Borrower was formed for the sole purpose of entering into the transactions contemplated in the Fund Loan Documents and the Fund Agreement and has not engaged in any other activities.

Section 5.03. Fund Loan Documents Binding. This Fund Loan Agreement and each other Fund Loan Document to which Fund Borrower is or will be a party to have been duly executed and delivered on behalf of Fund Borrower, and this Fund Loan Agreement and each other Fund Loan Document to which it is or will be a party constitutes a legal, valid and binding obligation of Fund Borrower, enforceable against Fund Borrower in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

Section 5.04. Registration and Approvals. To the best of Fund Borrower's knowledge, all approvals, licenses and authorizations of, and all filings and registrations with, any Governmental Authority necessary for the due execution, delivery, performance and/or enforceability of this Fund Loan Agreement and the other Fund Loan Documents to which Fund Borrower is a party have been obtained and are in full force and effect.

Section 5.05. No Conflict. To the best of Fund Borrower's knowledge, the execution, delivery and performance of this Fund Loan Agreement and the other Fund Loan Documents to which Fund Borrower is a party and the payment of all sums payable hereunder and thereunder (i) will not violate any statute, order, regulation, or other provision of law applicable to Fund Borrower or any Governmental Authority directive having the force of law applicable to Fund Borrower; (ii) will not contravene any provision of the Fund Agreement; (iii) will not result in the breach of any provision of, or in the imposition of any lien or encumbrance under, any agreement to which Fund Borrower is a party or by which it or any of its property is bound; and (iv) to Fund Borrower's knowledge, will not constitute a default or an event which with notice or lapse of time, or both, would constitute a default under any such agreement and which, in the case of clauses (i), (iii), and (iv) are reasonably likely to have a Material Adverse Effect.

Section 5.06. Absence of Defaults. To the best of Fund Borrower's knowledge, Fund Borrower is not in default under any agreement to which it is a party or by which it or any of its property is bound which could be reasonably expected to have a Material Adverse Effect, and no Default or Event of Default has occurred and is continuing hereunder.

Section 5.07. Litigation. There are no pending or to the knowledge of Fund Borrower, threatened legal actions, arbitrations or other proceedings against Fund Borrower, nor are there any pending or to the knowledge of Fund Borrower, threatened proceedings as to unpaid or disputed tax liabilities of Fund Borrower which are reasonably likely to have a Material Adverse Effect or that have a legitimate basis in fact.

Section 5.08. Taxes. Fund Borrower has filed and will file, subject to filing extensions, all required tax returns, if any, and all taxes, assessments and other such governmental charges due from Fund Borrower, if any, have been fully paid except for taxes which are being contested in good faith.

Section 5.09. No Other Liens. Except for the lien and security interests granted by Fund Borrower to Fund Lender pursuant to the Fund Pledge Agreement, Fund Borrower has not granted, caused, or permitted to exist, any other security interest, pledge, assignment or lien with respect to any of its assets.

Section 5.10. Compliance with Laws. To the best of Fund Borrower's knowledge, Fund Borrower has complied in all material respects with all applicable laws, rules, regulations, policies and orders of Governmental Authorities, such compliance to include, without limitation, paying, before the same become delinquent, all taxes, assessments and governmental charges imposed upon it or upon its property (other than those the amount or validity of which is currently being contested in good faith by appropriate proceedings and with respect to which adequate reserves have been provided in accordance with GAAP).

Section 5.11. No Material Adverse Effect. To the best of Fund Borrower's knowledge, since its formation, no event has occurred that has or would, with the passage of time, cause a Material Adverse Effect with respect to Fund Borrower.

Section 5.12. Full Disclosure. To the best of Fund Borrower's knowledge, no representations or warranties by Fund Borrower in this Fund Loan Agreement or in any of the other Fund Loan Documents contains or will contain any untrue statement of a material fact or omits or will omit to state, when read in conjunction with all of the information contained in this Fund Loan Agreement and the other Fund Loan Documents, any material fact necessary to make the statements or facts contained herein or therein not misleading.

Section 5.13. Brokerage Fees. Fund Borrower has dealt with no broker or finder with regard to the Fund Loan and Fund Borrower shall indemnify and hold Fund Lender harmless for, from any and all claims for fees or compensation claimed to be due in connection with the Fund Loan as a result of the acts of Fund Borrower from any broker or finder.

ARTICLE VI

COVENANTS

Section 6.01. Affirmative Covenants of Fund Borrower. So long as any of the Fund Obligations shall remain unpaid, Fund Borrower covenants and agrees with Fund Lender that it shall:

(a) ***Legal Existence.*** (i) Preserve and maintain its existence and good standing in the jurisdiction of its formation, and (ii) qualify and remain qualified to do business and remain in good standing in each jurisdiction in which such qualification is required except where the failure to so qualify could not be reasonably expected to have a Material Adverse Effect.

(b) ***Maintenance of Financial Records.*** Keep proper records and books of account, in which complete entries will be made in accordance with GAAP consistently applied, reflecting all financial transactions of Fund Borrower.

(c) ***Access to Books and Inspection.*** Upon request of Fund Lender, provide any duly authorized representative of Fund Lender access during normal business hours

to, and permit such representative to examine, copy or make extracts from, any and all books, records and documents in Fund Borrower's possession or control relating to Fund Borrower's obligations under the Fund Loan Documents; provided, however, that Fund Lender shall treat all such books and records as confidential and shall only be permitted to disclose the information contained therein to its legal counsel, its independent public accountants, any participating lenders, or in connection with any action to collect on the Note or to enforce this Fund Loan Agreement or the documents related hereto, or as otherwise permitted or required by law.

Notwithstanding the foregoing, Fund Borrower acknowledges that Fund Lender, as a California municipal corporation organized under the laws of the State of California, is subject to disclosure as required by the California Public Records Act, Cal. Govt. Code §§ 6250 et seq. ("CPRA") and the Ralph M. Brown Act, Cal. Govt. Code §§ 54950 et seq. ("Brown Act"). Confidential information of Fund Borrower provided to Fund Lender pursuant to the Fund Loan Documents shall become the property of Fund Lender, and Fund Borrower acknowledges that Fund Lender shall not be in breach of this Fund Loan Agreement or have any liability whatsoever for any claims or causes of action whatsoever resulting from or arising out of Fund Lender copying or releasing to a third party any of the confidential information of Fund Borrower pursuant to CPRA or Brown Act. If Fund Lender receives a CPRA request for confidential information of Fund Borrower, and Fund Lender determines that such confidential information is subject to disclosure under CPRA, then Fund Lender shall notify Fund Borrower of the request and its intent to disclose such confidential information. Fund Lender, as required by CPRA, shall release such confidential information unless Fund Borrower timely obtains a court order prohibiting such release, which Fund Lender agrees it shall give Fund Borrower such time to obtain as permitted under CPRA. If Fund Borrower, at its sole expense, chooses to seek a court order prohibiting the release of such confidential information pursuant to a CPRA request, then Fund Borrower undertakes and agrees to defend, indemnify and hold harmless Fund Lender from and against all suits, claims, and causes of action brought against Fund Lender for Fund Lender's refusal to disclose confidential information of Fund Borrower to any person making a request pursuant to CPRA. Fund Borrower's indemnity obligations shall include, but are not limited to, all actual costs incurred by Fund Lender, and specifically including costs of experts and consultants, as well as all damages or liability of any nature whatsoever arising out of any suits, claims, and causes of action brought against Fund Lender, through and including any appellate proceedings.

(d) ***Maintenance of Properties.*** Maintain, keep, and preserve all of its properties (tangible and intangible) necessary in the proper conduct of its business in reasonably good working order and condition, ordinary wear and tear excepted.

(e) ***Compliance with Laws.*** Comply in all material respects with all applicable laws, rules, regulations, policies and orders of Governmental Authorities, such compliance to include, without limitation, paying, before the same become delinquent, all taxes, assessments, and governmental charges imposed upon it or upon its property (other than those the amount or validity of which is currently being contested in good faith by appropriate proceedings and with respect to which adequate reserves have been provided in accordance with GAAP).

Section 6.02. Negative Covenants of Fund Borrower. So long as any of the Fund Obligations shall remain unpaid, Fund Borrower covenants and agrees with Fund Lender that it shall not:

(a) **Liens.** Create or cause to exist any lien, security interest, mortgage or other charge or encumbrance upon which or with respect to any of its property, whether now owned or hereafter acquired, or assign any right to receive income, in each case to secure any indebtedness (all of the foregoing are referred to in this section as “liens”), other than (i) the lien of the Fund Pledge Agreement, (ii) liens in respect of judgments against Fund Borrower with respect to which a stay of execution upon appeal shall have been secured, and (iii) liens for taxes, assessments or other governmental charges which are not due and payable or are being contested in good faith.

(b) **Fundamental Changes; Other Activities.** Merge, reorganize or consolidate with any other Person or purchase or acquire all or substantially all of the property or capital stock of any other Person, or sell, lease, or otherwise dispose of any of its property, business or assets, whether now owned or hereafter acquired except in accordance with the CDE Agreements, and pursuant to the redemption provisions of the CDE Agreements (“CDE Dissolution and Interest Redemptions”); or engage in any activities other than being the investor member of the CDEs and the borrower under this Fund Loan Agreement, and activities reasonably related thereto. Notwithstanding the foregoing, and except for CDE Dissolution and Interest Redemptions in accordance with the terms of the CDE Agreements, such merger, reorganization, consolidation or other activity described in this subpart (b) shall be permitted with Fund Lender’s written consent so long as Fund Borrower takes such action as is necessary to preserve the Fund Lender’s interest in the Fund Pledged Collateral and so long as the Fund Loan is not impaired thereby. Notwithstanding anything contained in this Fund Loan Agreement to the contrary, Fund Lender hereby agrees to transfers of membership interests in Fund Borrower to Affiliate Funds (as defined in Article 10 hereof) in accordance with the terms of the Fund Agreement.

(c) **Indebtedness.** Create, incur, assume or suffer to exist any indebtedness, other than indebtedness of Fund Borrower under (i) this Fund Loan Agreement, (ii) pursuant to any other Fund Loan Documents, and (iii) as permitted under the Fund Agreement.

(d) **Limited Liability Company Governance Agreements.** Subject to any action deemed necessary, in Fund Borrower’s sole discretion, to comply with the requirements of the New Markets Tax Credit program (as provided under Section 45D of the Code and Treasury Regulations promulgated thereunder), amend, modify or change, or consent or agree to any amendment, modification or change to, Section 2.8 the Fund Agreement, except to the extent such change, amendment, modification or consent has previously been approved in writing by Fund Lender (which approval shall not be unreasonably withheld, conditioned or delayed) or is necessary (in Fund Borrower’s sole discretion) to comply with the requirements of the New Markets Tax Credit program (as provided under Section 45D of the Code and Treasury Regulations promulgated thereunder).

(e) **Amendments.** Consent to any amendment or modification of the single purpose entity provisions of the CDE Agreements, or the provisions in the CDE Agreements governing CDE Dissolution and Interest Redemptions, without the prior written consent of Fund Lender (which consent of Fund Lender shall not be unreasonably withheld, conditioned or delayed). Notwithstanding the foregoing, to the extent such amendment or modification is deemed necessary in Fund Borrower's sole discretion, to maintain compliance with the New Markets Tax Credit program (as provided under Section 45D of the Code and Treasury Regulations promulgated thereunder), such amendment or modification of the CDE Agreements shall be permitted without Fund Lender's prior written consent.

ARTICLE VII

EVENTS OF DEFAULT

Section 7.01. Events of Default. Each of the following shall constitute an Event of Default under this Fund Loan Agreement upon five (5) Business Days' Notice to the Fund Borrower:

(a) Fund Borrower shall fail to pay (i) any principal amount of the Note as and when due and payable (whether at stated maturity or upon mandatory prepayment), or (ii) any interest on the Note or any other amount payable under this Fund Loan Agreement or any of the other Fund Loan Documents, in each case, within ten (10) Business Days after receipt of Notice such principal, interest or other amount is due and payable;

(b) Any representation or warranty of Fund Borrower herein or in any other Fund Loan Document proves to have been or will become materially incorrect or materially misleading, or any certificate or opinion furnished hereunder proves to have been materially incorrect or materially misleading as of the date it was delivered to Fund Lender and such defect shall continue unremedied for a period of sixty (60) days after Notice thereof to Fund Borrower by Fund Lender;

(c) Fund Borrower shall default in the observance or performance of any material term, covenant or agreement contained in any of the Fund Loan Documents to which it is a party, and such default shall continue unremedied for a period of sixty (60) days after Notice thereof to Fund Borrower by Fund Lender;

(d) Any of the Fund Loan Documents shall for any reason cease to be in full force and effect (other than in accordance with its terms), or be declared null and void or unenforceable in whole or in part (but only to the extent that such partial unenforceability would have a Material Adverse Effect upon (i) Fund Borrower's ability to pay any amounts due under the Fund Loan or (ii) the Fund Pledged Collateral, or the validity or enforceability of any of the Fund Loan Documents shall be challenged or be denied by Fund Borrower or any member thereof and such event shall continue unremedied for a period of sixty (60) days after Notice thereof to Fund Borrower by Fund Lender;

(e) One or more final judgments, decrees, awards or orders for the payment of money in excess of \$100,000, in the aggregate, shall be rendered against Fund Borrower and such final judgments, decrees, awards or orders shall continue unsatisfied and in effect for a period of sixty (60) consecutive days without being vacated, discharged, satisfied, or stayed or bonded pending appeal; or

(f) Fund Borrower (i) shall generally not, or shall be unable to or shall admit in writing its inability to pay its debts as such debts become due; or (ii) shall make a general assignment for the benefit of creditors, petition or apply to any tribunal for the appointment of a custodian, receiver, trustee or other similar official for it or a substantial part of its assets; or (iii) shall commence any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution, or liquidation law or statute of any jurisdiction, whether now or hereafter in effect; or (iv) shall have any such petition or application filed or any such proceeding commenced against it, in which an order for relief is entered or adjudication or appointment is made and which remains undismissed for a period of sixty (60) days or more; or (v) by any act or omission shall indicate its consent to, approval of, or acquiescence in any such petition, application, or proceeding, or order for relief, or the appointment of a custodian, receiver, trustee or other similar official for all or any substantial part of its properties; or (vi) shall suffer any such custodianship, receivership, or trusteeship to continue undischarged for a period of sixty (60) days or more.

Section 7.02. Remedies on Event of Default.

(a) Subject to Article 9 of this Fund Loan Agreement, whenever any Event of Default occurs under the Fund Loan Agreement, Fund Lender may by Notice to Fund Borrower, declare the aggregate outstanding principal amount of the Note, all interest thereon, and all other amounts payable under this Fund Loan Agreement and the other Fund Loan Documents to be forthwith due and payable, whereupon the aggregate principal amount of the Note, all such interest, and all such other amounts shall become and be forthwith due and payable, without presentment, demand, protest, or further notice of any kind, all of which are hereby expressly waived by Fund Borrower; provided that, if there shall be an Event of Default under Section 7.01(f) hereof, the aggregate outstanding principal amount of the Note, all interest thereon, and all other amounts payable under this Fund Loan Agreement and the other Fund Loan Documents shall be immediately due and payable, without notice, declaration, presentment, demand, protest or notice of any kind, all of which are hereby expressly waived by Fund Borrower.

(b) If any of the Fund Obligations have been, or are deemed to be, accelerated pursuant to Section 7.02(a), Fund Lender shall, at its option, enforce the rights and remedies granted to it under the Fund Loan Documents, in accordance with their respective terms and any other rights or remedies accorded to Fund Lender at equity or law, by virtue of statute or otherwise.

(c) In the event of any breach by Fund Borrower hereunder or any other Fund Loan Document, the liability of Fund Borrower under this Fund Loan Agreement or any other Fund Loan Document shall be recourse to Fund Borrower but shall exclude any Capital Contributions (as defined in the Fund Agreement), and any judgment rendered

against Fund Borrower under this Fund Loan Agreement shall exclude such Capital Contributions; provided further that such Capital Contributions shall not be deemed to include the Pledged Securities (as defined in the Fund Pledge Agreement) or the proceeds thereof. Notwithstanding the foregoing or any other provision of this Fund Loan Agreement or any other Fund Loan Document, and without regard to the solvency or insolvency of Fund Borrower or the existence of any default or Event of Default with respect to the Fund Loan, (i) Fund Lender shall not be entitled to collect, receive, or make any claim against or with respect to any indemnity payments or distributions made to Fund Borrower (A) on account of any indemnification or reimbursement provisions contained in the CDE Agreements or any other agreement, (B) pursuant to the Indemnity Agreements, or (C) for the payment of the Annual Management Fee (as defined in the Fund Agreement) (collectively, "**Indemnity Payments**") to satisfy any indebtedness or other sums due, or that may become due, under or in connection with the Fund Loan or the Fund Loan Documents, and (ii) any and all such Indemnity Payments, whenever made, shall be permitted to be distributed by Fund Borrower to the Investor Member as compensation for the loss or recapture of New Markets Tax Credits (as provided under Section 45D of the Code) for which such Indemnity Payments shall have been made; provided, however, that the preceding provisions (i) and (ii) relating to the Indemnity Payments shall not apply in the case of an Event of Default resulting from the failure of the Fund Borrower to make payments when due on the Fund Loan from moneys in its possession received from a CDE and earmarked for debt service on the Fund Loan and no bona fide dispute between Fund Lender and Fund Borrower exists hereunder. Fund Lender expressly acknowledges and agrees that it has not bargained for, and does not intend to have, the right to collect or receive any Indemnity Payments, and Fund Lender hereby expressly waives and releases any and all rights to prohibit, set aside, revoke, or seek the return of any such Indemnity Payments made to Fund Borrower and distributed to the Investor Member, whether pursuant to the Fund Loan Documents or any bankruptcy, fraudulent transfer, insolvency, or other federal or state laws providing any such rights. Further, notwithstanding anything to the contrary in this Fund Loan Agreement or any other Fund Loan Document, neither the Investor Member nor the Manager, nor their members, managers, partners, officers, directors, employees, or any successors, transferees or assigns thereof, shall have any personal liability hereunder, or under the Fund Loan Documents, and no deficiency or other personal judgment shall be sought or rendered against the Investor Member or the Manager or their members, managers, partners, officers, directors, employees, or any successors, transferees or assigns thereof, in any action or proceeding arising out of this Fund Loan Agreement, or any judgment, order or decree rendered pursuant to any such action or proceeding.

(d) The limit on the Investor Member's and the Manager's liability set forth in this Section shall not, however, be construed, and is not intended in any way, to constitute a release, in whole or in part, of Fund Borrower's indebtedness evidenced by this Fund Loan Agreement, or a release, in whole or in part, or an impairment of the lien and security interest of the Fund Pledged Collateral, or to preclude Fund Lender from foreclosing the Fund Pledged Collateral in case of an event of default under the Fund Pledge Agreement after the Forbearance Termination Date.

ARTICLE VIII

MISCELLANEOUS

Section 8.01. Entire Agreement. This Fund Loan Agreement and the other Fund Loan Documents to which Fund Borrower is a party, constitute the entire agreement of the parties hereto with respect to the transactions contemplated hereby and shall supersede any prior understandings with respect thereto, including, without limitation, any offer letter or letter of intent.

Section 8.02. Amendments. This Fund Loan Agreement may be amended only by a writing, signed by the party or parties to be bound or burdened by such amendment.

Section 8.03. Waiver and Cumulative Rights. The failure or delay of Fund Lender to require performance by Fund Borrower of any provision of this Fund Loan Agreement or any other Fund Loan Documents to which Fund Borrower is a party shall not affect the right of Fund Lender to require performance of such provision, unless such performance has been waived in writing by Fund Lender. No waiver of any Default or Event of Default shall constitute a waiver of any other Default or Event of Default. All rights granted to Fund Lender hereunder or allowed to Fund Lender by law or in equity shall be cumulative and may be exercised in part or in whole from time to time.

Section 8.04. Successors and Assigns. Subject to Article 9 and Article 10 hereof, this Fund Loan Agreement shall be binding upon and inure to the benefit of the parties hereto, all future holders of the Fund Loan and their respective successors and assigns, except that Fund Borrower may not transfer or assign any of its rights or obligations hereunder or under the other Fund Loan Documents without the prior written consent of Fund Lender.

Section 8.05. SUBMISSION TO JURISDICTION. FUND BORROWER HEREBY IRREVOCABLY CONSENTS TO THE NONEXCLUSIVE JURISDICTION AND VENUE OF ANY STATE OR FEDERAL COURT SITTING IN LOS ANGELES, CALIFORNIA OR LOS ANGELES COUNTY, CALIFORNIA OVER ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS FUND LOAN AGREEMENT, ANY OF THE OTHER FUND LOAN DOCUMENTS TO WHICH IT IS A PARTY AND OTHERWISE ARISING OUT OF OR RELATING TO THE TRANSACTIONS CONTEMPLATED HEREBY, AND FUND BORROWER HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH STATE OR FEDERAL COURT. FUND BORROWER WAIVES ANY OBJECTION TO ANY ACTION OR PROCEEDING IN ANY STATE OR FEDERAL COURT SITTING IN LOS ANGELES, CALIFORNIA OR LOS ANGELES COUNTY, CALIFORNIA ON THE BASIS OF FORUM NON CONVENIENS. FUND BORROWER HEREBY WAIVES PERSONAL SERVICE OF ANY PROCESS IN CONNECTION WITH ANY SUCH ACTION OR PROCEEDING AND AGREES THAT THE SERVICE THEREOF MAY BE MADE BY CERTIFIED OR REGISTERED MAIL DIRECTED TO FUND BORROWER AT THE ADDRESS SET FORTH IN SECTION 8.09 HEREOF. FUND BORROWER AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. FUND BORROWER

FURTHER AGREES THAT, AT THE DISCRETION OF FUND LENDER, FUND LENDER MAY SERVE LEGAL PROCESS IN ANY OTHER MANNER TO THE EXTENT NOT PROHIBITED BY LAW AND MAY BRING ANY ACTION OR PROCEEDING AGAINST FUND BORROWER OR ITS PROPERTY IN THE COURTS OF ANY OTHER JURISDICTION.

Section 8.06. WAIVER OF JURY TRIAL. TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW, EACH OF FUND BORROWER AND FUND LENDER HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES ANY RIGHT TO TRIAL BY JURY OR OF ANY CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION BASED UPON OR ARISING UNDER THIS FUND LOAN AGREEMENT OR ANY OF THE FUND LOAN DOCUMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED THEREIN, OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DISCUSSIONS, DEALINGS, OR ACTIONS OF THE PARTIES TO THIS FUND LOAN AGREEMENT OR EITHER OF THEM (WHETHER ORAL OR WRITTEN) WITH RESPECT THERETO, OR TO THE TRANSACTIONS RELATED THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREINAFTER ARISING, AT LAW OR IN EQUITY, INCLUDING WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. EACH OF FUND BORROWER AND FUND LENDER HEREBY CONSENTS AND AGREES THAT ANY SUCH CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION SHALL BE DECIDED BY A TRIAL COURT WITHOUT A JURY, AND THAT EITHER PARTY TO THIS FUND LOAN AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY HEREOF WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF FUND BORROWER AND FUND LENDER TO THE WAIVER OF ITS RIGHT TO TRIAL BY JURY. FUND BORROWER AND FUND LENDER EACH ACKNOWLEDGES AND AGREES THAT IT HAS RECEIVED FULL AND SUFFICIENT CONSIDERATION FOR THIS PROVISION (AND EACH OTHER PROVISION OF THIS FUND LOAN AGREEMENT AND EACH OTHER DOCUMENT TO WHICH IT IS A PARTY) AND THAT THIS PROVISION IS A MATERIAL INDUCEMENT FOR FUND LENDER IN MAKING THE FUND LOAN. FUND BORROWER AND FUND LENDER EACH FURTHER REPRESENTS AND WARRANTS THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS FUND LOAN AGREEMENT AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, OR HAS HAD THE OPPORTUNITY TO BE REPRESENTED BY INDEPENDENT LEGAL COUNSEL SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL.

Section 8.07. GOVERNING LAW. THIS FUND LOAN AGREEMENT AND THE NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF CALIFORNIA WITHOUT REGARD TO ANY CHOICE OF LAW RULES WHICH WOULD REQUIRE THE APPLICATION OF THE LAWS OF ANY OTHER JURISDICTION.

Section 8.08. Usury Limitations. It is the intention of Fund Borrower and Fund Lender to conform strictly to applicable usury laws. Accordingly, notwithstanding anything to the contrary in this Fund Loan Agreement or the Note, amounts constituting interest under applicable law and contracted for, chargeable or receivable hereunder or under the Note shall

under no circumstances, together with any other interest, late charges or other amounts which may be interpreted to be interest contracted for, chargeable or receivable hereunder or thereunder, exceed the maximum amount of interest permitted by law, and in the event any amounts were to exceed the maximum amount of interest permitted by law, such excess amounts shall be deemed a mistake and shall either be reduced immediately and automatically to the maximum amount permitted by law or, if required to comply with applicable law, be canceled automatically and, if theretofore paid, at the option of Fund Lender, be refunded to Fund Borrower or credited on the principal amount of the Note then outstanding.

Section 8.09. Notices. Any Notice required or permitted to be given hereunder shall be in writing and shall be effective when actually received if delivered by hand or overnight courier, or when confirmed by receipt if transmitted by telecopy or other form of rapid transmission if Notices given by such means of communication are capable of being confirmed upon delivery by electronic means, or three days after being sent by registered or certified mail, postage prepaid, the certification receipt therefore being deemed the date of such Notice, and addressed to the parties as follows:

To Fund Borrower: LKIC INVESTMENT FUND I, LLC
c/o U.S. Bancorp Community Development Corporation
1307 Washington Avenue, Suite 300
St. Louis, MO 63103
Attention: Director of Asset Management (NMTC)
Reference: Project Number 22607
Facsimile: (314) 335-2602

With copies to: U.S. Bancorp Community Development Corporation
1307 Washington Ave., Ste. 300
St. Louis, MO 63103
Attention: Director of Asset Management (NMTC)
Reference: Project Number 21701
Facsimile: (314) 335-2602

Twain Financial Partners LLC
1324 Washington Avenue, Suite 200
St. Louis, Missouri 63103
Attention: General Counsel
Project #: 22607
Facsimile: (314) 300-4158

To Fund Lender: City of Los Angeles, acting by and through its Department
of Water & Power
111 North Hope Street
Los Angeles, CA 90012-2607
Attention: []
Facsimile: () -

With copies to:

Kutak Rock LLP
1801 California Street, Suite 3000
Denver, CO 80202
Attention: Mike Reppe
Facsimile: (303) 292-7799

Section 8.10. Severability. If any provisions contained in this Fund Loan Agreement or any document executed in connection herewith shall be invalid, illegal or unenforceable in any respect, under any applicable law, the validity, legality and enforceability of the remaining provisions contained herein shall not, in any way, be affected or impaired, and such illegal, invalid or unenforceable provisions shall, at the reasonable request of the Fund Lender, be replaced by other provisions in accordance with the purpose and meaning of this Fund Loan Agreement. Notwithstanding the foregoing, the provisions of Article 9 of this Fund Loan Agreement shall be deemed integral to this Fund Loan Agreement and shall not be severable from the remainder of this Fund Loan Agreement.

Section 8.11. Captions. The table of contents and captions, articles and section headings appearing herein are included solely for convenience of reference and are not intended to affect the interpretation of any provision of this Fund Loan Agreement.

Section 8.12. Conflicts. In the case of any inconsistency between or within this Fund Loan Agreement and/or the other Fund Loan Documents, the more restrictive provision shall control over the less restrictive provision, and, if incapable of being so resolved, the provisions of this Fund Loan Agreement shall control over those of any of the other Fund Loan Documents.

Section 8.13. Counterparts. This Fund Loan Agreement may be executed in any number of counterparts, all of which, when taken together, shall constitute one and the same instrument, and any party hereto may execute this Fund Loan Agreement by signing any such counterpart.

Section 8.14. Time is of the Essence. Time is of the essence in the performance of this Fund Loan Agreement and the other Fund Loan Documents by Fund Borrower, and each and every term thereof.

Section 8.15. Purpose and Effect of Approval. Fund Lender's approval of any matter in connection with the Fund Loan is for the sole purpose of protecting Fund Lender's security and rights. No such approval shall result in a waiver of any default of Fund Borrower. In no event shall Fund Lender's approval be a representation of any kind with regard to the matter being approved.

Section 8.16. Language of Agreement. The language of this Fund Loan Agreement shall be construed as a whole according to its fair meaning and not strictly for or against any party.

Section 8.17. Survival. The representations, warranties, acknowledgments, and agreements set forth herein shall survive the date of this Fund Loan Agreement.

Section 8.18. Further Performance. Fund Borrower, whenever and as often as it shall be requested by Fund Lender, shall execute, acknowledge, and deliver, or cause to be executed, acknowledged, and delivered to Fund Lender, such further instruments and documents, and do any and all things as may be reasonably requested, in order to carry out the intent and purpose of this Fund Loan Agreement and the other Fund Loan Documents.

Section 8.19. Statement Required By Mo. Rev. Stat. Section 432.047. Pursuant to Mo. Rev. Stat. Section 432.047, Fund Lender hereby gives the following notice to Fund Borrower:

“Oral agreements or commitments to loan money, extend credit or to forbear from enforcing repayment of a debt including promises to extend or renew such debt are not enforceable, regardless of the legal theory upon which it is based that is in any way related to the credit agreement. To protect you (Fund Borrower) and us (Fund Lender) from misunderstanding or disappointment, any agreements we reach covering such matters are contained in this writing, which is the complete and exclusive statement of the agreement between us, except as we may later agree in writing to modify it.”

Section 8.20. No Restrictions on Consent: Notwithstanding anything in this Fund Loan Agreement or in any of the Fund Loan Documents to the contrary, in all events the Fund Borrower shall have the right to grant or exercise (or withhold or refuse to exercise) any consent, approval or other right under the CDE Agreements, as determined in the Fund Borrower’s sole and absolute discretion, and in no event shall the Fund Lender’s consent or other approval be required for the Fund Borrower’s action or inaction.

ARTICLE IX

FORBEARANCE

Notwithstanding anything to the contrary in the Fund Loan Documents, Fund Lender agrees to forbear from (a) accelerating the payment in full of all or part of Fund Borrower’s obligations to Fund Lender under the Note; (b) collecting rents; (c) appointing (or seeking the appointment of) a receiver; (d) filing or participating in the filing of any involuntary bankruptcy proceeding of Fund Borrower or joining with any other creditor in commencing any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings with respect to Fund Borrower; (e) exercising any voting rights or management and control rights with respect to the Fund Pledged Collateral; and (f) instituting a Lien Enforcement Action or taking any other action to enforce its rights and remedies under the Fund Loan Documents, including, without limitation, the Fund Pledge Agreement, as provided by applicable law from the date hereof until the earlier of (1) the termination of the Put Exercise Period (as defined in the Put and Call Agreement), and (2) the exercise by USBCDC of the put under the Put and Call Agreement (the **“Forbearance Termination Date”**); provided however, that the Forbearance Termination Date shall be no later than the date that is one (1) year after the termination of the Tax Credit Investment Period (as defined in the Fund Agreement).

The provisions of this Article 9 shall be construed as, and shall operate as, a bar to any action, proceeding or remedy (judicial or otherwise) that would violate the provisions of this Article 9. In the event that Fund Lender shall threaten, initiate, or pursue any Lien Enforcement

Action or other action, proceeding, or remedy in violation of the provisions of this Article 9, Fund Lender agrees that damages would constitute an inadequate remedy to Fund Borrower on account of such violation and that Fund Borrower shall be entitled to seek and obtain injunctive relief prohibiting the same.

Subject to the provisions of this Section 9, prior to the Forbearance Termination Date, Fund Lender may take such action as necessary and otherwise permitted under the Fund Loan Documents solely to cause the Fund Borrower to exercise its rights under a CDE Agreement to cause the CDE to make distributions as permitted under the CDE Agreement, provided that at such time no default exists under the CDE Loan Agreement.

On and after the Forbearance Termination Date, subject to the Fund Loan Agreement, Fund Lender shall be free, to take such actions as are permitted under the Fund Loan Documents and/or as provided by applicable law. All of Fund Borrower's obligations and liabilities to Fund Lender hereunder and under the Fund Loan Documents (including, without limitation, Fund Borrower's payment obligations) and any documents, instruments or agreements pursuant to which Fund Borrower may, from time to time, grant to Fund Lender collateral security for Fund Borrower's obligations to Fund Lender shall survive the Forbearance Termination Date.

Fund Lender agrees that it will not sell, assign, transfer, syndicate, grant participations or otherwise dispose of the Fund Loan without the prior written consent of USBCDC and the Manager, which consent shall not be unreasonably withheld, conditioned or delayed in the case of any such sale, assignment, transfer, syndication, participation or other disposition of the Fund Loan, or an interest therein, to an affiliate of Fund Lender, the City of Los Angeles or any department, agency or other political subdivision of the City of Los Angeles, provided such entity expressly agrees to be bound by the provisions of this Article IX, and which consent in all other cases may be withheld at the sole discretion of USBCDC. Any such sale, assignment, transfer, syndication, participation or otherwise shall be subject to the terms of this Fund Loan Agreement and the documents executed by Fund Borrower and Fund Lender in connection therewith.

ARTICLE X

AFFILIATE FUND TRANSFERS

Section 10.01. Fund Lender Consent to Transfer. Notwithstanding anything in the Fund Loan Documents to the contrary, Fund Lender hereby consents to the sale or other transfer (an "*Affiliate Fund Transfer*") by USBCDC of its membership interest in the Fund Borrower (the "*Interest*") to an investment fund of which USBCDC is the manager, the managing member, or a general partner (an "*Affiliate Fund*") organized to allow an investor (an "*Investor*") to participate in the Interest, provided that such Affiliate Fund Transfer is made in accordance with the requirements set forth in this Article 10.

Section 10.02. Admission to Fund Borrower. In the event of an Affiliate Fund Transfer, Fund Lender hereby consents to the admission of such Affiliate Fund as a member of the Fund Borrower, with all the rights, obligations and benefits of a member of the Fund Borrower, and Fund Lender further consents to the amendment of Fund Agreement to evidence such admission. Fund Borrower shall provide, or require Fund Manager or Affiliate Fund

Manager to provide, a copy of any amendment to the Fund Agreement for an Affiliate Fund Transfer to Fund Lender within thirty (30) days of such sale or transfer.

Section 10.03. No Event of Default. Fund Lender acknowledges and agrees that neither the Affiliate Fund Transfer nor the amendment of the Fund Agreement to evidence such admission of the Affiliate Fund shall constitute an Event of Default or breach of any covenant, representation or warranty for purposes of the Fund Loan Documents, including the Fund Loan Agreement.

Section 10.04. Affiliate Fund Manager. The Affiliate Fund shall be managed by USBCDC, Manager (or an affiliate thereof) at all times after the Affiliate Fund Transfer for the remainder of the Compliance Period.

Section 10.05. Obligations under Fund Loan Documents. All obligations and rights of the Affiliate Fund subsequent to the Affiliate Fund Transfer with respect to the Fund Loan Documents shall be applicable to and exercised by USBCDC, Manager (or an affiliate) as manager, managing member or general partner of the Affiliate Fund.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused the Fund Loan Agreement to be executed by their respective duly authorized signatories as of the day and year written above.

FUND BORROWER:

LKIC INVESTMENT FUND 1, LLC, a Missouri limited liability company

By: Twain Financial Partners, LLC, a Missouri limited liability company, its Manager

By _____
Name _____
Title _____

[Signature Page 1 of 2 to LKIC 1 – Fund Loan Agreement]

FUND LENDER:

CITY OF LOS ANGELES, acting by and through
its DEPARTMENT OF WATER AND POWER
BY BOARD OF WATER AND POWER
COMMISSIONERS OF THE CITY OF LOS
ANGELES

By: _____
Ronald O. Nichols
General Manager

Date: _____

And: _____
Barbara E. Moschos
Secretary

[Signature Page 2 of 2 to LKIC 1 – Fund Loan Agreement]

EXHIBIT A

Form of Promissory Note

PROMISSORY NOTE

[\$27,815,425]

August [], 2013

FOR VALUE RECEIVED, the undersigned, LKIC INVESTMENT FUND 1, LLC, a Missouri limited liability company (the "**Fund Borrower**"), promises to pay to the order of THE CITY OF LOS ANGELES, a municipal corporation acting by and through its DEPARTMENT OF WATER AND POWER (the "**Fund Lender**"), in lawful money of the United States of America, the principal sum of [Twenty-Seven Million Eight Hundred Fifteen Thousand Four Hundred Twenty-Five] and No/100 Dollars (\$[27,815,425]) (the "**Loan**"), or such lesser principal amount as may be advanced under this Promissory Note (the "**Promissory Note**") pursuant to that certain Fund Loan Agreement dated as of even date herewith (the "**Loan Agreement**") by and between Fund Borrower and Fund Lender, together with interest from and after the date hereof on the unpaid principal balance outstanding hereunder at the rate provided for herein.

For the purposes of this Promissory Note, the following definitions shall apply to the words and phrases used herein:

"**Advance**" shall mean any advance made by Fund Lender to Fund Borrower hereunder.

"**Business Day**" shall mean any day other than a Saturday, Sunday or any legal holiday on which banks in St. Louis, Missouri or Los Angeles, California are authorized or required to close.

"**Code**" shall mean the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, as the same may be amended and supplemented from time to time.

"**Default Rate**" shall have the meaning set forth in the Loan Agreement.

"**Event of Default**" shall have the meaning set forth in the Loan Agreement.

"**Interest Rate**" shall have the meaning set forth in the Loan Agreement.

"**Maturity Date**" shall mean June 20, 2043.

Subject to the terms and conditions of this Promissory Note, the outstanding principal amount of the Loan shall bear interest at the Interest Rate. All interest payable hereunder shall be computed on the basis of a thirty (30) calendar day month and a three hundred sixty (360) calendar day year; provided however that the first quarterly payment of interest shall be calculated based on the period from the First Advance through the end of the first quarter after

the First Advance, and thereafter through the end of each succeeding quarter; provided however, principal and interest shall be payable as set forth in the Loan Agreement. From the date of any Event of Default and during the continuance thereof and from and after the Maturity Date, interest on all principal amounts outstanding under this Promissory Note shall accrue at the Default Rate.

In no contingency or event whatsoever, whether by reason of advancement of the proceeds hereof or otherwise, shall the amount paid or agreed to be paid to Fund Lender for the use, forbearance or detention of money advanced hereunder exceed the highest lawful rate permissible under any law which a court of competent jurisdiction may deem applicable hereto.

The principal amount and accrued interest of this Promissory Note shall be due and payable on the dates and in the manner set forth in the Loan Agreement.

The entire outstanding principal balance under this Promissory Note plus all accrued and unpaid interest thereon and any other amounts due hereunder shall become due and payable on the Maturity Date.

Time is of the essence of this Promissory Note. To the extent not prohibited by applicable law, Fund Borrower, for itself and its successors and assigns, expressly waives presentment, demand, protest, notice of dishonor, and any and all other notices, demands and consents in connection with the delivery, acceptance, performance, default or enforcement of this Promissory Note, and hereby consents to any extensions of time, renewals, releases of any party to or guarantor of this Promissory Note, waivers and any other modifications that may be granted or consented to by Fund Lender from time to time in respect of the time of payment or any other provision of this Promissory Note.

Notwithstanding any provision in this Promissory Note to the contrary, the rights and remedies of Fund Lender are subject in all respects to the provisions of Article 9 of the Fund Loan Agreement ("*Forbearance*"), and nothing in this Promissory Note shall be deemed to authorize or empower Fund Lender to take any action or exercise any right or remedy that is inconsistent with such provisions.

Wherever possible each provision of this Promissory Note shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Promissory Note shall be prohibited or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or remaining provisions of this Promissory Note. No delay or failure on the part of Fund Lender in the exercise of any right or remedy hereunder shall operate as a waiver thereof, nor as acquiescence in any default, nor shall any single or partial exercise by Fund Lender of any right or remedy preclude any other right or remedy. Fund Lender, at its option, may enforce its rights against any collateral securing this Promissory Note without enforcing its rights against Fund Borrower or any other property or indebtedness due or to become due to Fund Borrower. Fund Borrower agrees that, without releasing or impairing Fund Borrower's liability hereunder, Fund Lender may at any time release, surrender, substitute or exchange any collateral securing this Promissory Note and may at any time release any party primarily or secondarily liable for the indebtedness evidenced by this Promissory Note.

All of the terms, covenants and agreements of the Loan Agreement are incorporated herein by reference.

This Promissory Note shall be governed by, and construed and enforced in accordance with, the internal laws of the State of California.

[Signature Page Follows]

IN WITNESS WHEREOF, Fund Borrower has set its signature to this Promissory Note as of the date first written above.

FUND BORROWER:

LKIC Investment fund 1, LLC a Missouri limited liability company

By: Twain Financial Partners, LLC, a Missouri limited liability company, its Manager

By _____
Name _____
Title _____

[Signature Page to LKIC 1 – Fund Loan Promissory Note]

6

**Fund Loan Agreement (LKIC Investment
Fund 2)**

FUND LOAN AGREEMENT

THIS FUND LOAN AGREEMENT (the "*Fund Loan Agreement*"), dated as of August [], 2013, is entered into by and between LKIC INVESTMENT FUND 2, LLC, a Missouri limited liability company (the "*Fund Borrower*"), and the CITY OF LOS ANGELES, a municipal corporation acting by and through its DEPARTMENT OF WATER AND POWER (the "*Fund Lender*").

For good and valuable consideration, intending to be legally bound, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Defined Terms. Capitalized terms not otherwise defined herein shall have the meanings set forth in, and the interpretations applicable thereto under the Fund Agreement, as amended and modified from time to time in accordance with its terms. The following terms used herein shall have the following meanings:

"*Advance*" means the sum of all money disbursed by Fund Lender to Fund Borrower hereunder as provided herein for the purposes described in Sections 2.02 and Section 2.03.

"*Bankruptcy Code*" means any Section or Chapter of the United States Bankruptcy Code.

"*Business Day*" means any day other than a Saturday, Sunday or any legal holiday on which banks in St. Louis, Missouri or Los Angeles, California are authorized or required to close.

"*CDEs*" means, collectively, the Consortium CDE, the Clearinghouse CDE, the LADF CDE, the USB CDE and the URP CDE.

"*CDE Agreement*" means that certain Amended and Restated Operating Agreement of the USB CDE dated as of even date herewith, and all amendments and modifications thereto.

"*CDE Loan Agreement*" means that certain Loan Agreement dated as of the date hereof, by and between CDEs and QALICB, as amended, restated or modified from time to time.

"*CDE Loan Documents*" means the CDE Loan Agreement and all other instruments and agreements which evidence, secure or are otherwise executed in connection with the CDE Loan, including all amendments, modifications, renewals, extensions, restatements and replacements thereof.

"*CDE Loan*" means that certain loan in the aggregate principal amount of \$[42,460,000] made by CDEs to QALICB pursuant to the CDE Loan Documents.

"*Clearinghouse CDE*" means Clearinghouse NMTC (Sub 30), LLC, a California limited liability company.

“*Consortium CDE*” means Consortium America XXXIII, LLC, a Delaware limited liability company.

“*Default*” means any of the events specified in Section 7.01 hereof, whether or not any requirement for the giving of notice, the lapse of time, or both, or any other condition, has been satisfied.

“*Default Rate*” means a rate of interest per annum equal to five percent (5%) in excess of the rate of interest otherwise payable under this Fund Loan Agreement.

“*Event of Default*” has the meaning set forth in Section 7.01.

“*Fund Agreement*” means that certain Operating Agreement of Fund Borrower by and between USBCDC, as the sole member, and Manager, as manager, dated as of even date herewith.

“*Fund Loan*” has the meaning set forth in Section 2.01 of this Fund Loan Agreement.

“*Fund Loan Agreement*” has the meaning set forth in the Preamble hereof.

“*Fund Loan Documents*” means, collectively, each and every agreement, document and instrument now or hereafter executed in connection with this Fund Loan Agreement or evidencing, securing or otherwise ancillary to the Fund Loan as the same may from time to time be modified, amended, restated or replaced, including, without limitation, the following loan documents:

- (a) this Fund Loan Agreement;
- (b) the Note;
- (c) the Fund Pledge Agreement; and
- (d) the UCC Financing Statement showing Fund Borrower as debtor and Fund Lender as secured party with respect to the security interests granted under the Fund Pledge Agreement.

“*Fund Obligations*” means the outstanding principal of and interest on the Fund Loan and the Note and all fees and other amounts (other than principal and interest) due and payable to Fund Lender under the Fund Loan Documents. Interest shall include any interest that accrues after the commencement of an Insolvency Proceeding with respect to Fund Borrower, or that would accrue but for the commencement of such proceeding, whether or not allowed as a claim in such Insolvency Proceeding.

“*Fund Pledge Agreement*” means that certain Pledge Agreement between Fund Borrower and Fund Lender dated as of even date herewith pursuant to which Fund Borrower has granted a security interest in certain assets to Fund Lender.

“*Fund Pledged Collateral*” has the meaning given such term in the Fund Pledge Agreement.

“GAAP” means generally accepted accounting principles in the United States of America in effect from time to time (as set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board, or in such other statements by such other entities as may be in general use by significant segments of the accounting profession, which are applicable to the circumstances as of the date of determination).

“Governmental Authority” means any nation or government, any state or other political subdivision thereof, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing, whether domestic or foreign.

“Indemnity Payments” has the meaning set forth in Section 7.02(c) of this Fund Loan Agreement.

“Insolvency Proceeding” means any proceeding commenced by or against any Person under any provision of the Bankruptcy Code or under any other state or federal bankruptcy or insolvency law, assignments for the benefit of creditors, or proceedings seeking reorganization, arrangement, or other similar relief.

“Interest Rate” means a rate per annum equal to [1.517299]%.

“Investor Member” means USBCDC, as the investor member of Fund Borrower, and its successors and assigns.

“LADF CDE” means LADF IX, LLC, a California limited liability company.

“Lien Enforcement Action” means (i) any action to foreclose on, take possession of, sell or otherwise realize (judicially or non-judicially) upon the Fund Pledged Collateral, or any rights or privileges attendant thereto (including, without limitation, by set-off), (ii) any action to assert ownership rights with respect to any of the Fund Pledged Collateral, or any rights or privileges attendant thereto (including without limitation the exercise or withholding of consent or voting rights), (iii) any action (judicially or non-judicially) to dissolve or liquidate Fund Borrower, and/or (iv) the commencement of any legal proceedings to facilitate any of the actions described in clauses (i), (ii) or (iii) above.

“Manager” means USBCDC, in its capacity as the manager of Fund Borrower, and its successors and assigns.

“Material Adverse Effect” means a material adverse effect on (i) the business, operations, property, condition (financial or otherwise) or prospects of Fund Borrower, (ii) the ability of Fund Borrower to perform its obligations under the Fund Loan Documents, or (iii) the validity or enforceability of the Fund Loan Documents or the rights or remedies of Fund Lender thereunder.

“Maturity Date” means [August 14], 2043.

“Member(s)” means Investor Member.

“*Note*” means that certain Promissory Note in the principal amount of [Two Million Six Hundred Thirty-Six Thousand] and No/100 Dollars (\$[2,636,000]) made by Fund Borrower payable to Fund Lender dated as of even date herewith, a form of which is attached hereto as Exhibit A.

“*Notice*” means a writing containing the information required to be communicated to a Person and delivered in accordance with Section 8.09(g) of this Fund Loan Agreement.

“*Person*” means any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, limited liability company, government, or any agency or political division thereof, or any other entity.

“*Put and Call Agreement*” means that certain Investment Fund Put and Call Agreement dated as of the date hereof between USBCDC and Fund Lender.

“*QALICB*” means La Kretz Innovation Campus, a California nonprofit public benefit corporation.

“*URP CDE*” means URP Subsidiary CDE XVII, LLC, a Maryland limited liability company.

“*USB CDE*” means USBCDE Sub-CDE 92, LLC, a Missouri limited liability company.

“*USBCDC*” means U.S. Bancorp Community Development Corporation, a Minnesota corporation.

Section 1.02. Accounting Terms. For purposes of this Fund Loan Agreement, all accounting terms not otherwise defined herein shall have the meanings assigned to such terms in conformity with GAAP.

Section 1.03. Other Definitional Provisions.

(a) The words “hereof,” “herein” and “hereunder” and words of similar import when used in this Fund Loan Agreement shall refer to this Fund Loan Agreement as a whole and not to any particular provision of this Fund Loan Agreement, and section, schedule and exhibit references are to this Fund Loan Agreement unless otherwise specified.

(b) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

ARTICLE II

THE FUND LOAN

Section 2.01. Agreement to Make the Fund Loan. Subject to the terms and conditions of this Fund Loan Agreement, Fund Lender hereby agrees to make the loan (the “*Fund Loan*”) to Fund Borrower in an aggregate principal amount of [Two Million Six Hundred Thirty-Six Thousand and] No/100 Dollars (\$[2,636,000]). Fund Lender shall advance the entire proceeds

of the Fund Loan (the "*Advance*") on the date hereof to Fund Borrower upon the satisfaction of the conditions precedent set forth in Article 4 below.

Section 2.02. Purpose of the First Advance. The proceeds of the Advance in addition to equity contributed by USBCDC in the amount of [\$1,404,000] shall be used by the Fund Borrower to (i) make an equity investment of [\$4,000,000] in the USB CDE, and (ii) pay a sponsor fee of [\$40,000] to USBCDE, LLC.

Section 2.03. Reserved.

Section 2.04. Note. The Fund Loan shall be evidenced by the Note.

Section 2.05. Prepayment of Fund Loan. Fund Borrower may prepay the Note, in whole or in part, prior to the Maturity Date without Fund Lender's consent and without penalty or premium.

ARTICLE III

PAYMENTS

Section 3.01. Interest. Provided no Event of Default has occurred under the Fund Loan Documents, from the date of the advance of the Fund Loan until the Maturity Date, interest on the Fund Loan shall accrue at the Interest Rate. From the date of any Event of Default hereunder and during the continuance thereof and from and after the Maturity Date, interest on all principal amounts outstanding under the Note shall accrue at the Default Rate. All interest payable hereunder shall be computed on the basis of a ninety (90) calendar day quarter and a three hundred sixty (360) calendar day year; provided however that the first quarterly payment of interest shall be calculated based on the period through the end of the first quarter after the Advance, and thereafter through the end of each succeeding quarter. Fund Lender is authorized to rely on the written loan requests, including facsimile, telecopy or telegraphic loan requests, which Fund Lender believes in its good faith judgment to emanate from a properly authorized representative of Fund Borrower, whether or not that is in fact the case.

Section 3.02. Payments. With respect to the Fund Loan, (i) from and after the date of the Advance through and including [September] 20, 2020 (the "*Initial Loan Period*"), interest accrued through the last day of each calendar quarter shall be payable in arrears in quarterly installments on the [twentieth (20th)] day of the third (3rd) month of each calendar quarter with respect to all principal amounts disbursed under the Fund Loan, with such payments commencing on [September [20], 2013 (provided the first such payment on September 20, 2013 shall be of interest accrued from the date of the Advance, through September 30, 2013)]; (ii) following the end of the Initial Loan Period until the Maturity Date, Fund Borrower shall make equal quarterly payments of principal and interest in an amount sufficient to fully amortize the Fund Loan at the then applicable Interest Rate over the remaining term of the Fund Loan, with such payments commencing on [December 20, 2020]; and (ii) a final payment of all outstanding principal, accrued but unpaid interest and any and all unpaid fees and other charges owed pursuant to the Fund Loan Documents shall be due and payable on the Maturity Date.

Section 3.03. No Setoff or Counterclaim. All sums payable by Fund Borrower hereunder shall be paid in full without setoff or counterclaim by reason of any claim Fund Borrower may have against Fund Lender.

Section 3.04. Application of Payments. Absent the occurrence of an Event of Default, any payments received by Fund Lender pursuant to the terms hereof shall be applied first to sums, other than principal and interest, due to Fund Lender pursuant to the Fund Loan Documents, next to the payment of all interest accrued to the date of such payment, and the balance, if any, to the payment of principal. Any payments received by Fund Lender after the occurrence of an Event of Default shall be applied to the amounts specified in this Section in such order as Fund Lender may elect, in its sole discretion. In calculating interest and applying payments as set forth above, interest shall be calculated and collected in arrears through and including the day prior to the payment date and to interest in advance from the payment date through and including the last day of the calendar quarter in which such payment was made (except for the final payment at maturity for which interest shall be calculated through the date payment is actually received by Fund Lender). To the extent that Fund Borrower makes a payment or Fund Lender receives any payment or proceeds of the Fund Pledged Collateral for Fund Borrower's benefit that is subsequently invalidated, set aside or required to be repaid to any other person or entity, then, to such extent, the Fund Obligations intended to be satisfied shall be revived and continue as if such payment or proceeds had not been received by Fund Lender and Fund Lender may adjust the balance of the Fund Loan as Fund Lender deems appropriate under the circumstances.

ARTICLE IV

CONDITIONS PRECEDENT

Section 4.01. Conditions Precedent to this Loan Agreement. The obligations of Fund Lender under this Fund Loan Agreement are subject to the receipt by Fund Lender of the following documents, in form and substance satisfactory to Fund Lender and its counsel:

- (a) executed copies of this Fund Loan Agreement, duly executed and delivered by Fund Borrower;
- (b) the Note duly completed, executed and delivered by Fund Borrower and dated as of the date hereof, in the original principal amount of \$[2,636,000] bearing interest at the Interest Rate;
- (c) executed copies of the Fund Pledge Agreement, the Fund Agreement, and the CDE Agreement; and
- (d) such other documents as Fund Lender shall reasonably require.

Disbursement of loan proceeds shall be deemed as Fund Lender's satisfaction that all conditions precedent set forth in this Section 4.01 have been satisfied by Fund Borrower.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

Fund Borrower represents and warrants to Fund Lender as follows:

Section 5.01. Formation, Qualification and Ownership. Fund Borrower is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Missouri.

Section 5.02. Power and Authority; Limited Liability Company Action. Fund Borrower has full power and authority to incur the Fund Loan obligations hereunder, to execute and deliver this Fund Loan Agreement and the other Fund Loan Documents to which it is a party and to perform and observe the terms and conditions stated herein and therein. Fund Borrower has taken all necessary manager and member action to authorize the execution, delivery and performance of its obligations under this Fund Loan Agreement and the other Fund Loan Documents to which it is a party. Fund Borrower was formed for the sole purpose of entering into the transactions contemplated in the Fund Loan Documents and the Fund Agreement and has not engaged in any other activities.

Section 5.03. Fund Loan Documents Binding. This Fund Loan Agreement and each other Fund Loan Document to which Fund Borrower is or will be a party to have been duly executed and delivered on behalf of Fund Borrower, and this Fund Loan Agreement and each other Fund Loan Document to which it is or will be a party constitutes a legal, valid and binding obligation of Fund Borrower, enforceable against Fund Borrower in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

Section 5.04. Registration and Approvals. To the best of Fund Borrower's knowledge, all approvals, licenses and authorizations of, and all filings and registrations with, any Governmental Authority necessary for the due execution, delivery, performance and/or enforceability of this Fund Loan Agreement and the other Fund Loan Documents to which Fund Borrower is a party have been obtained and are in full force and effect.

Section 5.05. No Conflict. To the best of Fund Borrower's knowledge, the execution, delivery and performance of this Fund Loan Agreement and the other Fund Loan Documents to which Fund Borrower is a party and the payment of all sums payable hereunder and thereunder (i) will not violate any statute, order, regulation, or other provision of law applicable to Fund Borrower or any Governmental Authority directive having the force of law applicable to Fund Borrower; (ii) will not contravene any provision of the Fund Agreement; (iii) will not result in the breach of any provision of, or in the imposition of any lien or encumbrance under, any agreement to which Fund Borrower is a party or by which it or any of its property is bound; and (iv) to Fund Borrower's knowledge, will not constitute a default or an event which with notice or lapse of time, or both, would constitute a default under any such agreement and which, in the case of clauses (i), (iii), and (iv) are reasonably likely to have a Material Adverse Effect.

Section 5.06. Absence of Defaults. To the best of Fund Borrower's knowledge, Fund Borrower is not in default under any agreement to which it is a party or by which it or any of its property is bound which could be reasonably expected to have a Material Adverse Effect, and no Default or Event of Default has occurred and is continuing hereunder.

Section 5.07. Litigation. There are no pending or to the knowledge of Fund Borrower, threatened legal actions, arbitrations or other proceedings against Fund Borrower, nor are there any pending or to the knowledge of Fund Borrower, threatened proceedings as to unpaid or disputed tax liabilities of Fund Borrower which are reasonably likely to have a Material Adverse Effect or that have a legitimate basis in fact.

Section 5.08. Taxes. Fund Borrower has filed and will file, subject to filing extensions, all required tax returns, if any, and all taxes, assessments and other such governmental charges due from Fund Borrower, if any, have been fully paid except for taxes which are being contested in good faith.

Section 5.09. No Other Liens. Except for the lien and security interests granted by Fund Borrower to Fund Lender pursuant to the Fund Pledge Agreement, Fund Borrower has not granted, caused, or permitted to exist, any other security interest, pledge, assignment or lien with respect to any of its assets.

Section 5.10. Compliance with Laws. To the best of Fund Borrower's knowledge, Fund Borrower has complied in all material respects with all applicable laws, rules, regulations, policies and orders of Governmental Authorities, such compliance to include, without limitation, paying, before the same become delinquent, all taxes, assessments and governmental charges imposed upon it or upon its property (other than those the amount or validity of which is currently being contested in good faith by appropriate proceedings and with respect to which adequate reserves have been provided in accordance with GAAP).

Section 5.11. No Material Adverse Effect. To the best of Fund Borrower's knowledge, since its formation, no event has occurred that has or would, with the passage of time, cause a Material Adverse Effect with respect to Fund Borrower.

Section 5.12. Full Disclosure. To the best of Fund Borrower's knowledge, no representations or warranties by Fund Borrower in this Fund Loan Agreement or in any of the other Fund Loan Documents contains or will contain any untrue statement of a material fact or omits or will omit to state, when read in conjunction with all of the information contained in this Fund Loan Agreement and the other Fund Loan Documents, any material fact necessary to make the statements or facts contained herein or therein not misleading.

Section 5.13. Brokerage Fees. Fund Borrower has dealt with no broker or finder with regard to the Fund Loan and Fund Borrower shall indemnify and hold Fund Lender harmless for, from any and all claims for fees or compensation claimed to be due in connection with the Fund Loan as a result of the acts of Fund Borrower from any broker or finder.

ARTICLE VI

COVENANTS

Section 6.01. Affirmative Covenants of Fund Borrower. So long as any of the Fund Obligations shall remain unpaid, Fund Borrower covenants and agrees with Fund Lender that it shall:

(a) ***Legal Existence.*** (i) Preserve and maintain its existence and good standing in the jurisdiction of its formation, and (ii) qualify and remain qualified to do business and remain in good standing in each jurisdiction in which such qualification is required except where the failure to so qualify could not be reasonably expected to have a Material Adverse Effect.

(b) ***Maintenance of Financial Records.*** Keep proper records and books of account, in which complete entries will be made in accordance with GAAP consistently applied, reflecting all financial transactions of Fund Borrower.

(c) ***Access to Books and Inspection.*** Upon request of Fund Lender, provide any duly authorized representative of Fund Lender access during normal business hours to, and permit such representative to examine, copy or make extracts from, any and all books, records and documents in Fund Borrower's possession or control relating to Fund Borrower's obligations under the Fund Loan Documents; provided, however, that Fund Lender shall treat all such books and records as confidential and shall only be permitted to disclose the information contained therein to its legal counsel, its independent public accountants, any participating lenders, or in connection with any action to collect on the Note or to enforce this Fund Loan Agreement or the documents related hereto, or as otherwise permitted or required by law.

Notwithstanding the foregoing, Fund Borrower acknowledges that Fund Lender, as a California municipal corporation organized under the laws of the State of California, is subject to disclosure as required by the California Public Records Act, Cal. Govt. Code §§ 6250 et seq. ("CPRA") and the Ralph M. Brown Act, Cal. Govt. Code §§ 54950 et seq. ("Brown Act"). Confidential information of Fund Borrower provided to Fund Lender pursuant to the Fund Loan Documents shall become the property of Fund Lender, and Fund Borrower acknowledges that Fund Lender shall not be in breach of this Fund Loan Agreement or have any liability whatsoever for any claims or causes of action whatsoever resulting from or arising out of Fund Lender copying or releasing to a third party any of the confidential information of Fund Borrower pursuant to CPRA or Brown Act. If Fund Lender receives a CPRA request for confidential information of Fund Borrower, and Fund Lender determines that such confidential information is subject to disclosure under CPRA, then Fund Lender shall notify Fund Borrower of the request and its intent to disclose such confidential information. Fund Lender, as required by CPRA, shall release such confidential information unless Fund Borrower timely obtains a court order prohibiting such release, which Fund Lender agrees it shall give Fund Borrower such time to obtain as permitted under CPRA. If Fund Borrower, at its sole expense, chooses to seek a court order prohibiting the release of such confidential information pursuant to a CPRA request, then Fund Borrower undertakes and agrees to defend,

indemnify and hold harmless Fund Lender from and against all suits, claims, and causes of action brought against Fund Lender for Fund Lender's refusal to disclose confidential information of Fund Borrower to any person making a request pursuant to CPRA. Fund Borrower's indemnity obligations shall include, but are not limited to, all actual costs incurred by Fund Lender, and specifically including costs of experts and consultants, as well as all damages or liability of any nature whatsoever arising out of any suits, claims, and causes of action brought against Fund Lender, through and including any appellate proceedings.

(d) ***Maintenance of Properties.*** Maintain, keep, and preserve all of its properties (tangible and intangible) necessary in the proper conduct of its business in reasonably good working order and condition, ordinary wear and tear excepted.

(e) ***Compliance with Laws.*** Comply in all material respects with all applicable laws, rules, regulations, policies and orders of Governmental Authorities, such compliance to include, without limitation, paying, before the same become delinquent, all taxes, assessments, and governmental charges imposed upon it or upon its property (other than those the amount or validity of which is currently being contested in good faith by appropriate proceedings and with respect to which adequate reserves have been provided in accordance with GAAP).

Section 6.02. Negative Covenants of Fund Borrower. So long as any of the Fund Obligations shall remain unpaid, Fund Borrower covenants and agrees with Fund Lender that it shall not:

(a) ***Liens.*** Create or cause to exist any lien, security interest, mortgage or other charge or encumbrance upon which or with respect to any of its property, whether now owned or hereafter acquired, or assign any right to receive income, in each case to secure any indebtedness (all of the foregoing are referred to in this section as "liens"), other than (i) the lien of the Fund Pledge Agreement, (ii) liens in respect of judgments against Fund Borrower with respect to which a stay of execution upon appeal shall have been secured, and (iii) liens for taxes, assessments or other governmental charges which are not due and payable or are being contested in good faith.

(b) ***Fundamental Changes; Other Activities.*** Merge, reorganize or consolidate with any other Person or purchase or acquire all or substantially all of the property or capital stock of any other Person, or sell, lease, or otherwise dispose of any of its property, business or assets, whether now owned or hereafter acquired except in accordance with the CDE Agreement, and pursuant to the redemption provisions of the CDE Agreement ("CDE Dissolution and Interest Redemptions"); or engage in any activities other than being the investor member of the USB CDE and the borrower under this Fund Loan Agreement, and activities reasonably related thereto. Notwithstanding the foregoing, and except for CDE Dissolution and Interest Redemptions in accordance with the terms of the CDE Agreement, such merger, reorganization, consolidation or other activity described in this subpart (b) shall be permitted with Fund Lender's written consent so long as Fund Borrower takes such action as is necessary to preserve the Fund Lender's interest in the Fund Pledged Collateral and so long as the Fund Loan is not impaired thereby. Notwithstanding anything contained in this Fund Loan Agreement to

the contrary, Fund Lender hereby agrees to transfers of membership interests in Fund Borrower to Affiliate Funds (as defined in Article 10 hereof) in accordance with the terms of the Fund Agreement.

(c) **Indebtedness.** Create, incur, assume or suffer to exist any indebtedness, other than indebtedness of Fund Borrower under (i) this Fund Loan Agreement, (ii) pursuant to any other Fund Loan Documents, and (iii) as permitted under the Fund Agreement.

(d) **Limited Liability Company Governance Agreements.** Subject to any action deemed necessary, in Fund Borrower's sole discretion, to comply with the requirements of the New Markets Tax Credit program (as provided under Section 45D of the Code and Treasury Regulations promulgated thereunder), amend, modify or change, or consent or agree to any amendment, modification or change to, Section 2.8 the Fund Agreement, except to the extent such change, amendment, modification or consent has previously been approved in writing by Fund Lender (which approval shall not be unreasonably withheld, conditioned or delayed) or is necessary (in Fund Borrower's sole discretion) to comply with the requirements of the New Markets Tax Credit program (as provided under Section 45D of the Code and Treasury Regulations promulgated thereunder).

(e) **Amendments.** Consent to any amendment or modification of the single purpose entity provisions of the CDE Agreement, or the provisions in the CDE Agreement governing CDE Dissolution and Interest Redemptions, without the prior written consent of Fund Lender (which consent of Fund Lender shall not be unreasonably withheld, conditioned or delayed). Notwithstanding the foregoing, to the extent such amendment or modification is deemed necessary in Fund Borrower's sole discretion, to maintain compliance with the New Markets Tax Credit program (as provided under Section 45D of the Code and Treasury Regulations promulgated thereunder), such amendment or modification of the CDE Agreement shall be permitted without Fund Lender's prior written consent.

ARTICLE VII

EVENTS OF DEFAULT

Section 7.01. Events of Default. Each of the following shall constitute an Event of Default under this Fund Loan Agreement upon five (5) Business Days' Notice to the Fund Borrower:

(a) Fund Borrower shall fail to pay (i) any principal amount of the Note as and when due and payable (whether at stated maturity or upon mandatory prepayment), or (ii) any interest on the Note or any other amount payable under this Fund Loan Agreement or any of the other Fund Loan Documents, in each case, within ten (10) Business Days after receipt of Notice such principal, interest or other amount is due and payable;

(b) Any representation or warranty of Fund Borrower herein or in any other Fund Loan Document proves to have been or will become materially incorrect or materially misleading, or any certificate or opinion furnished hereunder proves to have been materially incorrect or materially misleading as of the date it was delivered to Fund Lender and such defect shall continue unremedied for a period of sixty (60) days after Notice thereof to Fund Borrower by Fund Lender;

(c) Fund Borrower shall default in the observance or performance of any material term, covenant or agreement contained in any of the Fund Loan Documents to which it is a party, and such default shall continue unremedied for a period of sixty (60) days after Notice thereof to Fund Borrower by Fund Lender;

(d) Any of the Fund Loan Documents shall for any reason cease to be in full force and effect (other than in accordance with its terms), or be declared null and void or unenforceable in whole or in part (but only to the extent that such partial unenforceability would have a Material Adverse Effect upon (i) Fund Borrower's ability to pay any amounts due under the Fund Loan or (ii) the Fund Pledged Collateral, or the validity or enforceability of any of the Fund Loan Documents shall be challenged or be denied by Fund Borrower or any member thereof and such event shall continue unremedied for a period of sixty (60) days after Notice thereof to Fund Borrower by Fund Lender;

(e) One or more final judgments, decrees, awards or orders for the payment of money in excess of \$100,000, in the aggregate, shall be rendered against Fund Borrower and such final judgments, decrees, awards or orders shall continue unsatisfied and in effect for a period of sixty (60) consecutive days without being vacated, discharged, satisfied, or stayed or bonded pending appeal; or

(f) Fund Borrower (i) shall generally not, or shall be unable to or shall admit in writing its inability to pay its debts as such debts become due; or (ii) shall make a general assignment for the benefit of creditors, petition or apply to any tribunal for the appointment of a custodian, receiver, trustee or other similar official for it or a substantial part of its assets; or (iii) shall commence any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution, or liquidation law or statute of any jurisdiction, whether now or hereafter in effect; or (iv) shall have any such petition or application filed or any such proceeding commenced against it, in which an order for relief is entered or adjudication or appointment is made and which remains undismissed for a period of sixty (60) days or more; or (v) by any act or omission shall indicate its consent to, approval of, or acquiescence in any such petition, application, or proceeding, or order for relief, or the appointment of a custodian, receiver, trustee or other similar official for all or any substantial part of its properties; or (vi) shall suffer any such custodianship, receivership, or trusteeship to continue undischarged for a period of sixty (60) days or more.

Section 7.02. Remedies on Event of Default.

(a) Subject to Article 9 of this Fund Loan Agreement, whenever any Event of Default occurs under the Fund Loan Agreement, Fund Lender may by Notice to Fund Borrower, declare the aggregate outstanding principal amount of the Note, all interest

thereon, and all other amounts payable under this Fund Loan Agreement and the other Fund Loan Documents to be forthwith due and payable, whereupon the aggregate principal amount of the Note, all such interest, and all such other amounts shall become and be forthwith due and payable, without presentment, demand, protest, or further notice of any kind, all of which are hereby expressly waived by Fund Borrower; provided that, if there shall be an Event of Default under Section 7.01(f) hereof, the aggregate outstanding principal amount of the Note, all interest thereon, and all other amounts payable under this Fund Loan Agreement and the other Fund Loan Documents shall be immediately due and payable, without notice, declaration, presentment, demand, protest or notice of any kind, all of which are hereby expressly waived by Fund Borrower.

(b) If any of the Fund Obligations have been, or are deemed to be, accelerated pursuant to Section 7.02(a), Fund Lender shall, at its option, enforce the rights and remedies granted to it under the Fund Loan Documents, in accordance with their respective terms and any other rights or remedies accorded to Fund Lender at equity or law, by virtue of statute or otherwise.

(c) In the event of any breach by Fund Borrower hereunder or any other Fund Loan Document, the liability of Fund Borrower under this Fund Loan Agreement or any other Fund Loan Document shall be recourse to Fund Borrower but shall exclude any Capital Contributions (as defined in the Fund Agreement), and any judgment rendered against Fund Borrower under this Fund Loan Agreement shall exclude such Capital Contributions; provided further that such Capital Contributions shall not be deemed to include the Pledged Securities (as defined in the Fund Pledge Agreement) or the proceeds thereof. Notwithstanding the foregoing or any other provision of this Fund Loan Agreement or any other Fund Loan Document, and without regard to the solvency or insolvency of Fund Borrower or the existence of any default or Event of Default with respect to the Fund Loan, (i) Fund Lender shall not be entitled to collect, receive, or make any claim against or with respect to any indemnity payments or distributions made to Fund Borrower (A) on account of any indemnification or reimbursement provisions contained in the CDE Agreement or any other agreement, or (B) for the payment of the Annual Management Fee (as defined in the Fund Agreement) (collectively, "**Indemnity Payments**") to satisfy any indebtedness or other sums due, or that may become due, under or in connection with the Fund Loan or the Fund Loan Documents, and (ii) any and all such Indemnity Payments, whenever made, shall be permitted to be distributed by Fund Borrower to the Investor Member as compensation for the loss or recapture of New Markets Tax Credits (as provided under Section 45D of the Code) for which such Indemnity Payments shall have been made; provided, however, that the preceding provisions (i) and (ii) relating to the Indemnity Payments shall not apply in the case of an Event of Default resulting from the failure of the Fund Borrower to make payments when due on the Fund Loan from moneys in its possession received from the USB CDE and earmarked for debt service on the Fund Loan and no bona fide dispute between Fund Lender and Fund Borrower exists hereunder. Fund Lender expressly acknowledges and agrees that it has not bargained for, and does not intend to have, the right to collect or receive any Indemnity Payments, and Fund Lender hereby expressly waives and releases any and all rights to prohibit, set aside, revoke, or seek the return of any such Indemnity Payments made to Fund Borrower and distributed to the Investor Member, whether pursuant to the Fund Loan Documents or any bankruptcy, fraudulent transfer, insolvency,

or other federal or state laws providing any such rights. Further, notwithstanding anything to the contrary in this Fund Loan Agreement or any other Fund Loan Document, neither the Investor Member nor the Manager, nor their members, managers, partners, officers, directors, employees, or any successors, transferees or assigns thereof, shall have any personal liability hereunder, or under the Fund Loan Documents, and no deficiency or other personal judgment shall be sought or rendered against the Investor Member or the Manager or their members, managers, partners, officers, directors, employees, or any successors, transferees or assigns thereof, in any action or proceeding arising out of this Fund Loan Agreement, or any judgment, order or decree rendered pursuant to any such action or proceeding.

(d) The limit on the Investor Member's and the Manager's liability set forth in this Section shall not, however, be construed, and is not intended in any way, to constitute a release, in whole or in part, of Fund Borrower's indebtedness evidenced by this Fund Loan Agreement, or a release, in whole or in part, or an impairment of the lien and security interest of the Fund Pledged Collateral, or to preclude Fund Lender from foreclosing the Fund Pledged Collateral in case of an event of default under the Fund Pledge Agreement after the Forbearance Termination Date.

ARTICLE VIII

MISCELLANEOUS

Section 8.01. Entire Agreement. This Fund Loan Agreement and the other Fund Loan Documents to which Fund Borrower is a party, constitute the entire agreement of the parties hereto with respect to the transactions contemplated hereby and shall supersede any prior understandings with respect thereto, including, without limitation, any offer letter or letter of intent.

Section 8.02. Amendments. This Fund Loan Agreement may be amended only by a writing, signed by the party or parties to be bound or burdened by such amendment.

Section 8.03. Waiver and Cumulative Rights. The failure or delay of Fund Lender to require performance by Fund Borrower of any provision of this Fund Loan Agreement or any other Fund Loan Documents to which Fund Borrower is a party shall not affect the right of Fund Lender to require performance of such provision, unless such performance has been waived in writing by Fund Lender. No waiver of any Default or Event of Default shall constitute a waiver of any other Default or Event of Default. All rights granted to Fund Lender hereunder or allowed to Fund Lender by law or in equity shall be cumulative and may be exercised in part or in whole from time to time.

Section 8.04. Successors and Assigns. Subject to Article 9 and Article 10 hereof, this Fund Loan Agreement shall be binding upon and inure to the benefit of the parties hereto, all future holders of the Fund Loan and their respective successors and assigns, except that Fund Borrower may not transfer or assign any of its rights or obligations hereunder or under the other Fund Loan Documents without the prior written consent of Fund Lender.

Section 8.05. SUBMISSION TO JURISDICTION. FUND BORROWER HEREBY IRREVOCABLY CONSENTS TO THE NONEXCLUSIVE JURISDICTION AND VENUE OF ANY STATE OR FEDERAL COURT SITTING IN LOS ANGELES, CALIFORNIA OR LOS ANGELES COUNTY, CALIFORNIA OVER ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS FUND LOAN AGREEMENT, ANY OF THE OTHER FUND LOAN DOCUMENTS TO WHICH IT IS A PARTY AND OTHERWISE ARISING OUT OF OR RELATING TO THE TRANSACTIONS CONTEMPLATED HEREBY, AND FUND BORROWER HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH STATE OR FEDERAL COURT. FUND BORROWER WAIVES ANY OBJECTION TO ANY ACTION OR PROCEEDING IN ANY STATE OR FEDERAL COURT SITTING IN LOS ANGELES, CALIFORNIA OR LOS ANGELES COUNTY, CALIFORNIA ON THE BASIS OF FORUM NON CONVENIENS. FUND BORROWER HEREBY WAIVES PERSONAL SERVICE OF ANY PROCESS IN CONNECTION WITH ANY SUCH ACTION OR PROCEEDING AND AGREES THAT THE SERVICE THEREOF MAY BE MADE BY CERTIFIED OR REGISTERED MAIL DIRECTED TO FUND BORROWER AT THE ADDRESS SET FORTH IN SECTION 8.09 HEREOF. FUND BORROWER AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. FUND BORROWER FURTHER AGREES THAT, AT THE DISCRETION OF FUND LENDER, FUND LENDER MAY SERVE LEGAL PROCESS IN ANY OTHER MANNER TO THE EXTENT NOT PROHIBITED BY LAW AND MAY BRING ANY ACTION OR PROCEEDING AGAINST FUND BORROWER OR ITS PROPERTY IN THE COURTS OF ANY OTHER JURISDICTION.

Section 8.06. WAIVER OF JURY TRIAL. TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW, EACH OF FUND BORROWER AND FUND LENDER HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES ANY RIGHT TO TRIAL BY JURY OR OF ANY CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION BASED UPON OR ARISING UNDER THIS FUND LOAN AGREEMENT OR ANY OF THE FUND LOAN DOCUMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED THEREIN, OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DISCUSSIONS, DEALINGS, OR ACTIONS OF THE PARTIES TO THIS FUND LOAN AGREEMENT OR EITHER OF THEM (WHETHER ORAL OR WRITTEN) WITH RESPECT THERETO, OR TO THE TRANSACTIONS RELATED THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREINAFTER ARISING, AT LAW OR IN EQUITY, INCLUDING WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. EACH OF FUND BORROWER AND FUND LENDER HEREBY CONSENTS AND AGREES THAT ANY SUCH CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION SHALL BE DECIDED BY A TRIAL COURT WITHOUT A JURY, AND THAT EITHER PARTY TO THIS FUND LOAN AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY HEREOF WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF FUND BORROWER AND FUND LENDER TO THE WAIVER OF ITS RIGHT TO TRIAL BY JURY. FUND BORROWER AND FUND LENDER EACH ACKNOWLEDGES AND AGREES THAT IT HAS RECEIVED FULL AND SUFFICIENT CONSIDERATION FOR

THIS PROVISION (AND EACH OTHER PROVISION OF THIS FUND LOAN AGREEMENT AND EACH OTHER DOCUMENT TO WHICH IT IS A PARTY) AND THAT THIS PROVISION IS A MATERIAL INDUCEMENT FOR FUND LENDER IN MAKING THE FUND LOAN. FUND BORROWER AND FUND LENDER EACH FURTHER REPRESENTS AND WARRANTS THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS FUND LOAN AGREEMENT AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, OR HAS HAD THE OPPORTUNITY TO BE REPRESENTED BY INDEPENDENT LEGAL COUNSEL SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL.

Section 8.07. GOVERNING LAW. THIS FUND LOAN AGREEMENT AND THE NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF CALIFORNIA WITHOUT REGARD TO ANY CHOICE OF LAW RULES WHICH WOULD REQUIRE THE APPLICATION OF THE LAWS OF ANY OTHER JURISDICTION.

Section 8.08. Usury Limitations. It is the intention of Fund Borrower and Fund Lender to conform strictly to applicable usury laws. Accordingly, notwithstanding anything to the contrary in this Fund Loan Agreement or the Note, amounts constituting interest under applicable law and contracted for, chargeable or receivable hereunder or under the Note shall under no circumstances, together with any other interest, late charges or other amounts which may be interpreted to be interest contracted for, chargeable or receivable hereunder or thereunder, exceed the maximum amount of interest permitted by law, and in the event any amounts were to exceed the maximum amount of interest permitted by law, such excess amounts shall be deemed a mistake and shall either be reduced immediately and automatically to the maximum amount permitted by law or, if required to comply with applicable law, be canceled automatically and, if theretofore paid, at the option of Fund Lender, be refunded to Fund Borrower or credited on the principal amount of the Note then outstanding.

Section 8.09. Notices. Any Notice required or permitted to be given hereunder shall be in writing and shall be effective when actually received if delivered by hand or overnight courier, or when confirmed by receipt if transmitted by telecopy or other form of rapid transmission if Notices given by such means of communication are capable of being confirmed upon delivery by electronic means, or three days after being sent by registered or certified mail, postage prepaid, the certification receipt therefore being deemed the date of such Notice, and addressed to the parties as follows:

To Fund Borrower:	LKIC INVESTMENT FUND 2, LLC c/o U.S. Bancorp Community Development Corporation 1307 Washington Avenue, Suite 300 St. Louis, MO 63103 Attention: Director of Asset Management (NMTC) Reference: Project Number 22607 Facsimile: (314) 335-2602
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With copies to: U.S. Bancorp Community Development Corporation
1307 Washington Ave., Ste. 300
St. Louis, MO 63103
Attention: Director of Asset Management (NMTC)
Reference: Project Number 21701
Facsimile: (314) 335-2602

To Fund Lender: City of Los Angeles, acting by and through its Department
of Water & Power
111 North Hope Street
Los Angeles, CA 90012-2607
Attention: [_____]
Facsimile: () ____ - ____

With copies to: Kutak Rock LLP
1801 California Street, Suite 3000
Denver, CO 80202
Attention: Mike Reppe
Facsimile: (303) 292-7799

Section 8.10. Severability. If any provisions contained in this Fund Loan Agreement or any document executed in connection herewith shall be invalid, illegal or unenforceable in any respect, under any applicable law, the validity, legality and enforceability of the remaining provisions contained herein shall not, in any way, be affected or impaired, and such illegal, invalid or unenforceable provisions shall, at the reasonable request of the Fund Lender, be replaced by other provisions in accordance with the purpose and meaning of this Fund Loan Agreement. Notwithstanding the foregoing, the provisions of Article 9 of this Fund Loan Agreement shall be deemed integral to this Fund Loan Agreement and shall not be severable from the remainder of this Fund Loan Agreement.

Section 8.11. Captions. The table of contents and captions, articles and section headings appearing herein are included solely for convenience of reference and are not intended to affect the interpretation of any provision of this Fund Loan Agreement.

Section 8.12. Conflicts. In the case of any inconsistency between or within this Fund Loan Agreement and/or the other Fund Loan Documents, the more restrictive provision shall control over the less restrictive provision, and, if incapable of being so resolved, the provisions of this Fund Loan Agreement shall control over those of any of the other Fund Loan Documents.

Section 8.13. Counterparts. This Fund Loan Agreement may be executed in any number of counterparts, all of which, when taken together, shall constitute one and the same instrument, and any party hereto may execute this Fund Loan Agreement by signing any such counterpart.

Section 8.14. Time is of the Essence. Time is of the essence in the performance of this Fund Loan Agreement and the other Fund Loan Documents by Fund Borrower, and each and every term thereof.

Section 8.15. Purpose and Effect of Approval. Fund Lender's approval of any matter in connection with the Fund Loan is for the sole purpose of protecting Fund Lender's security and rights. No such approval shall result in a waiver of any default of Fund Borrower. In no event shall Fund Lender's approval be a representation of any kind with regard to the matter being approved.

Section 8.16. Language of Agreement. The language of this Fund Loan Agreement shall be construed as a whole according to its fair meaning and not strictly for or against any party.

Section 8.17. Survival. The representations, warranties, acknowledgments, and agreements set forth herein shall survive the date of this Fund Loan Agreement.

Section 8.18. Further Performance. Fund Borrower, whenever and as often as it shall be requested by Fund Lender, shall execute, acknowledge, and deliver, or cause to be executed, acknowledged, and delivered to Fund Lender, such further instruments and documents, and do any and all things as may be reasonably requested, in order to carry out the intent and purpose of this Fund Loan Agreement and the other Fund Loan Documents.

Section 8.19. Statement Required By Mo. Rev. Stat. Section 432.047. Pursuant to Mo. Rev. Stat. Section 432.047, Fund Lender hereby gives the following notice to Fund Borrower:

“Oral agreements or commitments to loan money, extend credit or to forbear from enforcing repayment of a debt including promises to extend or renew such debt are not enforceable, regardless of the legal theory upon which it is based that is in any way related to the credit agreement. To protect you (Fund Borrower) and us (Fund Lender) from misunderstanding or disappointment, any agreements we reach covering such matters are contained in this writing, which is the complete and exclusive statement of the agreement between us, except as we may later agree in writing to modify it.”

Section 8.20. No Restrictions on Consent: Notwithstanding anything in this Fund Loan Agreement or in any of the Fund Loan Documents to the contrary, in all events the Fund Borrower shall have the right to grant or exercise (or withhold or refuse to exercise) any consent, approval or other right under the CDE Agreement, as determined in the Fund Borrower's sole and absolute discretion, and in no event shall the Fund Lender's consent or other approval be required for the Fund Borrower's action or inaction.

ARTICLE IX

FORBEARANCE

Notwithstanding anything to the contrary in the Fund Loan Documents, Fund Lender agrees to forbear from (a) accelerating the payment in full of all or part of Fund Borrower's obligations to Fund Lender under the Note; (b) collecting rents; (c) appointing (or seeking the appointment of) a receiver; (d) filing or participating in the filing of any involuntary bankruptcy proceeding of Fund Borrower or joining with any other creditor in commencing any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings with respect to Fund

Borrower; (e) exercising any voting rights or management and control rights with respect to the Fund Pledged Collateral; and (f) instituting a Lien Enforcement Action or taking any other action to enforce its rights and remedies under the Fund Loan Documents, including, without limitation, the Fund Pledge Agreement, as provided by applicable law from the date hereof until the earlier of (1) the termination of the Put Exercise Period (as defined in the Put and Call Agreement), and (2) the exercise by USBCDC of the put under the Put and Call Agreement (the "**Forbearance Termination Date**"); provided however, that the Forbearance Termination Date shall be no later than the date that is one (1) year after the termination of the Tax Credit Investment Period (as defined in the Fund Agreement).

The provisions of this Article 9 shall be construed as, and shall operate as, a bar to any action, proceeding or remedy (judicial or otherwise) that would violate the provisions of this Article 9. In the event that Fund Lender shall threaten, initiate, or pursue any Lien Enforcement Action or other action, proceeding, or remedy in violation of the provisions of this Article 9, Fund Lender agrees that damages would constitute an inadequate remedy to Fund Borrower on account of such violation and that Fund Borrower shall be entitled to seek and obtain injunctive relief prohibiting the same.

Subject to the provisions of this Section 9, prior to the Forbearance Termination Date, Fund Lender may take such action as necessary and otherwise permitted under the Fund Loan Documents solely to cause the Fund Borrower to exercise its rights under the CDE Agreement to cause the USB CDE to make distributions as permitted under the CDE Agreement, provided that at such time no default exists under the CDE Loan Agreement.

On and after the Forbearance Termination Date, subject to the Fund Loan Agreement, Fund Lender shall be free, to take such actions as are permitted under the Fund Loan Documents and/or as provided by applicable law. All of Fund Borrower's obligations and liabilities to Fund Lender hereunder and under the Fund Loan Documents (including, without limitation, Fund Borrower's payment obligations) and any documents, instruments or agreements pursuant to which Fund Borrower may, from time to time, grant to Fund Lender collateral security for Fund Borrower's obligations to Fund Lender shall survive the Forbearance Termination Date.

Fund Lender agrees that it will not sell, assign, transfer, syndicate, grant participations or otherwise dispose of the Fund Loan without the prior written consent of USBCDC and the Manager, which consent shall not be unreasonably withheld, conditioned or delayed in the case of any such sale, assignment, transfer, syndication, participation or other disposition of the Fund Loan, or an interest therein, to an affiliate of Fund Lender, the City of Los Angeles or any department, agency or other political subdivision of the City of Los Angeles, provided such entity expressly agrees to be bound by the provisions of this Article IX, and which consent in all other cases may be withheld at the sole discretion of USBCDC. Any such sale, assignment, transfer, syndication, participation or otherwise shall be subject to the terms of this Fund Loan Agreement and the documents executed by Fund Borrower and Fund Lender in connection therewith.

ARTICLE X

AFFILIATE FUND TRANSFERS

Section 10.01. Fund Lender Consent to Transfer. Notwithstanding anything in the Fund Loan Documents to the contrary, Fund Lender hereby consents to the sale or other transfer (an “*Affiliate Fund Transfer*”) by USBCDC of its membership interest in the Fund Borrower (the “*Interest*”) to an investment fund of which USBCDC is the manager, the managing member, or a general partner (an “*Affiliate Fund*”) organized to allow an investor (an “*Investor*”) to participate in the Interest, provided that such Affiliate Fund Transfer is made in accordance with the requirements set forth in this Article 10.

Section 10.02. Admission to Fund Borrower. In the event of an Affiliate Fund Transfer, Fund Lender hereby consents to the admission of such Affiliate Fund as a member of the Fund Borrower, with all the rights, obligations and benefits of a member of the Fund Borrower, and Fund Lender further consents to the amendment of Fund Agreement to evidence such admission. Fund Borrower shall provide, or require Fund Manager or Affiliate Fund Manager to provide, a copy of any amendment to the Fund Agreement for an Affiliate Fund Transfer to Fund Lender within thirty (30) days of such sale or transfer.

Section 10.03. No Event of Default. Fund Lender acknowledges and agrees that neither the Affiliate Fund Transfer nor the amendment of the Fund Agreement to evidence such admission of the Affiliate Fund shall constitute an Event of Default or breach of any covenant, representation or warranty for purposes of the Fund Loan Documents, including the Fund Loan Agreement.

Section 10.04. Affiliate Fund Manager. The Affiliate Fund shall be managed by USBCDC, Manager (or an affiliate thereof) at all times after the Affiliate Fund Transfer for the remainder of the Compliance Period.

Section 10.05. Obligations under Fund Loan Documents. All obligations and rights of the Affiliate Fund subsequent to the Affiliate Fund Transfer with respect to the Fund Loan Documents shall be applicable to and exercised by USBCDC, Manager (or an affiliate) as manager, managing member or general partner of the Affiliate Fund.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused the Fund Loan Agreement to be executed by their respective duly authorized signatories as of the day and year written above.

FUND BORROWER:

LKIC INVESTMENT FUND 2, LLC, a Missouri limited liability company

By: U. S. Bancorp Community Development Corporation, a Minnesota corporation, its Manager

By _____
Tina Lin, Authorized Officer

[Signature Page 1 of 2 to LKIC 2 – Fund Loan Agreement]

FUND LENDER:

CITY OF LOS ANGELES, acting by and through
its DEPARTMENT OF WATER AND POWER
BY BOARD OF WATER AND POWER
COMMISSIONERS OF THE CITY OF LOS
ANGELES

By: _____
Ronald O. Nichols
General Manager

Date: _____

And: _____
Barbara E. Moschos
Secretary

[Signature Page 2 of 2 to LKIC 2 – Fund Loan Agreement]

EXHIBIT A

Form of Promissory Note

PROMISSORY NOTE

[\$2,636,000]

August [], 2013

FOR VALUE RECEIVED, the undersigned, LKIC INVESTMENT FUND 2, LLC, a Missouri limited liability company (the "**Fund Borrower**"), promises to pay to the order of THE CITY OF LOS ANGELES, a municipal corporation acting by and through its DEPARTMENT OF WATER AND POWER (the "**Fund Lender**"), in lawful money of the United States of America, the principal sum of [Two Million Six Hundred Thirty-Six Thousand] and No/100 Dollars (\$[2,636,000]) (the "**Loan**"), or such lesser principal amount as may be advanced under this Promissory Note (the "**Promissory Note**") pursuant to that certain Fund Loan Agreement dated as of even date herewith (the "**Loan Agreement**") by and between Fund Borrower and Fund Lender, together with interest from and after the date hereof on the unpaid principal balance outstanding hereunder at the rate provided for herein.

For the purposes of this Promissory Note, the following definitions shall apply to the words and phrases used herein:

"**Advance**" shall mean any advance made by Fund Lender to Fund Borrower hereunder.

"**Business Day**" shall mean any day other than a Saturday, Sunday or any legal holiday on which banks in St. Louis, Missouri or Los Angeles, California are authorized or required to close.

"**Code**" shall mean the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, as the same may be amended and supplemented from time to time.

"**Default Rate**" shall have the meaning set forth in the Loan Agreement.

"**Event of Default**" shall have the meaning set forth in the Loan Agreement.

"**Interest Rate**" shall have the meaning set forth in the Loan Agreement.

"**Maturity Date**" shall mean [August 14], 2043.

Subject to the terms and conditions of this Promissory Note, the outstanding principal amount of the Loan shall bear interest at the Interest Rate. All interest payable hereunder shall be computed on the basis of a ninety (90) calendar day quarter and a three hundred sixty (360) calendar day year; provided however that the first quarterly payment of interest shall be calculated based on the period from the Advance through the end of the first quarter after the Advance, and thereafter through the end of each succeeding quarter; provided however, principal

and interest shall be payable as set forth in the Loan Agreement. From the date of any Event of Default and during the continuance thereof and from and after the Maturity Date, interest on all principal amounts outstanding under this Promissory Note shall accrue at the Default Rate.

In no contingency or event whatsoever, whether by reason of advancement of the proceeds hereof or otherwise, shall the amount paid or agreed to be paid to Fund Lender for the use, forbearance or detention of money advanced hereunder exceed the highest lawful rate permissible under any law which a court of competent jurisdiction may deem applicable hereto.

The principal amount and accrued interest of this Promissory Note shall be due and payable on the dates and in the manner set forth in the Loan Agreement.

The entire outstanding principal balance under this Promissory Note plus all accrued and unpaid interest thereon and any other amounts due hereunder shall become due and payable on the Maturity Date.

Time is of the essence of this Promissory Note. To the extent not prohibited by applicable law, Fund Borrower, for itself and its successors and assigns, expressly waives presentment, demand, protest, notice of dishonor, and any and all other notices, demands and consents in connection with the delivery, acceptance, performance, default or enforcement of this Promissory Note, and hereby consents to any extensions of time, renewals, releases of any party to or guarantor of this Promissory Note, waivers and any other modifications that may be granted or consented to by Fund Lender from time to time in respect of the time of payment or any other provision of this Promissory Note.

Notwithstanding any provision in this Promissory Note to the contrary, the rights and remedies of Fund Lender are subject in all respects to the provisions of Article 9 of the Fund Loan Agreement ("*Forbearance*"), and nothing in this Promissory Note shall be deemed to authorize or empower Fund Lender to take any action or exercise any right or remedy that is inconsistent with such provisions.

Wherever possible each provision of this Promissory Note shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Promissory Note shall be prohibited or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or remaining provisions of this Promissory Note. No delay or failure on the part of Fund Lender in the exercise of any right or remedy hereunder shall operate as a waiver thereof, nor as acquiescence in any default, nor shall any single or partial exercise by Fund Lender of any right or remedy preclude any other right or remedy. Fund Lender, at its option, may enforce its rights against any collateral securing this Promissory Note without enforcing its rights against Fund Borrower or any other property or indebtedness due or to become due to Fund Borrower. Fund Borrower agrees that, without releasing or impairing Fund Borrower's liability hereunder, Fund Lender may at any time release, surrender, substitute or exchange any collateral securing this Promissory Note and may at any time release any party primarily or secondarily liable for the indebtedness evidenced by this Promissory Note.

All of the terms, covenants and agreements of the Loan Agreement are incorporated herein by reference.

This Promissory Note shall be governed by, and construed and enforced in accordance with, the internal laws of the State of California.

[Signature Page Follows]

IN WITNESS WHEREOF, Fund Borrower has set its signature to this Promissory Note as of the date first written above.

FUND BORROWER:

LKIC INVESTMENT FUND 2, LLC, a Missouri limited liability company

By: U. S. Bancorp Community Development Corporation, a Minnesota corporation, its Manager

By _____
Tina Lin, Authorized Officer

[Signature Page to LKIC 2 – Fund Loan Promissory Note]

7

**Fund Pledge Agreement (LKIC Investment
Fund 1)**

PLEDGE AGREEMENT

THIS PLEDGE AGREEMENT (this "Agreement"), dated as of August [], 2013, is made and entered into by and between LKIC INVESTMENT FUND 1, LLC, a Missouri limited liability company (the "Fund Borrower") and the CITY OF LOS ANGELES, a municipal corporation, acting by and through its DEPARTMENT OF WATER AND POWER (the "Fund Lender").

WITNESSETH:

WHEREAS, Fund Borrower has executed and delivered to Fund Lender that certain Promissory Note of even date herewith in the original principal amount of [Twenty-Seven Million Eight Hundred Fifteen Thousand Four Hundred Twenty-Five and No/100 Dollars (\$27,815,425)] (as amended, supplemented or otherwise modified from time to time, the "Note"), which Note evidences the loan being made by Fund Lender to Fund Borrower (the "Fund Loan"); and

WHEREAS, in connection with the Fund Loan, Fund Borrower and Fund Lender have entered into that certain Fund Loan Agreement of even date herewith (as amended, supplemented or otherwise modified from time to time, the "Fund Loan Agreement"); and

WHEREAS, Fund Borrower is the record and beneficial owner of a 99.99% membership interest in each of the following (collectively, the "Pledged Securities"): (i) Clearinghouse NMTC (Sub 30), LLC, a California limited liability company (the "Clearinghouse CDE"), (ii) Consortium America XXXIII, LLC, a Delaware limited liability company (the "Consortium CDE"), (iii) LADF IX, LLC, a California limited liability company (the "LADF CDE") and (iv) URP Subsidiary CDE XVII, LLC, a Maryland limited liability company (the "URP CDE" and collectively with the Clearinghouse CDE, the Consortium CDE and the LADF CDE, the "CDEs"); and

WHEREAS, in connection with the making of the Fund Loan and as security for the payment and performance of Fund Borrower's obligations in connection with the Fund Loan (the "Obligations"), Fund Lender is requiring that Fund Borrower execute and deliver this Agreement and grant the security interest contemplated hereby.

NOW, THEREFORE, in consideration of the promises and the covenants hereinafter contained, and to induce Fund Lender to make the Fund Loan, it is agreed as follows:

1. **Definitions.**

- (a) "Issuer" means each of the CDEs.
- (b) "Securities Act" means the Securities Act of 1933, as amended.
- (c) Capitalized terms not otherwise defined herein shall have the meanings set forth in, and the interpretations applicable thereto under, the Fund Loan Agreement or that certain Operating Agreement of the Fund Borrower dated as of even date herewith

(as amended, supplemented or otherwise modified from time to time, the "Fund Agreement"). The meanings given to terms herein, in the Fund Loan Agreement and the Fund Agreement shall be equally applicable to both the singular and plural forms of such terms. The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and section, schedule and exhibit references are to this Agreement unless otherwise specified.

2. **Pledge.** Subject to Article 9 of the Fund Loan Agreement, Fund Borrower hereby pledges to Fund Lender and grants to Fund Lender, a first position security interest in all of the following now owned or hereafter acquired (collectively, the "Fund Pledged Collateral"):

(a) the Pledged Securities and the certificates and other instruments or agreements, if any, representing or evidencing the Pledged Securities, and all dividends, distributions, cash, instruments and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Pledged Securities;

(b) all rights and privileges of Fund Borrower with respect to the securities and assets referred to in clause (a) above; and

(c) all proceeds of any of the foregoing.

Notwithstanding the foregoing, the Fund Pledged Collateral shall not include (i) any Indemnity Payments (as defined in the Fund Loan Agreement), (ii) Fund Borrower's right to receive any tax credits, or (iii) any proceeds held by Fund Borrower that are needed to pay the Fund Management Fee (as defined in the Fund Agreement), including, without limitation, any amounts held in any reserve account in the name of Fund Borrower that shall be used to pay such Fund Management Fee.

3. **Security for the Obligations.** This Agreement secures, and the Fund Pledged Collateral is security for, the prompt payment and performance of the Obligations. Except as provided in Section 7 hereof, and subject to Article 9 of the Fund Loan Agreement, by executing this Agreement, (i) Fund Borrower has divested itself of all control over the Fund Pledged Collateral, and Fund Lender is entitled to and does possess sole dominion and control over the Fund Pledged Collateral and is entitled to receive the benefits accruing with respect thereto, in accordance with the provisions of this Agreement and (ii) Fund Borrower surrenders all authority or right to withdraw, collect, receive the benefits of, or otherwise assign or encumber the Fund Pledged Collateral. Subject to Article 9 of the Fund Loan Agreement, the assignment evidenced by this Agreement is a continuing one and is irrevocable so long as any of the Obligations are outstanding or Fund Borrower shall have any obligations under the Note and shall terminate only upon payment or other satisfaction in full of all Obligations or Fund Lender's acknowledgment in writing that this Agreement has been terminated.

4. **Delivery of Fund Pledged Collateral.** All certificates or other instruments representing or evidencing the Fund Pledged Collateral, if any, (i) shall be delivered to Fund Lender and (ii) shall be accompanied by duly executed instruments of transfer or assignment in

blank, including a duly executed assignment in blank, substantially in the form attached hereto as Exhibit A, all in form and substance satisfactory to Fund Lender. Subject to Article 9 of the Fund Loan Agreement, Fund Lender shall have the right, at any time after the occurrence and during the continuance of an Event of Default, in its discretion and without notice to Fund Borrower, to transfer to or to register in the name of Fund Lender, any or all of the Fund Pledged Collateral.

5. **Representations and Warranties.** Fund Borrower represents and warrants to Fund Lender that as of the date hereof:

(a) Fund Borrower is duly organized or formed, validly existing and in good standing under the laws of the State of Missouri, has the legal power and authority to own its properties and to carry on its business as now being and hereafter proposed to be conducted. Fund Borrower is duly qualified and authorized to do business in each jurisdiction in which failure to be so qualified and authorized would have a Material Adverse Effect.

(b) Fund Borrower is, and at the time of delivery of the Fund Pledged Collateral to Fund Lender pursuant to Section 4 hereof will be, the sole holder of record and the sole beneficial owner of the Fund Pledged Collateral, free and clear of any lien, charge or encumbrance thereon or affecting the title thereto, except for the security interests created by this Agreement and any liens securing unpaid capital contribution obligations to the Issuer.

(c) To the best of Fund Borrower's knowledge, the Pledged Securities have been duly authorized and validly issued.

(d) Fund Borrower has the right and requisite authority to pledge the Fund Pledged Collateral to Fund Lender, as provided herein.

(e) To the best of Fund Borrower's knowledge, information and belief, none of the Pledged Securities has been issued or transferred in violation of the securities registration, securities disclosure or similar laws of any jurisdiction to which such issuance or transfer may be subject. Fund Borrower's execution, delivery and performance of this Agreement and the pledge of the Fund Pledged Collateral hereunder do not, directly or indirectly, violate in any material respect or result in a violation of any such laws.

(f) None of the Pledged Securities is, as of the date of this Agreement, margin stock, and Fund Borrower shall, promptly after learning thereof, notify Fund Lender of any of its Pledged Securities which is or becomes margin stock and execute and deliver in favor of Fund Lender any and all instruments, documents and agreements (including, but not limited to Forms U-1) necessary to cause the pledge of such margin stock to comply with all applicable laws, rules and regulations.

(g) To the best of Fund Borrower's knowledge, information and belief, no consent, approval, authorization or other order of any Person and no consent, authorization, approval, or other action by, and no notice to or filing with, any

governmental departments, commissions, boards, bureaus, agencies or other instrumentalities, domestic or foreign, is required to be made or obtained by Fund Borrower either (i) for the pledge of the Fund Pledged Collateral pursuant to this Agreement or for the execution, delivery or performance of this Agreement by Fund Borrower or (ii) for the exercise by Fund Lender of the voting or other rights provided for in this Agreement or the remedies in respect of the Fund Pledged Collateral pursuant to this Agreement, subject to Article 9 of the Fund Loan Agreement.

(h) To the best of Fund Borrower's knowledge, information and belief, the pledge of the Fund Pledged Collateral to Fund Lender pursuant to this Agreement will create a valid lien on and, upon the proper filing of a UCC financing statement by Fund Lender, a perfected security interest in the Fund Pledged Collateral pledged by Fund Borrower, and the proceeds thereof, securing the payment of the Obligations, subject to Article 9 of the Fund Loan Agreement.

(i) This Agreement has been duly authorized, executed and delivered by Fund Borrower and constitutes the legal, valid and binding obligation of Fund Borrower enforceable in accordance with its terms except as enforceability may be limited by the applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or law).

Fund Lender represents and warrants to Fund Borrower that it is an "accredited investor" as such term is defined in Rule 501(a) of the Regulation D promulgated under the Securities Act of 1933, as amended.

The representations and warranties set forth in this Section 5 shall survive the execution and delivery of this Agreement.

6. **Covenants.** Fund Borrower covenants and agrees that until the payment in full of the Obligations:

(a) Fund Borrower will not sell, assign, transfer, pledge, or otherwise encumber any of its rights in or to any Fund Pledged Collateral or any dividends or other distributions or payments with respect thereto or grant a lien, charge, encumbrance or security interest on any thereof. Fund Borrower will not consent to the issuance of any additional membership interests in the Issuer, whether certificated or uncertificated, to any Person without the prior, written consent of Fund Lender in its sole discretion.

(b) Fund Borrower will, at its expense, promptly execute, acknowledge and deliver all such instruments and take all such action as Fund Lender from time to time may reasonably request in order to ensure to Fund Lender the benefits of the liens and security interests in and to the Fund Pledged Collateral intended to be created by this Agreement, including the delivery of all certificates and other documentation evidencing any of the Fund Pledged Collateral and the filing of any necessary Uniform Commercial Code financing statements deemed reasonably necessary by Fund Lender, which may be filed by Fund Lender without the signature of Fund Borrower.

(c) Fund Borrower will defend the title to the Fund Pledged Collateral and the liens of Fund Lender, for the benefit of Fund Lender against the claim of any Person and will maintain and preserve such liens until the payment in full of the Obligations.

(d) Fund Borrower hereby consents to Fund Lender's or its designee's right to become and be admitted as a member of the Issuer and to receive distributions and allocations from the Issuer upon the exercise of Fund Lender's rights hereunder without further action, approval or consent.

7. Borrower's Rights.

(a) At all times prior to the Forbearance Termination Date (as defined in the Fund Loan Agreement), Fund Borrower shall have the right, from time to time, to vote and give consents with respect to the Fund Pledged Collateral or any part thereof for all purposes as it may determine in its sole discretion;

(b) On or after the Forbearance Termination Date and as long as no Event of Default shall have occurred and be continuing, and until written notice shall be given to Fund Borrower in accordance with Section 8 hereof Fund Borrower shall have the right, from time to time, to vote and give consents with respect to the Fund Pledged Collateral or any part thereof for all purposes not inconsistent with the provisions of this Agreement, the Fund Loan Agreement, the Note and any other agreement;

At all times, whether prior to, on, or after the Forbearance Termination Date, except as required by the NMTC Program Requirements (as defined in the Fund Agreement) as determined by the manager of Fund Borrower, no vote shall be cast, and no consent shall be given or action taken, which would authorize or effect (i) the dissolution or liquidation, in whole or in part, of any Issuer, (ii) the consolidation or merger of any Issuer with any other Person, (iii) the sale, disposition or encumbrance of all or substantially all of the assets of an Issuer, (iv) any change in the authorized number of shares or interests in any Issuer, the stated capital or the authorized share capital of any Issuer or the issuance of any additional interests in any Issuer, (v) the alteration of the voting rights with respect to Fund Borrower's interests in any Issuer, or (vi) any material amendment to the operating agreement of any Issuer. Notwithstanding the foregoing, Fund Lender acknowledges and agrees that Fund Borrower may, at all times, amend the Fund Agreement (i) to comply with NMTC Program Requirements, (ii) in connection with the redeployment of any proceeds received by an Issuer in connection with the exercise of its rights and remedies in accordance with the CDE Loan Documents, (iii) to avoid a Recapture Event, (iv) if such amendment would not materially impair the Fund Pledged Collateral, (v) as permitted to allow an investor to participate in the Fund Borrower in connection with an Affiliate Fund Transfer pursuant to Article 10 of the Fund Loan Agreement, or (vi) with the prior written consent of Fund Lender, which consent shall not be unreasonably withheld, conditioned or delayed; and

(c) Fund Borrower may receive cash or property distributions attributable to the Fund Pledged Collateral and make distributions to its members of any amounts not needed to make payments on the Note which are then due and payable.

8. **Defaults and Remedies.** Subject to Article 9 of the Fund Loan Agreement, upon the occurrence of an Event of Default under the Fund Loan Agreement, and during the continuation of such Event of Default, then or at any time after such declaration, Fund Lender is hereby authorized and empowered to do any and all of the following in a commercially reasonable manner: to transfer and register in its name or in the name of its nominee the whole or any part of the Fund Pledged Collateral, to exchange certificates or instruments representing or evidencing the Pledged Securities for certificates or instruments of smaller or larger denominations, to collect and receive all cash dividends and other distributions made thereon, to sell in one or more sales after ten (10) days' written notice is sent to Fund Borrower of the time and place of any public sale or of the time after which a private sale is to take place (which notice Fund Borrower agrees is commercially reasonable), but without any previous notice or advertisement, the whole or any part of the Fund Pledged Collateral and to otherwise act with respect to the Fund Pledged Collateral as though Fund Lender were the outright owner thereof, provided, however, Fund Lender shall not have any duty to exercise any such right of sale or to preserve the same and shall not be liable for any failure to do so or for any delay in doing so. Any sale shall be made at a public or private sale at Fund Lender's place of business, or at any public building to be named in the notice of sale, either for cash or upon credit or for future delivery at such price as Fund Lender may deem fair and reasonable, and Fund Lender may be the purchaser of the whole or any part of the Fund Pledged Collateral so sold and hold the same thereafter in its own right free from any claim of Fund Borrower or any right of redemption. Each sale shall be made to the highest bidder, but Fund Lender reserves the right to reject any and all bids at such sale which, in its discretion, it shall deem inadequate. Demands of performance, notices of sale, advertisements and the presence of property at sale are hereby waived and any sale hereunder may be conducted by an auctioneer or any officer or agent of Fund Lender.

(a) If, at the original time or times appointed for the sale of the whole or any part of the Fund Pledged Collateral, the highest bid, if there be but one sale, shall be inadequate to discharge in full the defaulted Obligations or if the Fund Pledged Collateral be offered for sale in lots, if at any of such sales, the highest bid for the lot offered for sale would indicate to Fund Lender, in its discretion, the unlikelihood of the proceeds of the sales of the whole of the Fund Pledged Collateral being sufficient to discharge all the defaulted Obligations, Fund Lender may, on one or more occasions and in its discretion, postpone any of said sales by public announcement at the time of sale or the time of previous postponement of sale, and no other notice of such postponement or postponements of sale need be given, any other notice being hereby waived; provided, however, that any sale or sales made after such postponement shall be after ten (10) days' notice to Fund Borrower.

(b) In the event of any sales hereunder, Fund Lender shall, after deducting all reasonable costs or expenses of every kind (including reasonable attorneys' fees and disbursements) for care, safekeeping, collection, sale, delivery or otherwise, apply the residue of the proceeds of the sales to the payment or reduction, either in whole or in part, for the benefit of Fund Lender, of the Obligations.

(c) In the event that it becomes necessary to comply with any Federal or state law or regulation or to make or file any registration thereunder in order for Fund Lender

to exercise any of its rights hereunder, Fund Borrower expressly agrees to do or cause to be done all acts and prepare and execute all documents necessary to effect such compliance or registration, and to bear all reasonable costs in connection therewith. Fund Borrower agrees to indemnify and hold Fund Lender harmless for, from and against any claim or liability caused by (i) any omission or alleged omission to state a material fact required to be stated, or necessary to make the statements, in light of the circumstances in which they are made, not misleading (as required in any registration or prospectus) or (ii) a failure to register or comply with any such law or regulation, unless such failure is caused by Fund Lender.

(d) If, at any time when Fund Lender shall determine to exercise its right to sell the whole or any part of the Fund Pledged Collateral hereunder, such Fund Pledged Collateral or the part thereof to be sold shall not, for any reason whatsoever, be effectively registered under the Securities Act, Fund Lender may, in its discretion (subject only to applicable requirements of law), sell such Fund Pledged Collateral or part thereof by private sale in such manner and under such circumstances as is commercially reasonable and shall not be required to effect such registration or to cause the same to be effected; provided, however, that Fund Lender agrees and causes any purchaser of Fund Pledged Collateral to agree that Fund Borrower shall (a) not be liable to any purchaser of Fund Pledged Collateral for any action taken or omitted to be taken by Fund Lender in connection with the sale of Fund Pledged Collateral, or (b) be responsible in any manner to any purchaser of Fund Pledged Collateral for any statement, representation or warranty made by Fund Lender in connection with the sale of Fund Pledged Collateral. Without limiting the generality of the foregoing, in any such event Fund Lender in its discretion (i) may, in accordance with applicable securities laws, proceed to make such private sale notwithstanding that a registration statement for the purpose of registering such Fund Pledged Collateral or part thereof could be or shall have been filed under the Securities Act (or similar statute), (ii) may approach and negotiate with a single possible purchaser to effect such sale, and (iii) may restrict such sale to a purchaser who will represent and agree that such purchaser is purchasing for its own account, for investment and not with a view to the distribution or sale of such Fund Pledged Collateral or part thereof. In addition to a private sale as provided above in this Section 8, if any of the Fund Pledged Collateral shall not be freely distributable to the public without registration under the Securities Act (or similar statute) at the time of any proposed sale pursuant to this Section 8, then Fund Lender shall not be required to effect such registration or cause the same to be effected but, in its discretion (subject only to applicable requirements of law), may require that any sale hereunder (including a sale at auction) be conducted subject to restrictions (i) as to the financial sophistication and ability of any Person permitted to bid or purchase at any such sale, (ii) as to the content of legends to be placed upon any certificates representing the Fund Pledged Collateral sold in such sale, including restrictions on future transfer thereof, (iii) as to the representations required to be made by each Person bidding or purchasing at such sale relating to that Person's access to financial information about the Issuer and such Person's intentions as to the holding of the Fund Pledged Collateral so sold for investment, for its own account, and not with a view to the distribution thereof, and (iv) as to such other matters as Fund Lender may, in its discretion, deem necessary or appropriate in order that such sale (notwithstanding any failure so to register) may be effected in compliance with the Uniform Commercial Code

and other laws affecting the enforcement of creditors' rights and the Securities Act and all applicable state securities laws.

(e) Fund Borrower recognizes that Fund Lender may be unable to effect a public sale of any or all the Fund Pledged Collateral and may be compelled to resort to one or more private sales thereof. Fund Borrower also acknowledges that any such private sale may result in prices and other terms less favorable to the seller than if such sale were a public sale. Fund Borrower agrees that such sale shall not be deemed to have been made in a commercially unreasonable manner because it was conducted as a private sale. Fund Lender shall be under no obligation to delay a sale of any of the Fund Pledged Collateral for the period of time necessary to permit the registrant to register such securities for public sale under the Securities Act, or under applicable state securities laws, even if Fund Borrower and the Issuer would agree to do so.

(f) Fund Borrower agrees, to the extent not prohibited by applicable law, that, subject to Article 9 of the Fund Loan Agreement, following the occurrence and during the continuance of an Event of Default, it will not at any time plead, claim or take the benefit of any appraisal, valuation, stay, extension, moratorium or redemption law now or hereafter in force in order to prevent or delay the enforcement of this Agreement, or the absolute sale of the whole or any part of the Fund Pledged Collateral or the possession thereof by any purchaser at any sale hereunder, and Fund Borrower waives the benefit of all such laws to the extent not prohibited by applicable law. No failure or delay on the part of Fund Lender to exercise any such right, power or remedy and no notice or demand which may be given to or made upon Fund Lender with respect to any such remedies shall operate as a waiver thereof, or limit or impair Fund Lender's right to take any action or to exercise any power or remedy hereunder, without notice or demand, or prejudice its rights as against Fund Borrower.

(g) Fund Borrower further agrees that a breach of any of the covenants contained in this Section 8 will cause irreparable injury to Fund Lender, that Fund Lender has no adequate remedy at law in respect of such breach and, as a consequence, agrees that each and every covenant contained in this Section 8 shall be specifically enforceable against Fund Borrower, and Fund Borrower hereby waives and agrees not to assert any defenses against an action for specific performance of such covenants except for a defense that any of the Obligations are not then due and payable in accordance with the agreements and instruments governing and evidencing such obligations.

Subject to the restrictions contained in the Fund Loan Agreement, the rights and remedies of Fund Lender under this Agreement shall be cumulative and not exclusive of any other rights or remedies available to Fund Lender at law or equity. In exercising such rights and remedies, Fund Lender may be selective, and no failure or delay by Fund Lender in exercising any right shall operate as a waiver of it, nor shall any single or partial exercise of any power or right preclude its other or further exercise or the exercise of any other power or right.

9. **Power of Attorney; Proxy.** Subject to Article 9 of the Fund Loan Agreement, upon and after an Event of Default and during its continuance, Fund Borrower irrevocably designates, makes, constitutes and appoints Fund Lender as its true and lawful attorney (and

agent-in-fact) and Fund Lender may, without notice to Fund Borrower, and at such time or times thereafter as Fund Lender, in its discretion, determine, in the name of Fund Borrower or Fund Lender, request that any Issuer transfer any or all of the Fund Pledged Collateral on the books of such Issuer, with full power of substitution in the premises; endorse the name of Fund Borrower upon any checks, notes, acceptance, money orders, certificates, drafts or other forms of payment of security that come into Fund Lender's possession; and do all acts and things necessary, in Fund Lender's discretion, to fulfill the obligations of Fund Borrower under this Agreement. The appointment set forth herein is deemed to be coupled with an interest and therefore irrevocable.

10. **Waiver.** No delay on Fund Lender's part in exercising any power of sale, lien, option or other right hereunder, and no notice or demand which may be given to or made upon Fund Borrower by Fund Lender with respect to any power of sale, lien, option or other right hereunder, shall constitute a waiver thereof, or limit or impair Fund Lender's right to take any action or to exercise any power of sale, lien, option, or any other right hereunder, without notice or demand, or prejudice Fund Lender's rights as against Fund Borrower in any respect.

11. **Forbearance.** Notwithstanding any provision in this Agreement to the contrary, the rights and remedies of Fund Lender are subject in all respect to the provisions of Article 9 of the Fund Loan Agreement ("Forbearance"), and nothing in this Agreement shall be deemed to authorize or empower Fund Lender to take any action or exercise any right or remedy that is inconsistent with such provisions.

12. **Termination.** This Agreement shall terminate and be of no further force or effect at such time as the Obligations shall be paid and performed in full. Upon such payment and performance in full of the Obligations, Fund Lender shall deliver to Fund Borrower, the Fund Pledged Collateral at the time subject to this Agreement and then in Fund Lender's possession or control and all instruments of assignment executed in connection therewith, free and clear of the liens hereof and, except as otherwise provided herein, all of Fund Borrower's obligations hereunder shall at such time terminate.

13. **Lien Absolute.** All rights of Fund Lender hereunder, and all obligations of Fund Borrower hereunder, shall be absolute and unconditional irrespective of:

(a) any lack of validity or enforceability of the Note, or any other agreement or instrument governing or evidencing any Obligations or any of Fund Borrower's obligations under the Note;

(b) any change in the time, manner or place of payment of, or in any other term of, all or any part of the Obligations or any of Fund Borrower's obligations under the Note, or any other amendment or waiver of or any consent to any departure from the Note or any other agreement or instrument governing or evidencing any Obligations or any of Fund Borrower's obligations under the Note;

(c) any exchange, release or non-perfection of any other collateral, or any release or amendment or waiver of or consent to departure from any guaranty, for all or any of the Obligations or any of Fund Borrower's obligations under the Note; or

(d) any other circumstance which might otherwise constitute a defense available to, or a discharge of, the Fund Borrower.

14. **Release.** Except as provided for in the Note, Fund Borrower hereby waives notice of acceptance of this Agreement, and also presentment, demand, protest and notice of dishonor of any and all of the Obligations or any of Fund Borrower's obligations under the Note, and promptness in commencing suit against any party hereto or liable hereon, and in giving any notice to or of making any claim or demand hereunder upon Fund Borrower. No act or omission of any kind on Fund Lender's part shall in any event affect or impair this Agreement. Fund Borrower consents and agrees that Fund Lender may at any time, or from time to time, in its discretion:

(a) renew, extend or change the time of payment, and/or the manner, place or terms of payment of all or any part of the Obligations; and

(b) exchange, release and/or surrender all or any of the Fund Pledged Collateral, or any part thereof, by whomsoever deposited, which is now or may hereafter be held by Fund Lender in connection with all or any of the Obligations; all in such manner and upon such terms as Fund Lender may deem proper, and without notice to or further assent from Fund Borrower, it being hereby agreed that Fund Borrower shall be and remain bound upon this Agreement, irrespective of the value or condition of any of the Fund Pledged Collateral, and notwithstanding any such change, exchange, settlement, compromise, surrender, release, renewal or extension, and notwithstanding also that the Obligations may, at any time, exceed the aggregate principal amount thereof set forth in the Note.

15. **Reinstatement.** This Agreement shall remain in full force and effect and continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Obligations, whether as a "voidable preference", "fraudulent conveyance", or otherwise, all as though such payment or performance had not been made.

16. **Miscellaneous.** This Agreement shall be binding upon Fund Borrower and its successors and assigns, and shall inure to the benefit of Fund Lender, and be enforceable by, Fund Lender and its successors and assigns. Subject to Article 9 of the Fund Loan Agreement, Fund Lender may assign or otherwise transfer all or a portion of its rights and obligations under the Note to any assignee and such assignee shall thereupon become vested with all the benefits in respect thereof granted to Fund Lender herein or otherwise; provided, however, that such assignee shall in any event remain bound by Article 9 of the Fund Loan Agreement. None of the terms or provisions of this Agreement may be waived, altered, modified or amended except in writing duly signed for and on behalf of Fund Lender and Fund Borrower. Neither Fund Lender, nor any of its respective officers, directors, employees, agents or counsel shall be liable for any action lawfully taken or omitted to be taken by it or them hereunder or in connection herewith, except for its or their own gross negligence or misconduct. Time is of the essence in the performance of this Agreement, and each and every term thereof, by Fund Borrower.

17. **Severability.** If for any reason any provision or provisions hereof are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or effect those portions of this Agreement which are valid. Notwithstanding the foregoing, the provisions of Section 11 of this Agreement shall be deemed integral to this Agreement and shall not be severable from the remainder of this Agreement.

18. **Notices.** All notices and other communications provided to any party hereto under this Agreement shall be given in accordance with and at addresses set forth in the Fund Loan Agreement.

19. **Section Titles.** The Section titles contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto.

20. **Counterparts.** This Agreement may be executed in any number of counterparts, which shall, collectively and separately, constitute one agreement.

21. **SUBMISSION TO JURISDICTION.** FUND BORROWER HEREBY IRREVOCABLY CONSENTS TO THE EXCLUSIVE JURISDICTION AND VENUE OF ANY STATE OR FEDERAL COURT SITTING IN LOS ANGELES, CALIFORNIA OR LOS ANGELES COUNTY, CALIFORNIA OVER ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE NOTE, OR ANY OTHER FUND LOAN DOCUMENT TO WHICH IT IS A PARTY AND OTHERWISE ARISING OUT OF OR RELATING TO THE TRANSACTIONS CONTEMPLATED HEREBY, AND FUND BORROWER HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH STATE OR FEDERAL COURT. FUND BORROWER WAIVES ANY OBJECTION TO ANY ACTION OR PROCEEDING IN ANY STATE OR FEDERAL COURT SITTING IN LOS ANGELES, CALIFORNIA OR LOS ANGELES COUNTY, CALIFORNIA ON THE BASIS OF FORUM NON CONVENIENS. FUND BORROWER HEREBY WAIVES PERSONAL SERVICE OF ANY PROCESS IN CONNECTION WITH ANY SUCH ACTION OR PROCEEDING AND AGREES THAT THE SERVICE THEREOF MAY BE MADE BY CERTIFIED OR REGISTERED MAIL DIRECTED TO FUND BORROWER AT THE ADDRESS SET FORTH IN SECTION 17 HEREOF. FUND BORROWER AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. FUND BORROWER FURTHER AGREES THAT, AT THE DISCRETION OF FUND LENDER, FUND LENDER MAY SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW AND MAY BRING ANY ACTION OR PROCEEDING AGAINST FUND BORROWER OR ITS PROPERTY IN THE COURTS OF ANY OTHER JURISDICTION.

22. **WAIVER OF JURY TRIAL.** EACH OF FUND BORROWER AND FUND LENDER HEREBY IRREVOCABLY WAIVES, TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE NOTE OR

ANY OTHER FUND LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED
HEREBY, WHETHER ARISING IN CONTRACT, TORT OR OTHERWISE.

23. **GOVERNING LAW.** THIS AGREEMENT AND THE NOTE SHALL BE
GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE
STATE OF CALIFORNIA WITHOUT REGARD TO ANY CHOICE OF LAW RULES
WHICH WOULD REQUIRE THE APPLICATION OF THE LAWS OF ANY OTHER
JURISDICTION.

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[Signature Page Follows]

IN WITNESS WHEREOF, this Pledge Agreement has been duly executed as an instrument under seal as of the date first written above.

FUND BORROWER:

LKIC INVESTMENT FUND 1, LLC, a Missouri limited liability company

By: Twain Financial Partners, LLC, a Missouri limited liability company, its Manager

By _____
Name _____
Title _____

[Signature Page 1 of 2 to LKIC Investment Fund 1 Pledge Agreement]

FUND LENDER:

CITY OF LOS ANGELES, acting by and through
its DEPARTMENT OF WATER AND POWER
BY BOARD OF WATER AND POWER
COMMISSIONERS OF THE CITY OF LOS
ANGELES

By: _____
Ronald O. Nichols
General Manager

And: _____
Barbara E. Moschos
Secretary

[Signature Page 2 of 2 to LKIC Investment Fund 1 Pledge Agreement]

EXHIBIT A

FORM OF ASSIGNMENT

LKIC INVESTMENT FUND 1, LLC, a Missouri limited liability company (“Assignor”) hereby collaterally assigns to the CITY OF LOS ANGELES, acting by and through its DEPARTMENT OF WATER AND POWER (“Assignee”), all of its rights, title and interest in and to the investor membership interest (the “Membership Interest”) in (i) Clearinghouse NMTC (Sub-30), LLC, a California limited liability company (the “Clearinghouse CDE”), (ii) Consortium America XXXIII, LLC, a Delaware limited liability company (the “Consortium CDE”), (iii) LADF IX, LLC, a California limited liability company (the “LADF CDE”) and (iv) URP Subsidiary CDE XVII, LLC, a Maryland limited liability company (the “URP CDE” and collectively with the Clearinghouse CDE, the Consortium CDE and the LADF CDE, the “Issuer”), and, except as provided in Section 7 of that certain Fund Pledge Agreement dated as of August [], 2013, by and between Assignor and Assignee (the “Pledge Agreement”) following an Event of Default as provided for in Section 8 directs that all future distributions and allocations of income or loss on account of such interest be paid or allocated to such Assignee.

Subject to the terms of the Pledge Agreement, Assignee shall have the right to cause the membership interest to be registered in its name upon the later of the occurrence of (i) an Event of Default under that certain Fund Loan Agreement dated as of August [], 2013 by and between Assignor and Assignee (the “Fund Loan Agreement”) and (ii) the Forbearance Termination Date (as defined in the Fund Loan Agreement).

The CITY OF LOS ANGELES, acting by and through its DEPARTMENT OF WATER AND POWER, as Assignee, hereby accepts said collateral assignment subject to (i) all terms, covenants and conditions of the Issuer’s operating agreement in effect as of the date hereof and (ii) the terms and provisions of the Pledge Agreement.

[Remainder of Page Intentionally Left Blank]

[Signature Page Follows]

Dated: _____, 20__

ASSIGNOR:

LKIC INVESTMENT FUND 1, LLC, a Missouri
limited liability company

By: Twain Financial Partners, LLC, a Missouri
limited liability company, its Manager

By _____
Name _____
Title _____

ASSIGNEE:

CITY OF LOS ANGELES, acting by and through
its DEPARTMENT OF WATER AND POWER
BY BOARD OF WATER AND POWER
COMMISSIONERS OF THE CITY OF LOS
ANGELES

By: _____
Ronald O. Nichols
General Manager

And: _____
Barbara E. Moschos
Secretary



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**Fund Pledge Agreement (LKIC Investment
Fund 2)**

PLEDGE AGREEMENT

THIS PLEDGE AGREEMENT (this "Agreement"), dated as of August [____], 2013, is made and entered into by and between LKIC INVESTMENT FUND 2, LLC, a Missouri limited liability company (the "Fund Borrower") and the CITY OF LOS ANGELES, a municipal corporation, acting by and through its DEPARTMENT OF WATER AND POWER (the "Fund Lender").

WITNESSETH:

WHEREAS, Fund Borrower has executed and delivered to Fund Lender that certain Promissory Note of even date herewith in the original principal amount of [Two Million Six Hundred Thirty-Six Thousand] and No/100 Dollars [(\$2,636,000)] (as amended, supplemented or otherwise modified from time to time, the "Note"), which Note evidences the loan being made by Fund Lender to Fund Borrower (the "Fund Loan"); and

WHEREAS, in connection with the Fund Loan, Fund Borrower and Fund Lender have entered into that certain Fund Loan Agreement of even date herewith (as amended, supplemented or otherwise modified from time to time, the "Fund Loan Agreement"); and

WHEREAS, Fund Borrower is the record and beneficial owner of a 99.99% membership interest in USBCDE Sub-CDE 92, LLC, a Missouri limited liability company (the "USB CDE" and as to the membership interest, the "Pledged Securities"); and

WHEREAS, in connection with the making of the Fund Loan and as security for the payment and performance of Fund Borrower's obligations in connection with the Fund Loan (the "Obligations"), Fund Lender is requiring that Fund Borrower execute and deliver this Agreement and grant the security interest contemplated hereby.

NOW, THEREFORE, in consideration of the promises and the covenants hereinafter contained, and to induce Fund Lender to make the Fund Loan, it is agreed as follows:

1. **Definitions.**

(a) "Issuer" means the USB CDE.

(b) "Securities Act" means the Securities Act of 1933, as amended.

(c) Capitalized terms not otherwise defined herein shall have the meanings set forth in, and the interpretations applicable thereto under, the Fund Loan Agreement or that certain Operating Agreement of the Fund Borrower dated as of even date herewith (as amended, supplemented or otherwise modified from time to time, the "Fund Agreement"). The meanings given to terms herein, in the Fund Loan Agreement and the Fund Agreement shall be equally applicable to both the singular and plural forms of such terms. The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular

provision of this Agreement, and section, schedule and exhibit references are to this Agreement unless otherwise specified.

2. **Pledge.** Subject to Article 9 of the Fund Loan Agreement, Fund Borrower hereby pledges to Fund Lender and grants to Fund Lender, a first position security interest in all of the following now owned or hereafter acquired (collectively, the "Fund Pledged Collateral"):

(a) the Pledged Securities and the certificates and other instruments or agreements, if any, representing or evidencing the Pledged Securities, and all dividends, distributions, cash, instruments and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Pledged Securities;

(b) all rights and privileges of Fund Borrower with respect to the securities and assets referred to in clause (a) above; and

(c) all proceeds of any of the foregoing.

Notwithstanding the foregoing, the Fund Pledged Collateral shall not include (i) any Indemnity Payments (as defined in the Fund Loan Agreement), (ii) Fund Borrower's right to receive any tax credits, or (iii) any proceeds held by Fund Borrower that are needed to pay the Fund Management Fee (as defined in the Fund Agreement), including, without limitation, any amounts held in any reserve account in the name of Fund Borrower that shall be used to pay such Fund Management Fee.

3. **Security for the Obligations.** This Agreement secures, and the Fund Pledged Collateral is security for, the prompt payment and performance of the Obligations. Except as provided in Section 7 hereof, and subject to Article 9 of the Fund Loan Agreement, by executing this Agreement, (i) Fund Borrower has divested itself of all control over the Fund Pledged Collateral, and Fund Lender is entitled to and does possess sole dominion and control over the Fund Pledged Collateral and is entitled to receive the benefits accruing with respect thereto, in accordance with the provisions of this Agreement and (ii) Fund Borrower surrenders all authority or right to withdraw, collect, receive the benefits of, or otherwise assign or encumber the Fund Pledged Collateral. Subject to Article 9 of the Fund Loan Agreement, the assignment evidenced by this Agreement is a continuing one and is irrevocable so long as any of the Obligations are outstanding or Fund Borrower shall have any obligations under the Note and shall terminate only upon payment or other satisfaction in full of all Obligations or Fund Lender's acknowledgment in writing that this Agreement has been terminated.

4. **Delivery of Fund Pledged Collateral.** All certificates or other instruments representing or evidencing the Fund Pledged Collateral, if any, (i) shall be delivered to Fund Lender and (ii) shall be accompanied by duly executed instruments of transfer or assignment in blank, including a duly executed assignment in blank, substantially in the form attached hereto as Exhibit A, all in form and substance satisfactory to Fund Lender. Subject to Article 9 of the Fund Loan Agreement, Fund Lender shall have the right, at any time after the occurrence and during the continuance of an Event of Default, in its discretion and without notice to Fund

Borrower, to transfer to or to register in the name of Fund Lender, any or all of the Fund Pledged Collateral.

5. **Representations and Warranties.** Fund Borrower represents and warrants to Fund Lender that as of the date hereof:

(a) Fund Borrower is duly organized or formed, validly existing and in good standing under the laws of the State of Missouri, has the legal power and authority to own its properties and to carry on its business as now being and hereafter proposed to be conducted. Fund Borrower is duly qualified and authorized to do business in each jurisdiction in which failure to be so qualified and authorized would have a Material Adverse Effect.

(b) Fund Borrower is, and at the time of delivery of the Fund Pledged Collateral to Fund Lender pursuant to Section 4 hereof will be, the sole holder of record and the sole beneficial owner of the Fund Pledged Collateral, free and clear of any lien, charge or encumbrance thereon or affecting the title thereto, except for the security interests created by this Agreement and any liens securing unpaid capital contribution obligations to the Issuer.

(c) To the best of Fund Borrower's knowledge, the Pledged Securities have been duly authorized and validly issued.

(d) Fund Borrower has the right and requisite authority to pledge the Fund Pledged Collateral to Fund Lender, as provided herein.

(e) To the best of Fund Borrower's knowledge, information and belief, none of the Pledged Securities has been issued or transferred in violation of the securities registration, securities disclosure or similar laws of any jurisdiction to which such issuance or transfer may be subject. Fund Borrower's execution, delivery and performance of this Agreement and the pledge of the Fund Pledged Collateral hereunder do not, directly or indirectly, violate in any material respect or result in a violation of any such laws.

(f) None of the Pledged Securities is, as of the date of this Agreement, margin stock, and Fund Borrower shall, promptly after learning thereof, notify Fund Lender of any of its Pledged Securities which is or becomes margin stock and execute and deliver in favor of Fund Lender any and all instruments, documents and agreements (including, but not limited to Forms U-1) necessary to cause the pledge of such margin stock to comply with all applicable laws, rules and regulations.

(g) To the best of Fund Borrower's knowledge, information and belief, no consent, approval, authorization or other order of any Person and no consent, authorization, approval, or other action by, and no notice to or filing with, any governmental departments, commissions, boards, bureaus, agencies or other instrumentalities, domestic or foreign, is required to be made or obtained by Fund Borrower either (i) for the pledge of the Fund Pledged Collateral pursuant to this Agreement or for the execution, delivery or performance of this Agreement by Fund

Borrower or (ii) for the exercise by Fund Lender of the voting or other rights provided for in this Agreement or the remedies in respect of the Fund Pledged Collateral pursuant to this Agreement, subject to Article 9 of the Fund Loan Agreement.

(h) To the best of Fund Borrower's knowledge, information and belief, the pledge of the Fund Pledged Collateral to Fund Lender pursuant to this Agreement will create a valid lien on and, upon the proper filing of a UCC financing statement by Fund Lender, a perfected security interest in the Fund Pledged Collateral pledged by Fund Borrower, and the proceeds thereof, securing the payment of the Obligations, subject to Article 9 of the Fund Loan Agreement.

(i) This Agreement has been duly authorized, executed and delivered by Fund Borrower and constitutes the legal, valid and binding obligation of Fund Borrower enforceable in accordance with its terms except as enforceability may be limited by the applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or law).

Fund Lender represents and warrants to Fund Borrower that it is an "accredited investor" as such term is defined in Rule 501(a) of the Regulation D promulgated under the Securities Act of 1933, as amended.

The representations and warranties set forth in this Section 5 shall survive the execution and delivery of this Agreement.

6. Covenants. Fund Borrower covenants and agrees that until the payment in full of the Obligations:

(a) Fund Borrower will not sell, assign, transfer, pledge, or otherwise encumber any of its rights in or to any Fund Pledged Collateral or any dividends or other distributions or payments with respect thereto or grant a lien, charge, encumbrance or security interest on any thereof. Fund Borrower will not consent to the issuance of any additional membership interests in the Issuer, whether certificated or uncertificated, to any Person without the prior, written consent of Fund Lender in its sole discretion.

(b) Fund Borrower will, at its expense, promptly execute, acknowledge and deliver all such instruments and take all such action as Fund Lender from time to time may reasonably request in order to ensure to Fund Lender the benefits of the liens and security interests in and to the Fund Pledged Collateral intended to be created by this Agreement, including the delivery of all certificates and other documentation evidencing any of the Fund Pledged Collateral and the filing of any necessary Uniform Commercial Code financing statements deemed reasonably necessary by Fund Lender, which may be filed by Fund Lender without the signature of Fund Borrower.

(c) Fund Borrower will defend the title to the Fund Pledged Collateral and the liens of Fund Lender, for the benefit of Fund Lender against the claim of any Person and will maintain and preserve such liens until the payment in full of the Obligations.

(d) Fund Borrower hereby consents to Fund Lender's or its designee's right to become and be admitted as a member of the Issuer and to receive distributions and allocations from the Issuer upon the exercise of Fund Lender's rights hereunder without further action, approval or consent.

7. Borrower's Rights.

(a) At all times prior to the Forbearance Termination Date (as defined in the Fund Loan Agreement), Fund Borrower shall have the right, from time to time, to vote and give consents with respect to the Fund Pledged Collateral or any part thereof for all purposes as it may determine in its sole discretion;

(b) On or after the Forbearance Termination Date and as long as no Event of Default shall have occurred and be continuing, and until written notice shall be given to Fund Borrower in accordance with Section 8 hereof Fund Borrower shall have the right, from time to time, to vote and give consents with respect to the Fund Pledged Collateral or any part thereof for all purposes not inconsistent with the provisions of this Agreement, the Fund Loan Agreement, the Note and any other agreement;

At all times, whether prior to, on, or after the Forbearance Termination Date, except as required by the NMTC Program Requirements (as defined in the Fund Agreement) as determined by the manager of Fund Borrower, no vote shall be cast, and no consent shall be given or action taken, which would authorize or effect (i) the dissolution or liquidation, in whole or in part, of any Issuer, (ii) the consolidation or merger of any Issuer with any other Person, (iii) the sale, disposition or encumbrance of all or substantially all of the assets of an Issuer, (iv) any change in the authorized number of shares or interests in any Issuer, the stated capital or the authorized share capital of any Issuer or the issuance of any additional interests in any Issuer, (v) the alteration of the voting rights with respect to Fund Borrower's interests in any Issuer, or (vi) any material amendment to the operating agreement of any Issuer. Notwithstanding the foregoing, Fund Lender acknowledges and agrees that Fund Borrower may, at all times, amend the Fund Agreement (i) to comply with NMTC Program Requirements, (ii) in connection with the redeployment of any proceeds received by an Issuer in connection with the exercise of its rights and remedies in accordance with the CDE Loan Documents, (iii) to avoid a Recapture Event, (iv) if such amendment would not materially impair the Fund Pledged Collateral, (v) as permitted to allow an investor to participate in the Fund Borrower in connection with an Affiliate Fund Transfer pursuant to Article 10 of the Fund Loan Agreement, or (vi) with the prior written consent of Fund Lender, which consent shall not be unreasonably withheld, conditioned or delayed; and

(c) Fund Borrower may receive cash or property distributions attributable to the Fund Pledged Collateral and make distributions to its members of any amounts not needed to make payments on the Note which are then due and payable.

8. Defaults and Remedies. Subject to Article 9 of the Fund Loan Agreement, upon the occurrence of an Event of Default under the Fund Loan Agreement, and during the continuation of such Event of Default, then or at any time after such declaration, Fund Lender is

hereby authorized and empowered to do any and all of the following in a commercially reasonable manner: to transfer and register in its name or in the name of its nominee the whole or any part of the Fund Pledged Collateral, to exchange certificates or instruments representing or evidencing the Pledged Securities for certificates or instruments of smaller or larger denominations, to collect and receive all cash dividends and other distributions made thereon, to sell in one or more sales after ten (10) days' written notice is sent to Fund Borrower of the time and place of any public sale or of the time after which a private sale is to take place (which notice Fund Borrower agrees is commercially reasonable), but without any previous notice or advertisement, the whole or any part of the Fund Pledged Collateral and to otherwise act with respect to the Fund Pledged Collateral as though Fund Lender were the outright owner thereof, provided, however, Fund Lender shall not have any duty to exercise any such right of sale or to preserve the same and shall not be liable for any failure to do so or for any delay in doing so. Any sale shall be made at a public or private sale at Fund Lender's place of business, or at any public building to be named in the notice of sale, either for cash or upon credit or for future delivery at such price as Fund Lender may deem fair and reasonable, and Fund Lender may be the purchaser of the whole or any part of the Fund Pledged Collateral so sold and hold the same thereafter in its own right free from any claim of Fund Borrower or any right of redemption. Each sale shall be made to the highest bidder, but Fund Lender reserves the right to reject any and all bids at such sale which, in its discretion, it shall deem inadequate. Demands of performance, notices of sale, advertisements and the presence of property at sale are hereby waived and any sale hereunder may be conducted by an auctioneer or any officer or agent of Fund Lender.

(a) If, at the original time or times appointed for the sale of the whole or any part of the Fund Pledged Collateral, the highest bid, if there be but one sale, shall be inadequate to discharge in full the defaulted Obligations or if the Fund Pledged Collateral be offered for sale in lots, if at any of such sales, the highest bid for the lot offered for sale would indicate to Fund Lender, in its discretion, the unlikelihood of the proceeds of the sales of the whole of the Fund Pledged Collateral being sufficient to discharge all the defaulted Obligations, Fund Lender may, on one or more occasions and in its discretion, postpone any of said sales by public announcement at the time of sale or the time of previous postponement of sale, and no other notice of such postponement or postponements of sale need be given, any other notice being hereby waived; provided, however, that any sale or sales made after such postponement shall be after ten (10) days' notice to Fund Borrower.

(b) In the event of any sales hereunder, Fund Lender shall, after deducting all reasonable costs or expenses of every kind (including reasonable attorneys' fees and disbursements) for care, safekeeping, collection, sale, delivery or otherwise, apply the residue of the proceeds of the sales to the payment or reduction, either in whole or in part, for the benefit of Fund Lender, of the Obligations.

(c) In the event that it becomes necessary to comply with any federal or state law or regulation or to make or file any registration thereunder in order for Fund Lender to exercise any of its rights hereunder, Fund Borrower expressly agrees to do or cause to be done all acts and prepare and execute all documents necessary to effect such compliance or registration, and to bear all reasonable costs in connection therewith. Fund

Borrower agrees to indemnify and hold Fund Lender harmless for, from and against any claim or liability caused by (i) any omission or alleged omission to state a material fact required to be stated, or necessary to make the statements, in light of the circumstances in which they are made, not misleading (as required in any registration or prospectus) or (ii) a failure to register or comply with any such law or regulation, unless such failure is caused by Fund Lender.

(d) If, at any time when Fund Lender shall determine to exercise its right to sell the whole or any part of the Fund Pledged Collateral hereunder, such Fund Pledged Collateral or the part thereof to be sold shall not, for any reason whatsoever, be effectively registered under the Securities Act, Fund Lender may, in its discretion (subject only to applicable requirements of law), sell such Fund Pledged Collateral or part thereof by private sale in such manner and under such circumstances as is commercially reasonable and shall not be required to effect such registration or to cause the same to be effected; provided, however, that Fund Lender agrees and causes any purchaser of Fund Pledged Collateral to agree that Fund Borrower shall (a) not be liable to any purchaser of Fund Pledged Collateral for any action taken or omitted to be taken by Fund Lender in connection with the sale of Fund Pledged Collateral, or (b) be responsible in any manner to any purchaser of Fund Pledged Collateral for any statement, representation or warranty made by Fund Lender in connection with the sale of Fund Pledged Collateral. Without limiting the generality of the foregoing, in any such event Fund Lender in its discretion (i) may, in accordance with applicable securities laws, proceed to make such private sale notwithstanding that a registration statement for the purpose of registering such Fund Pledged Collateral or part thereof could be or shall have been filed under the Securities Act (or similar statute), (ii) may approach and negotiate with a single possible purchaser to effect such sale, and (iii) may restrict such sale to a purchaser who will represent and agree that such purchaser is purchasing for its own account, for investment and not with a view to the distribution or sale of such Fund Pledged Collateral or part thereof. In addition to a private sale as provided above in this Section 8, if any of the Fund Pledged Collateral shall not be freely distributable to the public without registration under the Securities Act (or similar statute) at the time of any proposed sale pursuant to this Section 8, then Fund Lender shall not be required to effect such registration or cause the same to be effected but, in its discretion (subject only to applicable requirements of law), may require that any sale hereunder (including a sale at auction) be conducted subject to restrictions (i) as to the financial sophistication and ability of any Person permitted to bid or purchase at any such sale, (ii) as to the content of legends to be placed upon any certificates representing the Fund Pledged Collateral sold in such sale, including restrictions on future transfer thereof, (iii) as to the representations required to be made by each Person bidding or purchasing at such sale relating to that Person's access to financial information about the Issuer and such Person's intentions as to the holding of the Fund Pledged Collateral so sold for investment, for its own account, and not with a view to the distribution thereof, and (iv) as to such other matters as Fund Lender may, in its discretion, deem necessary or appropriate in order that such sale (notwithstanding any failure so to register) may be effected in compliance with the Uniform Commercial Code and other laws affecting the enforcement of creditors' rights and the Securities Act and all applicable state securities laws.

(e) Fund Borrower recognizes that Fund Lender may be unable to effect a public sale of any or all the Fund Pledged Collateral and may be compelled to resort to one or more private sales thereof. Fund Borrower also acknowledges that any such private sale may result in prices and other terms less favorable to the seller than if such sale were a public sale. Fund Borrower agrees that such sale shall not be deemed to have been made in a commercially unreasonable manner because it was conducted as a private sale. Fund Lender shall be under no obligation to delay a sale of any of the Fund Pledged Collateral for the period of time necessary to permit the registrant to register such securities for public sale under the Securities Act, or under applicable state securities laws, even if Fund Borrower and the Issuer would agree to do so.

(f) Fund Borrower agrees, to the extent not prohibited by applicable law, that, subject to Article 9 of the Fund Loan Agreement, following the occurrence and during the continuance of an Event of Default, it will not at any time plead, claim or take the benefit of any appraisal, valuation, stay, extension, moratorium or redemption law now or hereafter in force in order to prevent or delay the enforcement of this Agreement, or the absolute sale of the whole or any part of the Fund Pledged Collateral or the possession thereof by any purchaser at any sale hereunder, and Fund Borrower waives the benefit of all such laws to the extent not prohibited by applicable law. No failure or delay on the part of Fund Lender to exercise any such right, power or remedy and no notice or demand which may be given to or made upon Fund Lender with respect to any such remedies shall operate as a waiver thereof, or limit or impair Fund Lender's right to take any action or to exercise any power or remedy hereunder, without notice or demand, or prejudice its rights as against Fund Borrower.

(g) Fund Borrower further agrees that a breach of any of the covenants contained in this Section 8 will cause irreparable injury to Fund Lender, that Fund Lender has no adequate remedy at law in respect of such breach and, as a consequence, agrees that each and every covenant contained in this Section 8 shall be specifically enforceable against Fund Borrower, and Fund Borrower hereby waives and agrees not to assert any defenses against an action for specific performance of such covenants except for a defense that any of the Obligations are not then due and payable in accordance with the agreements and instruments governing and evidencing such obligations.

Subject to the restrictions contained in the Fund Loan Agreement, the rights and remedies of Fund Lender under this Agreement shall be cumulative and not exclusive of any other rights or remedies available to Fund Lender at law or equity. In exercising such rights and remedies, Fund Lender may be selective, and no failure or delay by Fund Lender in exercising any right shall operate as a waiver of it, nor shall any single or partial exercise of any power or right preclude its other or further exercise or the exercise of any other power or right.

9. Power of Attorney; Proxy. Subject to Article 9 of the Fund Loan Agreement, upon and after an Event of Default and during its continuance, Fund Borrower irrevocably designates, makes, constitutes and appoints Fund Lender as its true and lawful attorney (and agent-in-fact) and Fund Lender may, without notice to Fund Borrower, and at such time or times thereafter as Fund Lender, in its discretion, determine, in the name of Fund Borrower or Fund Lender, request that any Issuer transfer any or all of the Fund Pledged Collateral on the books of

such Issuer, with full power of substitution in the premises; endorse the name of Fund Borrower upon any checks, notes, acceptance, money orders, certificates, drafts or other forms of payment of security that come into Fund Lender's possession; and do all acts and things necessary, in Fund Lender's discretion, to fulfill the obligations of Fund Borrower under this Agreement. The appointment set forth herein is deemed to be coupled with an interest and therefore irrevocable.

10. **Waiver.** No delay on Fund Lender's part in exercising any power of sale, lien, option or other right hereunder, and no notice or demand which may be given to or made upon Fund Borrower by Fund Lender with respect to any power of sale, lien, option or other right hereunder, shall constitute a waiver thereof, or limit or impair Fund Lender's right to take any action or to exercise any power of sale, lien, option, or any other right hereunder, without notice or demand, or prejudice Fund Lender's rights as against Fund Borrower in any respect.

11. **Forbearance.** Notwithstanding any provision in this Agreement to the contrary, the rights and remedies of Fund Lender are subject in all respect to the provisions of Article 9 of the Fund Loan Agreement ("Forbearance"), and nothing in this Agreement shall be deemed to authorize or empower Fund Lender to take any action or exercise any right or remedy that is inconsistent with such provisions.

12. **Termination.** This Agreement shall terminate and be of no further force or effect at such time as the Obligations shall be paid and performed in full. Upon such payment and performance in full of the Obligations, Fund Lender shall deliver to Fund Borrower, the Fund Pledged Collateral at the time subject to this Agreement and then in Fund Lender's possession or control and all instruments of assignment executed in connection therewith, free and clear of the liens hereof and, except as otherwise provided herein, all of Fund Borrower's obligations hereunder shall at such time terminate.

13. **Lien Absolute.** All rights of Fund Lender hereunder, and all obligations of Fund Borrower hereunder, shall be absolute and unconditional irrespective of:

(a) any lack of validity or enforceability of the Note, or any other agreement or instrument governing or evidencing any Obligations or any of Fund Borrower's obligations under the Note;

(b) any change in the time, manner or place of payment of, or in any other term of, all or any part of the Obligations or any of Fund Borrower's obligations under the Note, or any other amendment or waiver of or any consent to any departure from the Note or any other agreement or instrument governing or evidencing any Obligations or any of Fund Borrower's obligations under the Note;

(c) any exchange, release or non-perfection of any other collateral, or any release or amendment or waiver of or consent to departure from any guaranty, for all or any of the Obligations or any of Fund Borrower's obligations under the Note; or

(d) any other circumstance which might otherwise constitute a defense available to, or a discharge of, the Fund Borrower.

14. **Release.** Except as provided for in the Note, Fund Borrower hereby waives notice of acceptance of this Agreement, and also presentment, demand, protest and notice of dishonor of any and all of the Obligations or any of Fund Borrower's obligations under the Note, and promptness in commencing suit against any party hereto or liable hereon, and in giving any notice to or of making any claim or demand hereunder upon Fund Borrower. No act or omission of any kind on Fund Lender's part shall in any event affect or impair this Agreement. Fund Borrower consents and agrees that Fund Lender may at any time, or from time to time, in its discretion:

(a) renew, extend or change the time of payment, and/or the manner, place or terms of payment of all or any part of the Obligations; and

(b) exchange, release and/or surrender all or any of the Fund Pledged Collateral, or any part thereof, by whomsoever deposited, which is now or may hereafter be held by Fund Lender in connection with all or any of the Obligations; all in such manner and upon such terms as Fund Lender may deem proper, and without notice to or further assent from Fund Borrower, it being hereby agreed that Fund Borrower shall be and remain bound upon this Agreement, irrespective of the value or condition of any of the Fund Pledged Collateral, and notwithstanding any such change, exchange, settlement, compromise, surrender, release, renewal or extension, and notwithstanding also that the Obligations may, at any time, exceed the aggregate principal amount thereof set forth in the Note.

15. **Reinstatement.** This Agreement shall remain in full force and effect and continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Obligations, whether as a "voidable preference", "fraudulent conveyance", or otherwise, all as though such payment or performance had not been made.

16. **Miscellaneous.** This Agreement shall be binding upon Fund Borrower and its successors and assigns, and shall inure to the benefit of Fund Lender, and be enforceable by, Fund Lender and its successors and assigns. Subject to Article 9 of the Fund Loan Agreement, Fund Lender may assign or otherwise transfer all or a portion of its rights and obligations under the Note to any assignee and such assignee shall thereupon become vested with all the benefits in respect thereof granted to Fund Lender herein or otherwise; provided, however, that such assignee shall in any event remain bound by Article 9 of the Fund Loan Agreement. None of the terms or provisions of this Agreement may be waived, altered, modified or amended except in writing duly signed for and on behalf of Fund Lender and Fund Borrower. Neither Fund Lender, nor any of its respective officers, directors, employees, agents or counsel shall be liable for any action lawfully taken or omitted to be taken by it or them hereunder or in connection herewith, except for its or their own gross negligence or misconduct. Time is of the essence in the performance of this Agreement, and each and every term thereof, by Fund Borrower.

17. **Severability.** If for any reason any provision or provisions hereof are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or effect those portions of this Agreement which are valid. Notwithstanding the

foregoing, the provisions of Section 11 of this Agreement shall be deemed integral to this Agreement and shall not be severable from the remainder of this Agreement.

18. **Notices.** All notices and other communications provided to any party hereto under this Agreement shall be given in accordance with and at addresses set forth in the Fund Loan Agreement.

19. **Section Titles.** The Section titles contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto.

20. **Counterparts.** This Agreement may be executed in any number of counterparts, which shall, collectively and separately, constitute one agreement.

21. **SUBMISSION TO JURISDICTION.** FUND BORROWER HEREBY IRREVOCABLY CONSENTS TO THE EXCLUSIVE JURISDICTION AND VENUE OF ANY STATE OR FEDERAL COURT SITTING IN LOS ANGELES, CALIFORNIA OR LOS ANGELES COUNTY, CALIFORNIA OVER ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE NOTE, OR ANY OTHER FUND LOAN DOCUMENT TO WHICH IT IS A PARTY AND OTHERWISE ARISING OUT OF OR RELATING TO THE TRANSACTIONS CONTEMPLATED HEREBY, AND FUND BORROWER HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH STATE OR FEDERAL COURT. FUND BORROWER WAIVES ANY OBJECTION TO ANY ACTION OR PROCEEDING IN ANY STATE OR FEDERAL COURT SITTING IN LOS ANGELES, CALIFORNIA OR LOS ANGELES COUNTY, CALIFORNIA ON THE BASIS OF FORUM NON CONVENIENS. FUND BORROWER HEREBY WAIVES PERSONAL SERVICE OF ANY PROCESS IN CONNECTION WITH ANY SUCH ACTION OR PROCEEDING AND AGREES THAT THE SERVICE THEREOF MAY BE MADE BY CERTIFIED OR REGISTERED MAIL DIRECTED TO FUND BORROWER AT THE ADDRESS SET FORTH IN SECTION 17 HEREOF. FUND BORROWER AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. FUND BORROWER FURTHER AGREES THAT, AT THE DISCRETION OF FUND LENDER, FUND LENDER MAY SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW AND MAY BRING ANY ACTION OR PROCEEDING AGAINST FUND BORROWER OR ITS PROPERTY IN THE COURTS OF ANY OTHER JURISDICTION.

22. **WAIVER OF JURY TRIAL.** EACH OF FUND BORROWER AND FUND LENDER HEREBY IRREVOCABLY WAIVES, TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE NOTE OR ANY OTHER FUND LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY, WHETHER ARISING IN CONTRACT, TORT OR OTHERWISE.

23. **GOVERNING LAW.** THIS AGREEMENT AND THE NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF CALIFORNIA WITHOUT REGARD TO ANY CHOICE OF LAW RULES WHICH WOULD REQUIRE THE APPLICATION OF THE LAWS OF ANY OTHER JURISDICTION.

[Remainder of Page Intentionally Left Blank]

[Signature Page Follows]

IN WITNESS WHEREOF, this Pledge Agreement has been duly executed as an instrument under seal as of the date first written above.

FUND BORROWER:

LKIC INVESTMENT FUND 2, LLC, a Missouri limited liability company

By: U. S. Bancorp Community Development Corporation, a Minnesota corporation, its Manager

By _____
Tina Lin, Authorized Officer

[Signature Page 1 of 2 to LKIC Investment Fund 2 Pledge Agreement]

FUND LENDER:

CITY OF LOS ANGELES, acting by and through
its DEPARTMENT OF WATER AND POWER
BY BOARD OF WATER AND POWER
COMMISSIONERS OF THE CITY OF LOS
ANGELES

By: _____
Ronald O. Nichols
General Manager

And: _____
Barbara E. Moschos
Secretary

[Signature Page 2 of 2 to LKIC Investment Fund 2 Pledge Agreement]

EXHIBIT A

FORM OF ASSIGNMENT

LKIC INVESTMENT FUND 2, LLC, a Missouri limited liability company (“Assignor”) hereby collaterally assigns to the CITY OF LOS ANGELES, acting by and through its DEPARTMENT OF WATER AND POWER (“Assignee”), all of its rights, title and interest in and to the investor membership interest (the “Membership Interest”) in USBCDE Sub-CDE 92, LLC, a Missouri limited liability company (the “Issuer”), and, except as provided in Section 7 of that certain Fund Pledge Agreement dated as of August [], 2013, by and between Assignor and Assignee (the “Pledge Agreement”) following an Event of Default as provided for in Section 8 directs that all future distributions and allocations of income or loss on account of such interest be paid or allocated to such Assignee.

Subject to the terms of the Pledge Agreement, Assignee shall have the right to cause the membership interest to be registered in its name upon the later of the occurrence of (i) an Event of Default under that certain Fund Loan Agreement dated as of August [], 2013 by and between Assignor and Assignee (the “Fund Loan Agreement”) and (ii) the Forbearance Termination Date (as defined in the Fund Loan Agreement).

The CITY OF LOS ANGELES, acting by and through its DEPARTMENT OF WATER AND POWER, as Assignee, hereby accepts said collateral assignment subject to (i) all terms, covenants and conditions of the Issuer’s operating agreement in effect as of the date hereof and (ii) the terms and provisions of the Pledge Agreement.

[Remainder of Page Intentionally Left Blank]

[Signature Page Follows]

Dated: _____, 20__

ASSIGNOR:

LKIC INVESTMENT FUND 2, LLC, a Missouri limited liability company

By: U. S. Bancorp Community Development Corporation, a Minnesota corporation, its Manager

By _____
Tina Lin, Authorized Officer

ASSIGNEE:

CITY OF LOS ANGELES, acting by and through its DEPARTMENT OF WATER AND POWER BY BOARD OF WATER AND POWER COMMISSIONERS OF THE CITY OF LOS ANGELES

By: _____
Ronald O. Nichols
General Manager

And: _____
Barbara E. Moschos
Secretary



9

Memorandum of Lease

After recording return to:
Barry Burns, Esq.
Kutak Rock LLP
1801 California Street, Suite 3100
Denver, Colorado 80202

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (this "Memorandum") is executed effective as of _____, 2013, by and between CITY OF LOS ANGELES, a municipal corporation, acting by and through its DEPARTMENT OF WATER AND POWER (together with its successors, the "Lessor"), whose address is 111 North Hope Street, Los Angeles, CA 90012-2607, as lessor, and LA KRETZ INNOVATION CAMPUS, a California nonprofit public benefit corporation (the "Lessee"), whose address is c/o LADWP, 111 North Hope Street, Los Angeles, CA 90012-2607.

Recitals

Lessor and Lessee entered into that certain Ground Lease (the "Lease") dated _____, 2013 (the "Effective Date"), the terms, provisions and conditions of which are incorporated herein by this reference to the same extent as if recited in their entirety herein, whereby Lessor has leased to Lessee, and Lessee has rented and leased from Lessor, on and subject to the terms, provisions and conditions of the Lease, certain parcels of real property, including, without limitation, that certain real property, together with all buildings, structures, fixtures and improvements now or hereafter located thereon, more particularly described in Exhibit A attached hereto and incorporated herein by this reference (the "Property"). Unless otherwise expressly provided herein, all defined terms used in this Memorandum shall have the same meanings as are ascribed to such terms in the Lease.

NOW, THEREFORE, Lessor and Lessee hereby make specific reference to the following terms, provisions and conditions of the Lease:

1. In consideration of the rentals and other sums to be paid by Lessee and of the other terms, covenants and conditions on Lessee's part to be kept and performed pursuant to the Lease, Lessor leases to Lessee, and Lessee takes and hires, the Property. The initial term of the Lease shall be fifty (50) years commencing on the date hereof and shall expire on _____, 2063, unless such term is sooner terminated as hereinafter provided.

2. The Lessee may mortgage, assign, hypothecate or sublease its leasehold interest in the Premises subject to the Ground Lease without the written consent of the Lessor but only in accordance with the provisions of the terms and conditions of the Master Lease and in accordance with the terms and conditions of the loan and security documents related to the Loans, copies of which were provided to Lessor on the date hereof.

3. Lessor grants to Lessee, and any subtenant of Lessee, the right to access the Property via any property owned by the Lessor and by any route open to the public that traverses the Lessor's property.

4. Original copies of the Lease are in the possession of Lessor and Lessee. The Lease contains other terms not herein set forth but which are incorporated by reference herein for all purposes, and this Memorandum is executed for the purpose of placing parties dealing with the Property on notice of the existence of the Lease and, where appropriate, its contents, and shall ratify and confirm all other terms of the Lease as fully as if the same had been set forth herein. Additional information concerning the terms of the Lease can be obtained by persons with a legitimate interest therein from Lessor or Lessee at the addresses set forth above.

5. This Memorandum is intended for recording purposes only, and does not modify, supersede, diminish, add to or change all or any of the terms of the Lease in any respect. To the extent that the terms hereof are inconsistent with the terms of the Lease, the terms of the Lease shall control.

6. This Memorandum may be executed in one or more counterparts, each of which shall be deemed an original.

[Remainder of page intentionally left blank; signature page(s) to follow]

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum to be duly executed as of the Effective Date.

LESSOR:

CITY OF LOS ANGELES, acting by and through
its DEPARTMENT OF WATER AND POWER
BY BOARD OF WATER AND POWER
COMMISSIONERS OF THE CITY OF LOS
ANGELES

By: _____
Ronald O. Nichols
General Manager

Date: _____

And: _____
Barbara E. Moschos
Secretary

STATE OF CALIFORNIA)
) SS.
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(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf on 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.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum to be duly executed as of the Effective Date.

LESSEE:

LA KRETZ INNOVATION CAMPUS, a California nonprofit public benefit corporation

By _____
Name: _____
Title: _____

STATE OF CALIFORNIA)
) SS.
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(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf on 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.

EXHIBIT A
PROPERTY

10

Non-Disturbance Agreement

After recording, Return to:

Barry Burns, Esq.
Kutak Rock LLP
1801 California Street, Suite 3100
Denver, CO 80202

THIS NON-DISTURBANCE AND ATTORNMENT AGREEMENT (this "Agreement") dated as of this _____ day of _____ 2013, by and among **Clearinghouse NMTC (Sub 30), LLC**, a California limited liability company, having an office at c/o Clearinghouse CDFI, 23861 El Toro Road, Suite 401, Lake Forest, CA 92630, Attention: Jay Harrison; **Consortium America XXXIII, LLC**, a Delaware limited liability company, having an office at 3299 K Street NW, Suite 700, Washington, DC 20007 Attention: [____]; **URP Subsidiary CDE XVII, LLC**, a Maryland limited liability company, having an office at c/o Townsend Capital, LLC, 11311 McCormick Road Suite 470, Hunt Valley, MD 21031, Attention: Josh Ferguson; **LADF IX, LLC**, a California limited liability company, having an office at Los Angeles Development Fund, 1200 W. 7th Street, 8th Floor, Los Angeles CA 90017, Attention: Sandy Rahimi; **USBCDE Sub-CDE 92, LLC**, a Missouri limited liability company having an office at c/o USBCDC, 1307 Washington Ave, Suite 300, St. Louis, MO 63103, Attention: Director of Asset Management NMTC (collectively, the "Lender"); **La Kretz Innovation Campus** (the "Tenant"), with an address at [[____] Hewitt Street, Los Angeles, California], Attention: Kelli Bernard; and **City of Los Angeles**, a municipal corporation acting by and through its **Department of Water and Power** (the "Landlord"), with an address at 111 N. Hope Street, Los Angeles, CA 90012, Attention: _____.

WITNESSETH THAT:

WHEREAS, the Landlord owns a fee simple interest in that certain real property located in the City of Los Angeles, California, and more particularly described in Exhibit A attached hereto (the "Property"); and

WHEREAS, under the terms of that certain Ground Lease dated _____, 2013 (the "Ground Lease"), a notice of which lease was recorded or is to be recorded in the real estate records of the aforesaid County and State as instrument number _____, the Landlord leased to the Tenant all of the Property described in the Ground Lease (the "Demised Premises") under the terms and conditions more particularly described therein; and

WHEREAS, pursuant to a Loan Agreement dated as of _____, 2013 (the "Agreement") and certain promissory notes dated _____, 2013 (collectively, the "Note"), the Lender made certain loans to the Tenant. The obligations under the Agreement and Note are secured by a security instrument covering the Tenant's leasehold interest in and to

the Property (the “**Security Instrument**”) dated _____, 2013, from the Tenant to the Lender, and recorded or to be recorded in the real estate records of aforesaid County and State as instrument number _____ (the Agreement, Note, Security Instrument and any and all other documents executed in connection with the Loan, as the same may be amended, renewed, replaced or supplemented from time to time, collectively the “**Loan Documents**”); and

WHEREAS, under the terms of that certain Lease Agreement dated _____, 2013 (the “**Master Lease**”), a notice of which lease was recorded or is to be recorded in the real estate records of the aforesaid County and State as instrument number _____, the Tenant subleased to the Landlord the Demised Premises under the terms and conditions more particularly described therein; and

WHEREAS, the Security Instrument provides that the Security Instrument shall only encumber Tenant’s leasehold interest in the Property not Landlord’s fee simple interest in the Property and the Security Instrument shall be subject to the Ground Lease and the parties hereto desire to establish rights of quiet and peaceful possession for the benefit of the Tenant under the Ground Lease and to define the terms, covenants and conditions precedent for such rights.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained and intending to be legally bound, the parties hereto agree as follows:

1. **Priority of the Ground Lease.** The Security Instrument provides that the Security Instrument shall only encumber Tenant’s leasehold interest in the Property and shall be subject to the Ground Lease. Notwithstanding anything to the contrary contained herein, Landlord’s fee simple ownership in and to the Property and the Ground Lease shall not be affected or encumbered by terms and conditions of this Agreement or the Security Instrument.

2. **Consent of Tenant.** The Landlord acknowledges notice of and consents to the Security Instrument and the terms and conditions thereof. The Tenant agrees to continue making payments of rent and other amounts owed under the Ground Lease to the Landlord, and to otherwise recognize the rights of the Landlord under the Ground Lease, until notified otherwise in writing by the Lender, as herein provided.

3. **Tenant’s Duty to Notify Lender of any Default Under the Ground Lease.** The Tenant shall provide the Lender with prompt notice of any asserted default against the Landlord under the Ground Lease. In the event of any act or omission of the Landlord which would give the Tenant the right, immediately or after lapse of time, to cancel or terminate the Ground Lease, or to claim a partial or total eviction or to exercise any other remedy, the Tenant shall not exercise such right or remedy until Lender has received notice and said default has not been cured within thirty (30) days of receipt of said notice by Lender, said cure period commencing after the end of Landlord’s cure period and after Lender is entitled under the Security Instrument

to remedy same; provided that the Lender shall give the Tenant written notice of its intention to, and shall commence and continue with due diligence to, remedy such act or omission. Notwithstanding the foregoing, the Lender shall have no obligation to remedy or to continue to remedy any such act or omission.

4. **Nondisturbance of Tenant.** Provided (i) the Ground Lease shall at all times be in full force and effect, (ii) the term of the Ground Lease has commenced, (iii) the Tenant is in actual possession of the Demised Premises, and (iv) the Tenant shall not be in default thereunder or under this Agreement, then:

(a) The right of possession by the Tenant to the Demised Premises and any or all of the Tenant's rights under the Ground Lease shall not be terminated by the Lender (or by anyone claiming by, through or under the Lender) in the exercise of any of the Lender's rights under the Loan Documents.

(b) The Tenant shall not be named as a party defendant to any foreclosure of the lien of the Security Instrument for any purpose, unless Lender is required by any applicable law, order, regulation, rule of court or judicial decision to name the Tenant as a party defendant.

(c) If the Lender or its successors or assigns comes into possession of the Demised Premises (through receivership, as a Lender in possession, or otherwise) or acquires the leasehold interest of the Tenant by foreclosure of the Security Instrument, or by proceedings under the Loan Documents, deed in lieu or otherwise, the Ground Lease shall not be terminated by any such foreclosure or proceedings; and the Ground Lease shall continue in full force and effect upon the Landlord's attornment, as hereinafter provided, as a direct lease between the Landlord and the Lender upon all the terms, covenants, conditions and agreements set forth in the Ground Lease and this Agreement.

(d) If Tenant's leasehold interest in the Property is sold or otherwise disposed of pursuant to any right or power contained in the Loan Documents or as a result of proceedings thereon, the Ground Lease shall not be terminated thereby, and the Foreclosure Purchaser (as that term is defined in Section 14 hereof) of the Tenant's leasehold interest in the Property or any person acquiring title thereto shall so acquire such interest, subject to the Ground Lease; and the Ground Lease shall continue in full force and effect upon the Landlord's attornment, as hereinafter provided, as a direct lease between the Landlord and any party acquiring title to the Tenant's leasehold interest therein, as aforesaid, upon all the terms, covenants, conditions and agreements set forth in the Ground Lease.

5. **Attornment of Landlord to Lender or Foreclosure Purchaser.** If the Lender or any Foreclosure Purchaser shall succeed to the rights of the Tenant under the Ground Lease,

then the Landlord shall attorn to and recognize the Lender or such Foreclosure Purchaser as the lessee under the Ground Lease and the Lender or such Foreclosure Purchaser shall be conclusively deemed to have accepted such attornment. Such attornment shall be self-operative and effective without execution and delivery of any further instrument, immediately upon the Lender's or any Foreclosure Purchaser's succession to the interest of the Tenant under the Ground Lease. Upon such attornment, the Ground Lease shall continue in full force and effect as a direct lease between the Lender or such Foreclosure Purchaser and the Landlord except that the Lender shall not be bound by any amendment or modification of the Ground Lease made without the Lender's written consent and except that the Lender or such Foreclosure Purchaser shall not be liable to the Landlord:

(a) For any past act, default or omission on the part of the Tenant or for any accrued obligation of the Tenant under the Ground Lease and the Landlord shall have no right to assert the same or any damages arising therefrom as an offset or defense against the Lender or such Foreclosure Purchaser;

(b) For the commencement or completion of any construction or any contribution toward construction or installation of any improvements upon the Demised Premises (except for amounts remaining to be disbursed under the Loan Documents provided there are no defaults under the Loan Documents or such defaults have been cured), or any expansion or rehabilitation of existing improvements thereon, or for restoration of improvements following any casualty not required to be insured under the Ground Lease or for the costs of any restoration in excess of the proceeds recovered under any insurance required to be carried under the Ground Lease;

(c) For any prepayment of rent, rental security or any other sums deposited with the Landlord under the Ground Lease;

(d) For the payment of any leasing commissions or other expenses which the Tenant shall have failed to pay any third party; or

(e) obligated or liable (financially or otherwise) on account of any representation, warranty, or indemnification obligation of Tenant with respect to hazardous materials, asbestos, or other environmental laws, claims or liabilities, whether expressly stated as such or subsumed within general obligations to comply with laws or preserve the benefits of Tenant's use and enjoyment of the Demised Premises.

The Lender or such Foreclosure Purchaser shall be liable to the Landlord under the Ground Lease only during the Lender's or such Foreclosure Purchaser's period of ownership of the leasehold interest, and such liability shall not continue or survive as to the transferor after a transfer by the Lender or such Foreclosure Purchaser of its interest in the Ground Lease and the Demised Premises. Notwithstanding anything to the contrary contained herein, officers,

directors, shareholders, agents, servants and employees of the Lender shall have no personal liability to Landlord and the liability of the Lender shall be limited to the Lender's interest in the Tenant's leasehold interest in and to the Property.

6. Modification or Encumbrance of Lease. Without the Lender's prior written consent, which may be given, conditioned or withheld in Lender's sole discretion (other than as expressly provided below), the Tenant shall not (a) amend or terminate the Ground Lease, (b) voluntarily surrender the Demised Premises, (c) assign the Ground Lease or sublet the Demised Premises or any part thereof except as permitted under the Ground Lease, or (d) encumber all or any portion of Tenant's interest in the Ground Lease; provided, that Lender's consent to amendments to the Ground Lease that do not affect the principal economic terms of the Ground Lease or impair compliance with New Markets Tax Credit program requirements shall not be unreasonably withheld, conditioned or delayed.

7. Representations of Tenant. The Tenant represents and warrants to the Lender that as of the date of this Agreement:

(a) the Tenant occupies and is the leasehold owner of the Demised Premises pursuant to the terms of the Ground Lease;

(b) the Ground Lease constitutes the entire agreement between the Landlord and the Tenant with respect to its subject matter, has not been modified (except as noted above) or terminated and, to the best of the Tenant's knowledge, is in full force and effect as of the date of this Agreement;

(c) all rent and other sums due under the Ground Lease have been paid in full;

(d) no funds constituting a tenant finish or construction allowance are or will be due from the Landlord to the Tenant, and there is no free rent period provided for in the Ground Lease;

(e) to the best of the Tenant's knowledge, the Landlord is not in default of any of its obligations under the Ground Lease nor has any event occurred which with the giving of notice or passage of time or both would constitute an event of default by the Landlord under the Ground Lease, and the Tenant has no defenses or offsets against the Landlord;

(f) the Tenant is not in default of any of its obligations under the Ground Lease nor has any event occurred which with the giving of notice or passage of time or both would constitute an event of default by the Tenant under the Ground Lease;

(g) the Tenant has not sublet any portion of the Demised Premises, granted any license or concession relating to the Demised Premises or any portion thereof or assigned

any or all of its interest in the Ground Lease, except for the Master Lease or as otherwise permitted under the Ground Lease; and

(h) the Tenant has received no notice of any assignment or transfer by Landlord, or proposed assignment or transfer (including for collateral purposes), of the Ground Lease or of the rents reserved in the Ground Lease.

8. Application of Casualty Insurance Proceeds and Condemnation Awards.

Provided that default caused by Tenant and uncured by Lender exists under the Ground Lease, the terms and provisions of the Security Instrument with respect to the application of casualty insurance proceeds and condemnation awards shall control.

9. Confirmation of Lease Status. The Landlord and the Tenant hereby agree that, upon the Lender's request, they shall from time to time execute and deliver to the Lender, and without charge to the Lender, an estoppel certificate setting forth whatever information the Lender may reasonably require to confirm the current status of the Ground Lease including, without limitation, a confirmation that the Ground Lease is and remains in full force and effect.

10. Notices. All notices, demands, requests, consents, approvals and other communications required or permitted hereunder must be in writing and will be effective upon receipt. Such notices and other communications may be hand-delivered, sent by facsimile transmission with confirmation of delivery and a copy sent by first-class mail, or sent by nationally recognized overnight courier service, to a party's address set forth above or to such other address as any party may give to the other in writing for such purpose.

11. Changes in Writing. No modification, amendment or waiver of, or consent to any departure from, any provision of this Agreement nor consent to any departure by the Landlord or Tenant therefrom will be effective unless made in a writing signed by the Lender, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on the Landlord or Tenant in any case will entitle the Landlord or Tenant to any other or further notice or demand in the same, similar or other circumstance.

12. **Entire Agreement.** This Agreement constitutes the entire agreement and supersedes all other prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof.

13. **Counterparts.** This Agreement may be signed in any number of counterpart copies and by the parties hereto on separate counterparts, but all such copies shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart. Any party so executing this Agreement by facsimile transmission shall promptly deliver a manually executed counterpart, provided that any failure to do so shall not affect the validity of the counterpart executed by facsimile transmission.

14. **Definitions.** As used in this Agreement, the word "Tenant" shall mean the Tenant and/or the subsequent holder of an interest under the Ground Lease, provided the interest of such holder is acquired in accordance with the terms and provisions of the Ground Lease, the word "Lender" shall mean the Lender or any subsequent holder or holders of the Security Instrument, and the word "Foreclosure Purchaser" shall mean any party other than the Lender acquiring the leasehold interest in and to the Property by purchase at a foreclosure sale, by deed or otherwise. Subject to the foregoing, this Agreement shall bind and inure to the benefit of the Landlord, the Tenant and the Lender, their heirs, legal representatives, successors and assigns.

15. **Governing Law and Jurisdiction.** **THIS AGREEMENT WILL BE INTERPRETED AND THE RIGHTS AND LIABILITIES OF THE PARTIES HERETO DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA, EXCLUDING ITS CONFLICT OF LAWS RULES.** The Lender, Landlord and the Tenant hereby irrevocably consent to the exclusive jurisdiction of any state or federal court in the State of California. The Lender, the Landlord and the Tenant agree that the venue provided above is the most convenient forum for the Lender, the Landlord and the Tenant. The Landlord and the Tenant waive any objection to venue and any objection based on a more convenient forum that either may have in any action instituted under this Agreement.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

The Landlord and the Tenant acknowledge that each has read and understood all the provisions of this Agreement and has been advised by counsel as necessary or appropriate.

WITNESS the due execution hereof as a document under seal, as of the date first written above.

TENANT:

LA KRETZ INNOVATION CAMPUS, a California
nonprofit public benefit corporation

By _____
Name _____
Its _____

ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA)
) SS.
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(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf on 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 _____

CLEARINGHOUSE SUB 30:

**Clearinghouse NMTC (Sub 30), LLC
a California limited liability company**

By: Clearinghouse Community
Development Financial Institution,
its Manager

By: _____
Douglas J. Bystry
President and CEO

ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA)
) SS.
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(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf on 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 _____

CONSORTIUM XXXIII

**Consortium America XXXIII, LLC, a Delaware
limited liability company**

By: Consortium America, LLC,
a Delaware limited liability
company, its managing member

By: TC MidAtlantic Development,
Inc., a Delaware corporation,
its managing member

By: _____
T. Christopher Roth
President

ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA)
) SS.
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(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf on 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 _____

URP XVII:

**URP Subsidiary CDE XVII, LLC, a Maryland
limited liability company**

By: Urban Research Park CDE, LLC, a
Maryland limited liability company,
its managing member

By _____
Joshua Ferguson
President

ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA)
) SS.
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(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf on 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 _____

LADF IX:

**LADF IX, LLC, a California limited liability
company**

By: LADF MANAGEMENT, INC., a
Delaware corporation,
its managing member

By: _____
Rushmore Cervantes
President

ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA)
) SS.
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(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf on 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 _____

USB SUB 92:

USBCDE Sub-CDE 92, LLC, a Missouri limited liability company

By: USBCDE LLC, a Delaware limited liability company, its Managing Member

By: U.S. Bancorp Community Development Corporation, a Minnesota corporation, its Managing Member

By: _____
Tina Lin, Authorized Officer

ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA

)

) SS.

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(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf on 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 _____

LANDLORD:

LADWP:

**CITY OF LOS ANGELES, acting by and
through its DEPARTMENT OF WATER AND
POWER BY BOARD OF WATER AND
POWER COMMISSIONERS OF THE CITY
OF LOS ANGELES**

By: _____
Ronald O. Nichols
General Manager

Date: _____

And: _____
Barbara E. Moschos
Secretary

ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA

)

) SS.

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(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf on 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.

Exhibit A
Property



11

**INVESTMENT FUND PUT AND CALL
AGREEMENT (Investment Fund 1)**

INVESTMENT FUND PUT AND CALL AGREEMENT

by and between

**U.S. Bancorp Community Development Corporation,
a Minnesota corporation
("USBCDC")**

and

**The City of Los Angeles, a municipal corporation, acting by and through its
Department of Water and Power, or its designee(s)**

("Purchaser")

August __, 2013

THIS INVESTMENT FUND PUT AND CALL AGREEMENT (this "**Agreement**") is made as of August ____, 2013, by and among U.S. BANCORP COMMUNITY DEVELOPMENT CORPORATION, a Minnesota corporation ("**USBCDC**"), and THE CITY OF LOS ANGELES, a municipal corporation, acting by and through its DEPARTMENT OF WATER AND POWER, or its designee(s) ("**Purchaser**").

WHEREAS, USBCDC is the sole member of LKIC Investment Fund 1, LLC; a Missouri limited liability company (the "**Investment Fund**"), and owns 100% of the membership interest of the Investment Fund; and

WHEREAS, the parties hereto now desire to enter into this Agreement and set forth all of the terms and conditions upon which (i) USBCDC shall have an option to put USBCDC's membership interest in the Investment Fund (the "**USBCDC Interest**"), to Purchaser or such person designated by Purchaser, and (ii) Purchaser shall have an option to call for the sale to Purchaser of the USBCDC Interest.

NOW, THEREFORE, in consideration of mutual promises of the parties hereto and of other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties hereby agree as follows:

Section 1. Put of the USBCDC Interest.

(a) Subject to the provisions of Section 1(e), USBCDC shall have the right and option, but not the obligation, to require Purchaser to purchase all (but not less than all) of the USBCDC Interest (the "**Investment Fund Put**") upon each and every occurrence of any of the following events (each a "**Put Availability Event**"):

(i) the later of (A) the first day following the end of the Tax Credit Investment Period (as defined in the Operating Agreement of the Investment Fund dated as of the date hereof (the "Investment Fund Operating Agreement")), or (B) the seventh (7th) anniversary of the date hereof (such date being referred to herein as the "Recapture Expiration Date"); or

(ii) the occurrence of an NMTC Recapture Event (as defined in the NMTC Guaranty (as defined below).

Purchaser shall deliver written notice to USBCDC upon the occurrence of any Put Availability Event, advising USBCDC of the availability of the Investment Fund Put (the "Put Availability Notice").

(b) Not in limitation of the foregoing, during the Put Exercise Period (as defined below), upon receipt of a Put Availability Notice, USBCDC shall be entitled to exercise the Investment Fund Put by delivering notice of such exercise in writing to Purchaser (the "Put Exercise Notice"); provided, that, whether or not Purchaser provides the applicable Put Availability Notice, USBCDC shall have the right to exercise the Investment Fund Put at any time during the Put Exercise Period by delivery of a Put Exercise Notice to Purchaser. For purposes of this Agreement, the "Put Exercise Period" shall refer to the period beginning on the date of a Put Availability Event and ending one hundred eighty (180) calendar days following receipt by USBCDC of a Put Availability Notice from Purchaser in which to exercise such Investment Fund Put by delivering a Put Exercise Notice. For the sake of clarity, the Put Exercise Period shall not expire until one hundred eighty (180) calendar days following receipt

by USBCDC of a Put Availability Notice; provided that if, during that one hundred eighty (180) calendar day period, USBCDC delivers the Put Exercise Notice, the Put Exercise Period shall not expire until the Investment Fund Put Closing Date (as defined below). If exercised, USBCDC shall be obligated to sell, subject to the conditions set forth in Section 1(e), without recourse, and without representation or warranty (except as otherwise set forth herein), and Purchaser shall be obligated to purchase, the USBCDC Interest then owned by USBCDC. USBCDC's failure to exercise its Investment Fund Put during any Put Exercise Period shall not preclude it from exercising its Investment Fund Put after the occurrence of any subsequent Put Availability Event.

(c) The purchase price for the USBCDC Interest (the "Put Price") pursuant to the Investment Fund Put shall be an amount equal to the sum of:

- (i) One Thousand Dollars (\$1,000); plus
- (ii) any transfer taxes and other closing costs attributable to the exercise of the Investment Fund Put and the sale of the USBCDC Interest; plus
- (iii) any amounts due and owing from Purchaser, or any of its respective Affiliates (as hereinafter defined) to the Investment Fund to the extent not included in Section 1(c)(iv) hereof; plus
- (iv) any amounts due and owing from Purchaser, La Kretz Innovation Campus, a California nonprofit public benefit corporation ("QALICB"), or any of their respective Affiliates, to USBCDC, in connection with that certain Unconditional Guaranty of New Markets Tax Credits, Put Price and Environmental Indemnification (the "NMTC Guaranty"), executed as of the date hereof by QALICB and Purchaser and any other guarantors, as may be required by USBCDC for the benefit of USBCDC.

(d) The Put Price shall be paid by Purchaser by federal wire transfer on the Investment Fund Put Closing Date (as defined below), at which time USBCDC in its capacity as investor and Twain Financial Partners, LLC, a Missouri limited liability company ("*Twain*") in its capacity as non-member manager shall execute an amendment to the Investment Fund Operating Agreement, in form and substance reasonably acceptable to Purchaser, pursuant to which (i) Twain shall resign as the non-member manager of the Investment Fund, and (ii) USBCDC shall assign its membership interest to Purchaser without recourse, and without representation or warranty (except as otherwise set forth herein).

(e) It shall be a condition to the exercise of the Investment Fund Put that USBCDC shall have also exercised its right to require Purchaser to purchase all (but not less than all) of USBCDC's membership interest in LKIC Investment Fund 2, LLC, a Missouri limited liability company, pursuant to that certain Investment Fund Put and Call Agreement dated as of the date hereof by and between USBCDC and Purchaser, or its designee.

(f) The date of the Investment Fund Put closing will be forty-five (45) calendar days following the mailing of the Put Exercise Notice, or such other date as USBCDC and Purchaser shall agree in writing (the "Investment Fund Put Closing Date").

Section 2. Call of USBCDC Interest.

(a) In the event that USBCDC has not exercised the Investment Fund Put (or otherwise provided the Put Exercise Notice), Purchaser shall have the right and option (the "**Investment Fund Call**") to purchase all, but not less than all, of the USBCDC Interest for one hundred eighty (180) calendar days following the expiration of the Put Exercise Period occurring after and as a result of the Recapture Expiration Date (the "**Call Period**"), provided that (i) QALICB shall have paid in full all principal, interest and any other obligations then due and owing pursuant to the Loan Documents (as such term is defined in that certain Loan Agreement by and among Clearinghouse NMTC (Sub 30), LLC, a California limited liability company (the "**Clearinghouse CDE**"), Consortium America XXXIII, LLC, a Delaware limited liability company (the "**Consortium CDE**"), URP Subsidiary CDE XVII, LLC, a Massachusetts limited liability company (the "**URP CDE**"), USBCDE Sub-CDE 92, LLC, a Missouri limited liability company ("**USB CDE**"), LADF IX, LLC, a California limited liability company (the "**LADF CDE**") (collectively the "CDEs" and each individually, a "CDE"), and QALICB dated as of the date hereof, (ii) no amounts are then due and owing from Purchaser, QALICB, or any of their Affiliates to the Investment Fund and/or to USBCDC, including but not limited to any amounts due and owing under the NMTC Guaranty, and (iii) all amounts have been paid in full which are due and owing from QALICB to CDEs and their affiliates. For purposes of this Agreement, "Affiliate" shall mean, with respect to any entity or person, (x) any entity directly or indirectly controlling, controlled by or under common control with such entity or person, (y) any entity owning or controlling ten percent (10%) or more of the outstanding voting securities or beneficial interests of such entity or person, and (z) any officer, director, partner, trustee or member of the immediate family of such entity or person. For purposes of this Agreement, the term "control" (including the terms "controlled by" and "under common control with") shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of the person or such entity, whether through the ownership of voting securities, by contract or otherwise. Notwithstanding the foregoing, Purchaser shall have no right to exercise the Investment Fund Call if Purchaser failed to pay the Put Exercise Price after the timely receipt of a Put Exercise Notice from USBCDC.

(b) If the Investment Fund Call is exercised, USBCDC shall be obligated to sell, without recourse, and without representation or warranty (except as otherwise provided herein), and Purchaser shall be obligated to purchase all of the USBCDC Interest then owned by USBCDC on the following terms and conditions:

(i) The date of the Investment Fund Call closing (the "**Investment Fund Call Closing Date**") shall be sixty (60) calendar days following delivery of the notice of exercise of the Investment Fund Call (the "**Call Exercise Notice**") to USBCDC or such other date as USBCDC and Purchaser may agree upon in writing.

(ii) The purchase price for the USBCDC Interest pursuant to this Section 2 (the "**Call Price**") shall be an amount equal to the fair market value (the "**Appraised Value Price**") of the USBCDC Interest (as agreed by USBCDC and Purchaser, or if they shall be unable to agree upon such price, as determined by an independent appraiser having not less than five (5) years experience appraising similar assets, selected by Purchaser and reasonably acceptable to USBCDC, said appraisal to be as of the last day of the month preceding the month within which the option to purchase is exercised by Purchaser). In the event USBCDC and Purchaser are unable to agree on an appraisal firm, each party shall select an appraisal firm and such two firms shall select a third independent appraisal firm, which shall conduct the actual appraisal. All costs relating to the appraisal shall be shared equally by the parties, and the results of the appraisal shall be deemed conclusive in the absence of fraud, malfeasance, or gross negligence. The Call Price for any purchase pursuant to this Section 2 shall be payable

by Purchaser to USBCDC by federal wire transfer on the Investment Fund Call Closing Date, at which time USBCDC will execute an amendment to the Investment Fund Operating Agreement, in form and substance reasonably acceptable to Purchaser, pursuant to which USBCDC shall (i) cause Twain to withdraw as the non-member manager of the Investment Fund, and (ii) assign USBCDC's membership interest to Purchaser without recourse, and without representation or warranty (except as otherwise provided herein).

(iii) The Appraised Value Price shall be determined by valuing the estimated cash flow and capital proceeds to be received by USBCDC, as a member, pursuant to the Investment Fund Operating Agreement during the remaining term of the Investment Fund, using actual income and expenses for the prior calendar year, as updated through the month prior to the month of closing, and thereafter using an appropriate time value of money discount rate reasonably acceptable to Purchaser, provided the appraiser uses the income capitalization approach to valuation based upon the actual income received from USBCDC's Interest and has an aggregate valuation and marketability discount rate for USBCDC's Interest for illiquidity, any restrictions on transferability and any minority nonvoting characteristics thereof. The above method of determining Appraised Value Price shall be modified as appropriate, to comply with then existing tax law respecting valuation of the fair market value of USBCDC's Interest.

Section 3. Representations and Warranties of USBCDC. USBCDC represents and warrants to Purchaser as of the date of this Agreement as follows, all of which are material to Purchaser and the truth and accuracy of which have been relied upon by Purchaser in executing and performing their obligations under this Agreement:

(a) USBCDC has authority to enter into this Agreement and carry out the transactions contemplated hereunder;

(b) the execution, delivery, and performance by USBCDC of this Agreement have been duly authorized by all necessary corporate action, and are valid and binding upon, and enforceable against USBCDC in accordance with the applicable terms hereof; and

(c) no approvals are required by any governmental or regulatory body or other party in connection with this Agreement, the rights granted hereunder, or their exercise by USBCDC.

Section 4. Representations and Warranties of Purchaser. Purchaser represents and warrants to USBCDC as of the date of this Agreement as follows, all of which are material to USBCDC and the truth and accuracy of which have been relied upon by USBCDC in executing and performing their obligations under this Agreement:

(a) Purchaser has authority to enter into this Agreement and carry out the transactions contemplated hereunder;

(b) the execution, delivery, and performance by Purchaser of this Agreement have been duly authorized by all necessary corporate action, and are valid and binding upon, and enforceable against Purchaser in accordance with the applicable terms hereof; and

(c) no approvals are required by any governmental or regulatory body or other party in connection with this Agreement, the rights granted hereunder, or their exercise by Purchaser.

Section 5. Notice. All notices and other communication permitted or required hereunder shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the addressee or by depositing same with Federal Express for next Business Day delivery or by depositing same in the United States mail, postage prepaid, registered or certified mail, return receipt requested, addressed as follows, to a party at its address set forth below, or to such other address as the party may specify by notice given to the other party in the manner prescribed. Facsimile transmission shall not constitute notice for purposes of this Agreement.

(a) If to USB: U.S. Bancorp Community Development Corporation
1307 Washington Avenue, Suite 300
St. Louis, Missouri 63103
Attention: Director of Asset Management – NMTC
Project Reference # 22607
Facsimile: (314) 335-2602

With a copy to:

Twain Financial Partners LLC
1324 Washington Avenue, Suite 200
St. Louis, Missouri 63103
Attention: General Counsel
Project #: 22607

Bocarsly Emden Cowan Esmail & Arndt LLP
633 West Fifth Street, 70th Floor
Los Angeles, CA 90071
Attention: Eugene Cowan
Facsimile: (213) 559-0751

(b) If to Purchaser: The City of Los Angeles, acting by and through its
Department of Water and Power
111 North. Hope Street, Suite 1221
Los Angeles, CA 90012
Attention: _____

With a copy to:

Kutak Rock LLP
1801 California Street, Suite 3000
Denver, CO 80202

Attention: Mike Reppe
Facsimile: (303) 292-7799

Section 6. Governing Law. This Agreement and the rights and obligations of the parties hereunder shall be governed by, and construed, interpreted and enforced in all respects in accordance with the laws of the State of California.

Section 7. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the respective successors and permitted assigns of the parties hereto.

Section 8. Entire Agreement. This Agreement contains the entire agreement of the parties with respect to the subject matter hereof, and any representation, inducement, promise or agreement between the parties with respect to the subject matter of this Agreement that is not embodied herein shall be null and void and of no further force or effect.

Section 9. Amendment. This Agreement may not be modified, amended or otherwise altered except by written agreement executed by USBCDC and Purchaser.

Section 10. Counterparts. This Agreement and any amendments hereof may be executed in counterparts, each of which when so executed and delivered shall be an original, and all of which together shall constitute one instrument. In proving this Agreement, it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom enforcement is sought.

Section 11. Time is of the Essence. Time is of the essence with respect to all of the terms of this Agreement.

Section 12. [Reserved].

Section 13. Assignment. USBCDC shall be entitled to assign, in whole or in part, its rights under this Agreement to an investment fund of which USBCDC (or an affiliate) is the manager, managing member, or general partner without prior notice to or the consent of Purchaser, provided that USBCDC also assigns its obligations under this Agreement to such investment fund to the same extent that its rights are assigned herewith. Purchaser shall have the right to assign its rights and obligations to a designee of Purchaser, provided that (i) Purchaser assigns not only its rights but also its obligations under this Agreement to such designee, (ii) Purchaser shall remain liable for all its obligations hereunder, and (iii) prior to such assignment, the designee delivers to USBCDC a letter of representations and warranties, in form reasonably acceptable to USBCDC, with designee making the same representations and warranties as Purchaser has made to USBCDC under Section 4 of this Agreement.

Section 14. Capitalized Terms. For purposes of this Agreement, unless otherwise defined herein, capitalized terms shall have the meaning ascribed to such terms in the Investment Fund Operating Agreement.

[Remainder of Page Intentionally Left Blank - Signatures Follow]

**COUNTERPART SIGNATURE PAGE
INVESTMENT FUND PUT AND CALL AGREEMENT**

IN WITNESS WHEREOF, the undersigned has executed this Agreement as of the day and year first above written.

USBCDC:

**U.S. BANCORP COMMUNITY DEVELOPMENT
CORPORATION**, a Minnesota corporation

By: _____
Tina Lin, Authorized Officer

**COUNTERPART SIGNATURE PAGE
INVESTMENT FUND PUT AND CALL AGREEMENT**

IN WITNESS WHEREOF, the undersigned has executed this Agreement as of the day and year first above written.

PURCHASER:

**CITY OF LOS ANGELES, acting by and through
its DEPARTMENT OF WATER AND POWER BY
BOARD OF WATER AND POWER
COMMISSIONERS OF THE CITY OF LOS
ANGELES**

By: _____
Ronald O. Nichols
General Manager

Date: _____

And: _____
Barbara E. Moschos
Secretary



12

**INVESTMENT FUND PUT AND CALL
AGREEMENT (Investment Fund 2)**



INVESTMENT FUND PUT AND CALL AGREEMENT

by and between

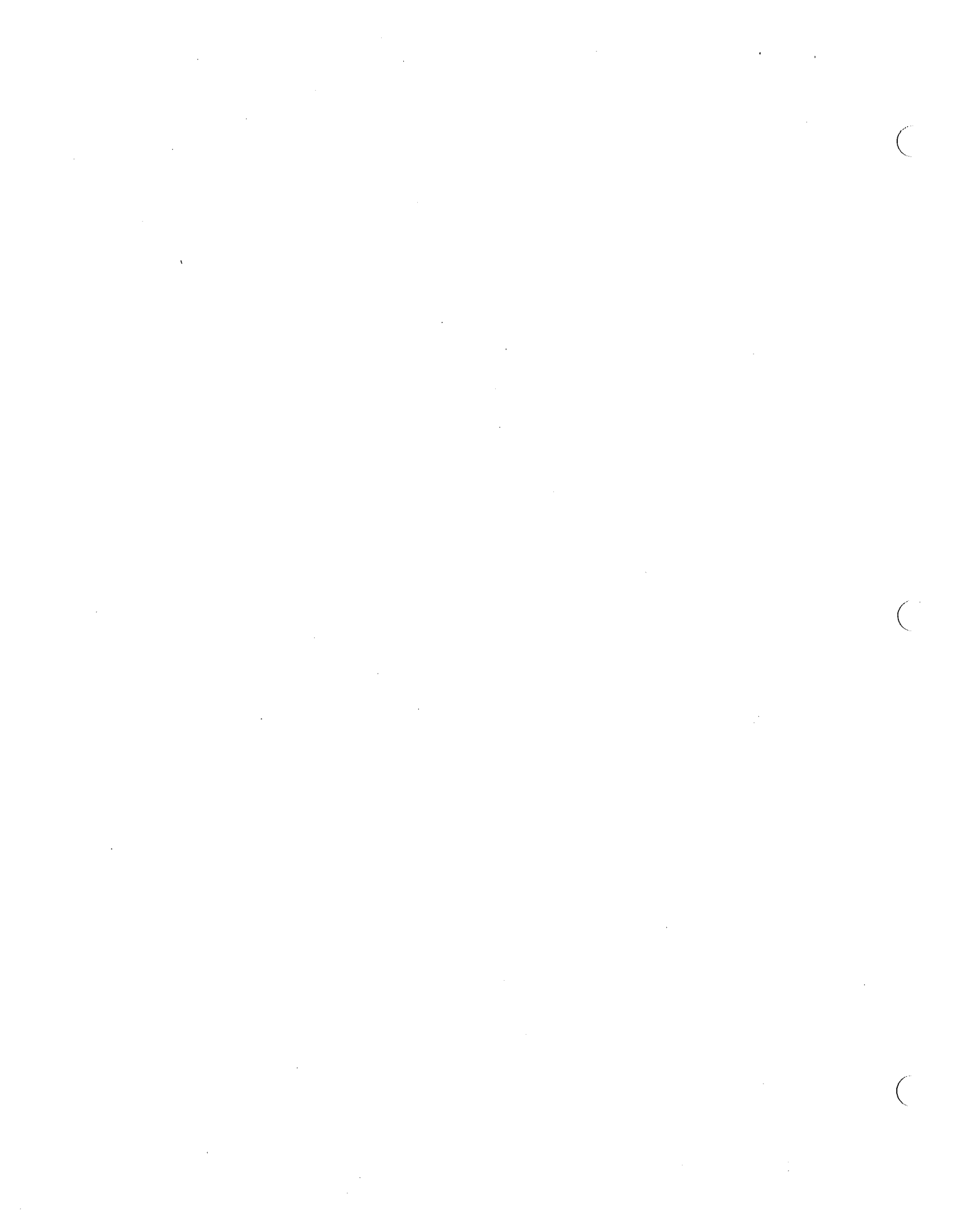
**U.S. Bancorp Community Development Corporation,
a Minnesota corporation
("USBCDC")**

and

**The City of Los Angeles, a municipal corporation, acting by and through its
Department of Water and Power,
or its designee(s)**

("Purchaser")

August __, 2013



THIS INVESTMENT FUND PUT AND CALL AGREEMENT (this "**Agreement**") is made as of August ____, 2013, by and among U.S. BANCORP COMMUNITY DEVELOPMENT CORPORATION, a Minnesota corporation ("**USBCDC**"), and THE CITY OF LOS ANGELES, a municipal corporation, acting by and through its DEPARTMENT OF WATER AND POWER, or its designee(s) ("**Purchaser**").

WHEREAS, USBCDC is the sole member of LKIC Investment Fund 2, LLC, a Missouri limited liability company (the "**Investment Fund**"), and owns 100% of the membership interest of the Investment Fund; and

WHEREAS, the parties hereto now desire to enter into this Agreement and set forth all of the terms and conditions upon which (i) USBCDC shall have an option to put USBCDC's membership interest in the Investment Fund (the "**USBCDC Interest**"), to Purchaser or such person designated by Purchaser, and (ii) Purchaser shall have an option to call for the sale to Purchaser of the USBCDC Interest.

NOW, THEREFORE, in consideration of mutual promises of the parties hereto and of other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties hereby agree as follows:

Section 1. Put of the USBCDC Interest.

(a) Subject to the provisions of Section 1(e), USBCDC shall have the right and option, but not the obligation, to require Purchaser to purchase all (but not less than all) of the USBCDC Interest (the "**Investment Fund Put**") upon each and every occurrence of any of the following events (each a "**Put Availability Event**"):

(i) the later of (A) the first day following the end of the Tax Credit Investment Period (as defined in the Operating Agreement of the Investment Fund dated as of the date hereof (the "Investment Fund Operating Agreement")), or (B) the seventh (7th) anniversary of the date hereof (such date being referred to herein as the "Recapture Expiration Date"); or

(ii) the occurrence of an NMTC Recapture Event (as defined in the NMTC Guaranty (as defined below).

Purchaser shall deliver written notice to USBCDC upon the occurrence of any Put Availability Event, advising USBCDC of the availability of the Investment Fund Put (the "Put Availability Notice").

(b) Not in limitation of the foregoing, during the Put Exercise Period (as defined below), upon receipt of a Put Availability Notice, USBCDC shall be entitled to exercise the Investment Fund Put by delivering notice of such exercise in writing to Purchaser (the "Put Exercise Notice"); provided, that, whether or not Purchaser provides the applicable Put Availability Notice, USBCDC shall have the right to exercise the Investment Fund Put at any time during the Put Exercise Period by delivery of a Put Exercise Notice to Purchaser. For purposes of this Agreement, the "Put Exercise Period" shall refer to the period beginning on the date of a Put Availability Event and ending one hundred eighty (180) calendar days following receipt by USBCDC of a Put Availability Notice from Purchaser in which to exercise such Investment Fund Put by delivering a Put Exercise Notice. For the sake of clarity, the Put Exercise Period shall not expire until one hundred eighty (180) calendar days following receipt



by USBCDC of a Put Availability Notice; provided that if, during that one hundred eighty (180) calendar day period, USBCDC delivers the Put Exercise Notice, the Put Exercise Period shall not expire until the Investment Fund Put Closing Date (as defined below). If exercised, USBCDC shall be obligated to sell, subject to the conditions set forth in Section 1(e), without recourse, and without representation or warranty (except as otherwise set forth herein), and Purchaser shall be obligated to purchase, the USBCDC Interest then owned by USBCDC. USBCDC's failure to exercise its Investment Fund Put during any Put Exercise Period shall not preclude it from exercising its Investment Fund Put after the occurrence of any subsequent Put Availability Event.

(c) The purchase price for the USBCDC Interest (the "Put Price") pursuant to the Investment Fund Put shall be an amount equal to the sum of:

- (i) One Thousand Dollars (\$1,000); plus
- (ii) any transfer taxes and other closing costs attributable to the exercise of the Investment Fund Put and the sale of the USBCDC Interest; plus
- (iii) any amounts due and owing from Purchaser; or any of its respective Affiliates (as hereinafter defined) to the Investment Fund to the extent not included in Section 1(c)(iv) hereof; plus
- (iv) any amounts due and owing from Purchaser, La Kretz Innovation Campus, a California nonprofit public benefit corporation ("QALICB"), or any of their respective Affiliates, to USBCDC, in connection with that certain Unconditional Guaranty of New Markets Tax Credits, Put Price and Environmental Indemnification (the "NMTC Guaranty"), executed as of the date hereof by QALICB and Purchaser and any other guarantors, as may be required by USBCDC for the benefit of USBCDC.

(d) The Put Price shall be paid by Purchaser by federal wire transfer on the Investment Fund Put Closing Date (as defined below), at which time USBCDC in its capacity as investor and USBCDC, in its capacity as manager shall execute an amendment to the Investment Fund Operating Agreement, in form and substance reasonably acceptable to Purchaser, pursuant to which USBCDC shall assign its membership interest to Purchaser without recourse, and without representation or warranty (except as otherwise set forth herein).

(e) It shall be a condition to the exercise of the Investment Fund Put that USBCDC shall have also exercised its right to require Purchaser to purchase all (but not less than all) of USBCDC's membership interest in LKIC Investment Fund 1, LLC, a Missouri limited liability company, pursuant to that certain Investment Fund Put and Call Agreement dated as of the date hereof by and between USBCDC and Purchaser, or its designee.

(f) The date of the Investment Fund Put closing will be forty-five (45) calendar days following the mailing of the Put Exercise Notice, or such other date as USBCDC and Purchaser shall agree in writing (the "Investment Fund Put Closing Date").

Section 2. Call of USBCDC Interest.

(a) In the event that USBCDC has not exercised the Investment Fund Put (or otherwise provided the Put Exercise Notice), Purchaser shall have the right and option (the "**Investment Fund Call**") to purchase all, but not less than all, of the USBCDC Interest for one

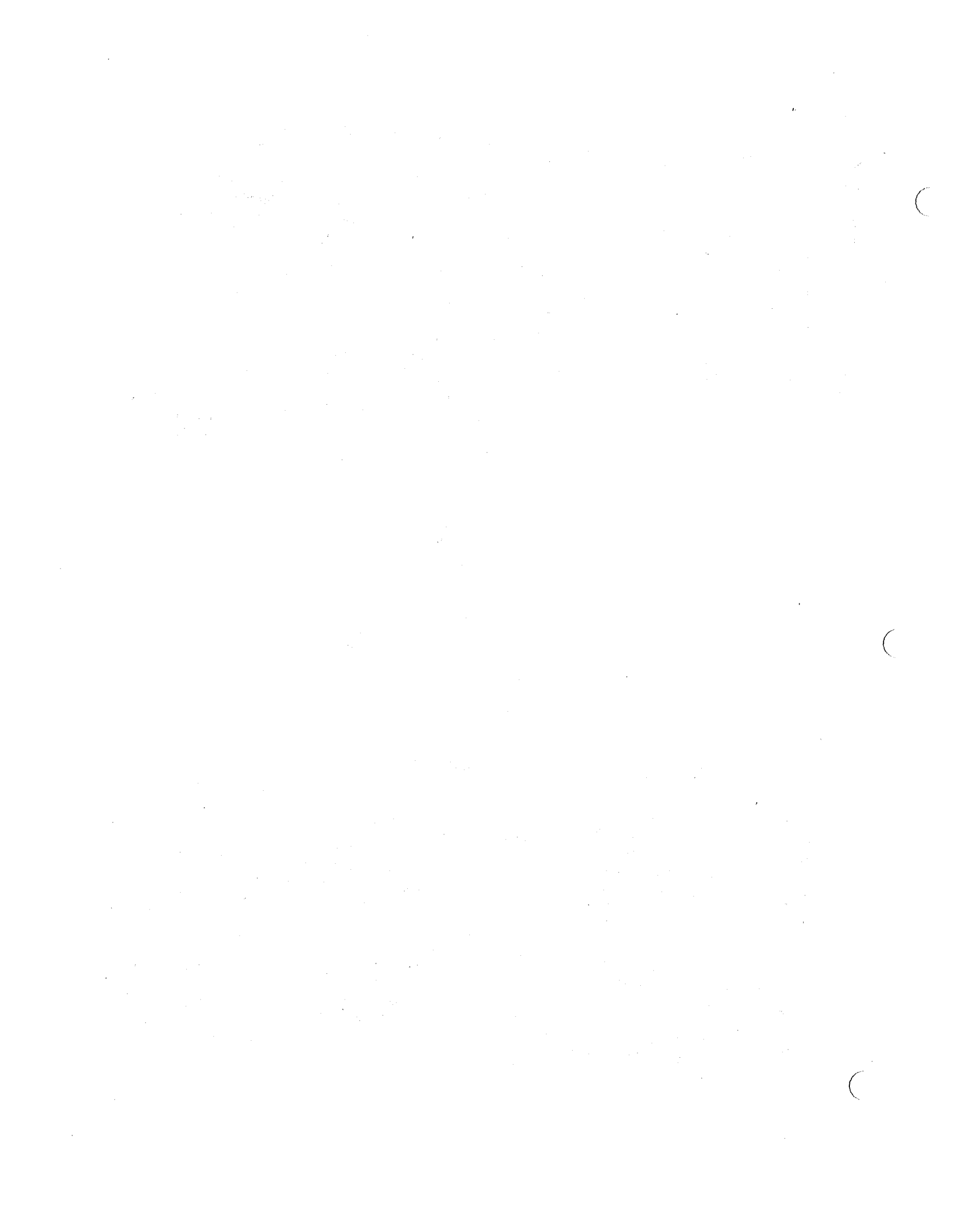


hundred eighty (180) calendar days following the expiration of the Put Exercise Period occurring after and as a result of the Recapture Expiration Date (the "**Call Period**"), provided that (i) QALICB shall have paid in full all principal, interest and any other obligations then due and owing pursuant to the Loan Documents (as such term is defined in that certain Loan Agreement by and among Clearinghouse NMTC (Sub 30), LLC, a California limited liability company (the "**Clearinghouse CDE**"), Consortium America XXXIII, LLC, a Delaware limited liability company (the "**Consortium CDE**"), URP Subsidiary CDE XVII, LLC, a Massachusetts limited liability company (the "**URP CDE**"), USBCDE Sub-CDE 92, LLC, a Missouri limited liability company ("**USB CDE**"), LADF IX, LLC, a California limited liability company (the "**LADF CDE**") (collectively the "CDEs" and each individually, a "**CDE**"), and QALICB dated as of the date hereof, (ii) no amounts are then due and owing from Purchaser, QALICB, or any of their Affiliates to the Investment Fund and/or to USBCDC, including but not limited to any amounts due and owing under the NMTC Guaranty, and (iii) all amounts have been paid in full which are due and owing from QALICB to the CDEs and their affiliates. For purposes of this Agreement, "Affiliate" shall mean, with respect to any entity or person, (x) any entity directly or indirectly controlling, controlled by or under common control with such entity or person, (y) any entity owning or controlling ten percent (10%) or more of the outstanding voting securities or beneficial interests of such entity or person, and (z) any officer, director, partner, trustee or member of the immediate family of such entity or person. For purposes of this Agreement, the term "control" (including the terms "controlled by" and "under common control with") shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of the person or such entity, whether through the ownership of voting securities, by contract or otherwise. Notwithstanding the foregoing, Purchaser shall have no right to exercise the Investment Fund Call if Purchaser failed to pay the Put Exercise Price after the timely receipt of a Put Exercise Notice from USBCDC.

(b) If the Investment Fund Call is exercised, USBCDC shall be obligated to sell, without recourse, and without representation or warranty (except as otherwise provided herein), and Purchaser shall be obligated to purchase all of the USBCDC Interest then owned by USBCDC on the following terms and conditions:

(i) The date of the Investment Fund Call closing (the "**Investment Fund Call Closing Date**") shall be sixty (60) calendar days following delivery of the notice of exercise of the Investment Fund Call (the "**Call Exercise Notice**") to USBCDC or such other date as USBCDC and Purchaser may agree upon in writing.

(ii) The purchase price for the USBCDC Interest pursuant to this Section 2 (the "**Call Price**") shall be an amount equal to the fair market value (the "**Appraised Value Price**") of the USBCDC Interest (as agreed by USBCDC and Purchaser, or if they shall be unable to agree upon such price, as determined by an independent appraiser having not less than five (5) years experience appraising similar assets, selected by Purchaser and reasonably acceptable to USBCDC, said appraisal to be as of the last day of the month preceding the month within which the option to purchase is exercised by Purchaser). In the event USBCDC and Purchaser are unable to agree on an appraisal firm, each party shall select an appraisal firm and such two firms shall select a third independent appraisal firm, which shall conduct the actual appraisal. All costs relating to the appraisal shall be shared equally by the parties, and the results of the appraisal shall be deemed conclusive in the absence of fraud, malfeasance, or gross negligence. The Call Price for any purchase pursuant to this Section 2 shall be payable by Purchaser to USBCDC by federal wire transfer on the Investment Fund Call Closing Date, at which time USBCDC will execute an amendment to the Investment Fund Operating Agreement, in form and substance reasonably acceptable to Purchaser, pursuant to which USBCDC shall (i)



withdraw as the non-member manager of the Investment Fund, and (ii) assign USBCDC's membership interest to Purchaser without recourse, and without representation or warranty (except as otherwise provided herein).

(iii) The Appraised Value Price shall be determined by valuing the estimated cash flow and capital proceeds to be received by USBCDC, as a member, pursuant to the Investment Fund Operating Agreement during the remaining term of the Investment Fund, using actual income and expenses for the prior calendar year, as updated through the month prior to the month of closing, and thereafter using an appropriate time value of money discount rate reasonably acceptable to Purchaser, provided the appraiser uses the income capitalization approach to valuation based upon the actual income received from USBCDC's Interest and has an aggregate valuation and marketability discount rate for USBCDC's Interest for illiquidity, any restrictions on transferability and any minority nonvoting characteristics thereof. The above method of determining Appraised Value Price shall be modified as appropriate, to comply with then existing tax law respecting valuation of the fair market value of USBCDC's Interest.

Section 3. Representations and Warranties of USBCDC. USBCDC represents and warrants to Purchaser as of the date of this Agreement as follows, all of which are material to Purchaser and the truth and accuracy of which have been relied upon by Purchaser in executing and performing their obligations under this Agreement:

(a) USBCDC has authority to enter into this Agreement and carry out the transactions contemplated hereunder;

(b) the execution, delivery, and performance by USBCDC of this Agreement have been duly authorized by all necessary corporate action, and are valid and binding upon, and enforceable against USBCDC in accordance with the applicable terms hereof; and

(c) no approvals are required by any governmental or regulatory body or other party in connection with this Agreement, the rights granted hereunder, or their exercise by USBCDC.

Section 4. Representations and Warranties of Purchaser. Purchaser represents and warrants to USBCDC as of the date of this Agreement as follows, all of which are material to USBCDC and the truth and accuracy of which have been relied upon by USBCDC in executing and performing their obligations under this Agreement:

(a) Purchaser has authority to enter into this Agreement and carry out the transactions contemplated hereunder;

(b) the execution, delivery, and performance by Purchaser of this Agreement have been duly authorized by all necessary corporate action, and are valid and binding upon, and enforceable against Purchaser in accordance with the applicable terms hereof; and

(c) no approvals are required by any governmental or regulatory body or other party in connection with this Agreement, the rights granted hereunder, or their exercise by Purchaser.

Section 5. Notice. All notices and other communication permitted or required hereunder shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the addressee or by depositing same with Federal Express for next Business Day delivery or by depositing same in the United States mail, postage prepaid, registered or certified mail, return receipt requested, addressed as follows, to a party at its address set forth below, or to such other address as the party may specify by notice given to the other party in the manner prescribed. Facsimile transmission shall not constitute notice for purposes of this Agreement.

(a) If to USB: U.S. Bancorp Community Development Corporation
1307 Washington Avenue, Suite 300
St. Louis, Missouri 63103
Attention: Director of Asset Management – NMTC
Project Reference # 22607
Facsimile: (314) 335-2602

With a copy to:

Bocarsly Emden Cowan Esmail & Arndt LLP
633 West Fifth Street, 70th Floor
Los Angeles, CA 90071
Attention: Eugene Cowan
Facsimile: (213) 559-0751

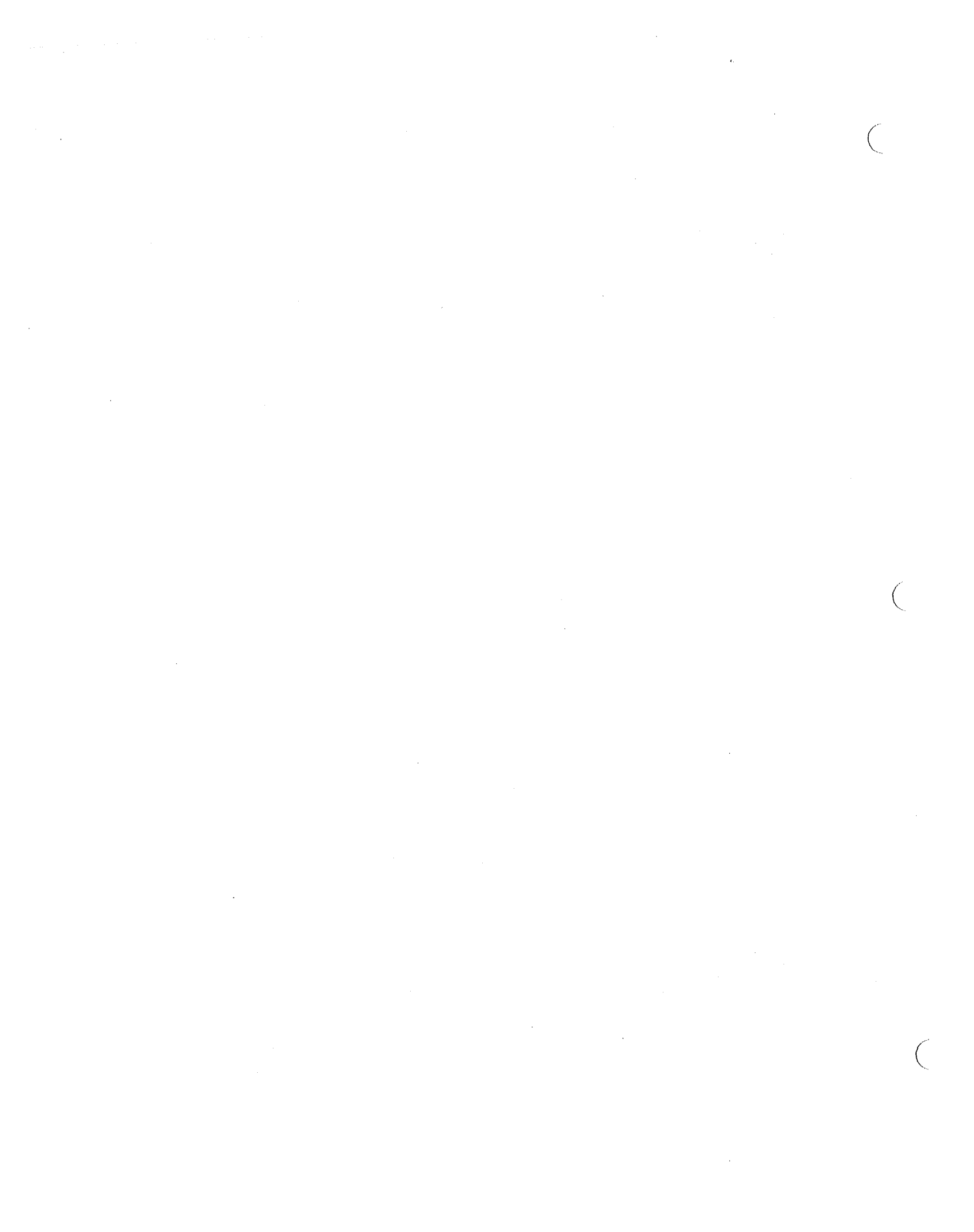
(b) If to Purchaser: The City of Los Angeles, acting by and through its
Department of Water and Power
111 North. Hope Street, Suite 1221
Los Angeles, CA 90012
Attention: _____

With a copy to:

Kutak Rock LLP
1801 California Street, Suite 3000
Denver, CO 80202
Attention: Mike Reppe
Facsimile: (303) 292-7799

Section 6. Governing Law. This Agreement and the rights and obligations of the parties hereunder shall be governed by, and construed, interpreted and enforced in all respects in accordance with the laws of the State of California.

Section 7. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the respective successors and permitted assigns of the parties hereto.



Section 8. Entire Agreement. This Agreement contains the entire agreement of the parties with respect to the subject matter hereof, and any representation, inducement, promise or agreement between the parties with respect to the subject matter of this Agreement that is not embodied herein shall be null and void and of no further force or effect.

Section 9. Amendment. This Agreement may not be modified, amended or otherwise altered except by written agreement executed by USBCDC and Purchaser.

Section 10. Counterparts. This Agreement and any amendments hereof may be executed in counterparts, each of which when so executed and delivered shall be an original, and all of which together shall constitute one instrument. In proving this Agreement, it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom enforcement is sought.

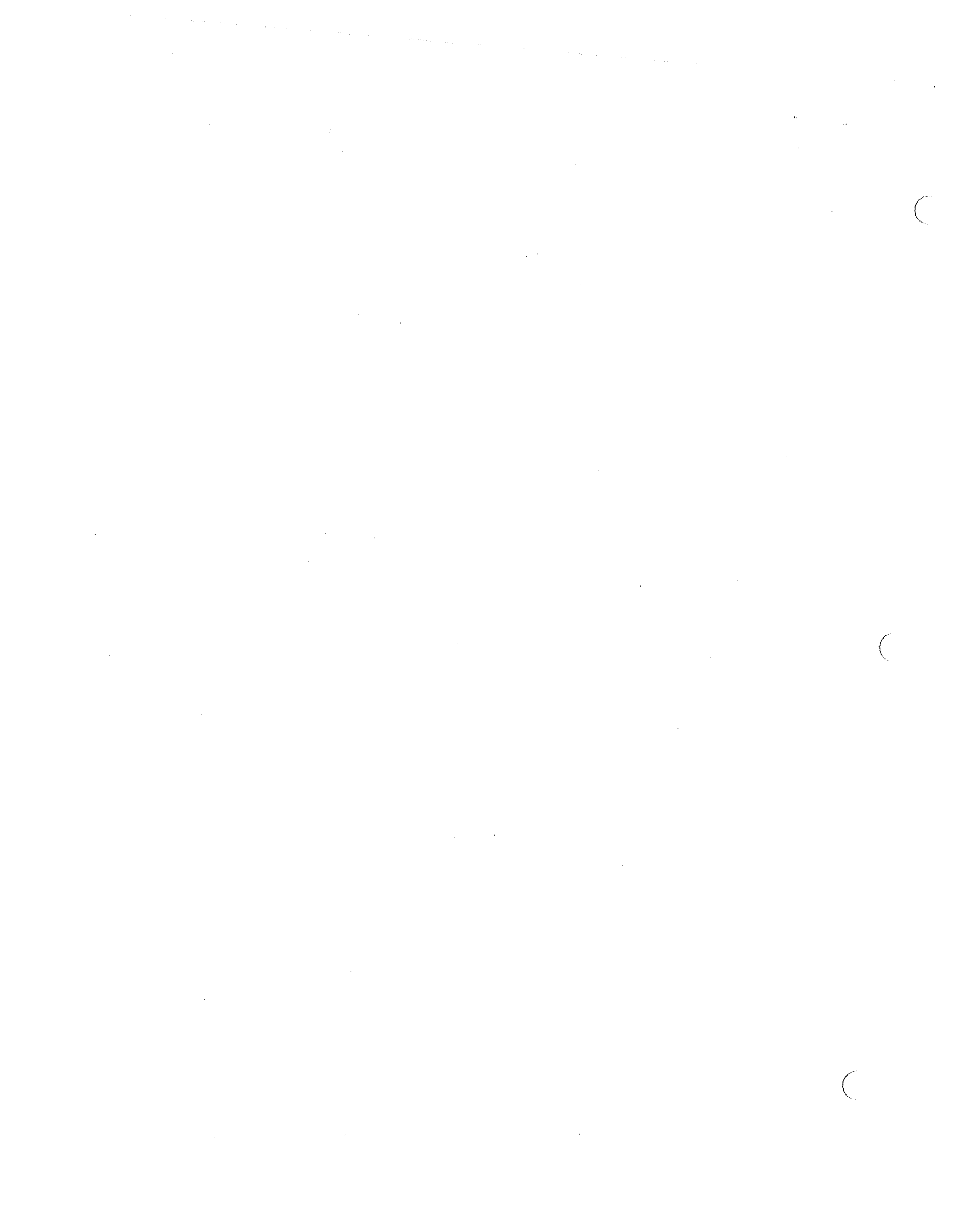
Section 11. Time is of the Essence. Time is of the essence with respect to all of the terms of this Agreement.

Section 12. [Reserved].

Section 13. Assignment. USBCDC shall be entitled to assign, in whole or in part, its rights under this Agreement to an investment fund of which USBCDC (or an affiliate) is the manager, managing member, or general partner without prior notice to or the consent of Purchaser, provided that USBCDC also assigns its obligations under this Agreement to such investment fund to the same extent that its rights are assigned herewith. Purchaser shall have the right to assign its rights and obligations to a designee of Purchaser, provided that (i) Purchaser assigns not only its rights but also its obligations under this Agreement to such designee, (ii) Purchaser shall remain liable for all its obligations hereunder, and (iii) prior to such assignment, the designee delivers to USBCDC a letter of representations and warranties, in form reasonably acceptable to USBCDC, with designee making the same representations and warranties as Purchaser has made to USBCDC under Section 4 of this Agreement.

Section 14. Capitalized Terms. For purposes of this Agreement, unless otherwise defined herein, capitalized terms shall have the meaning ascribed to such terms in the Investment Fund Operating Agreement.

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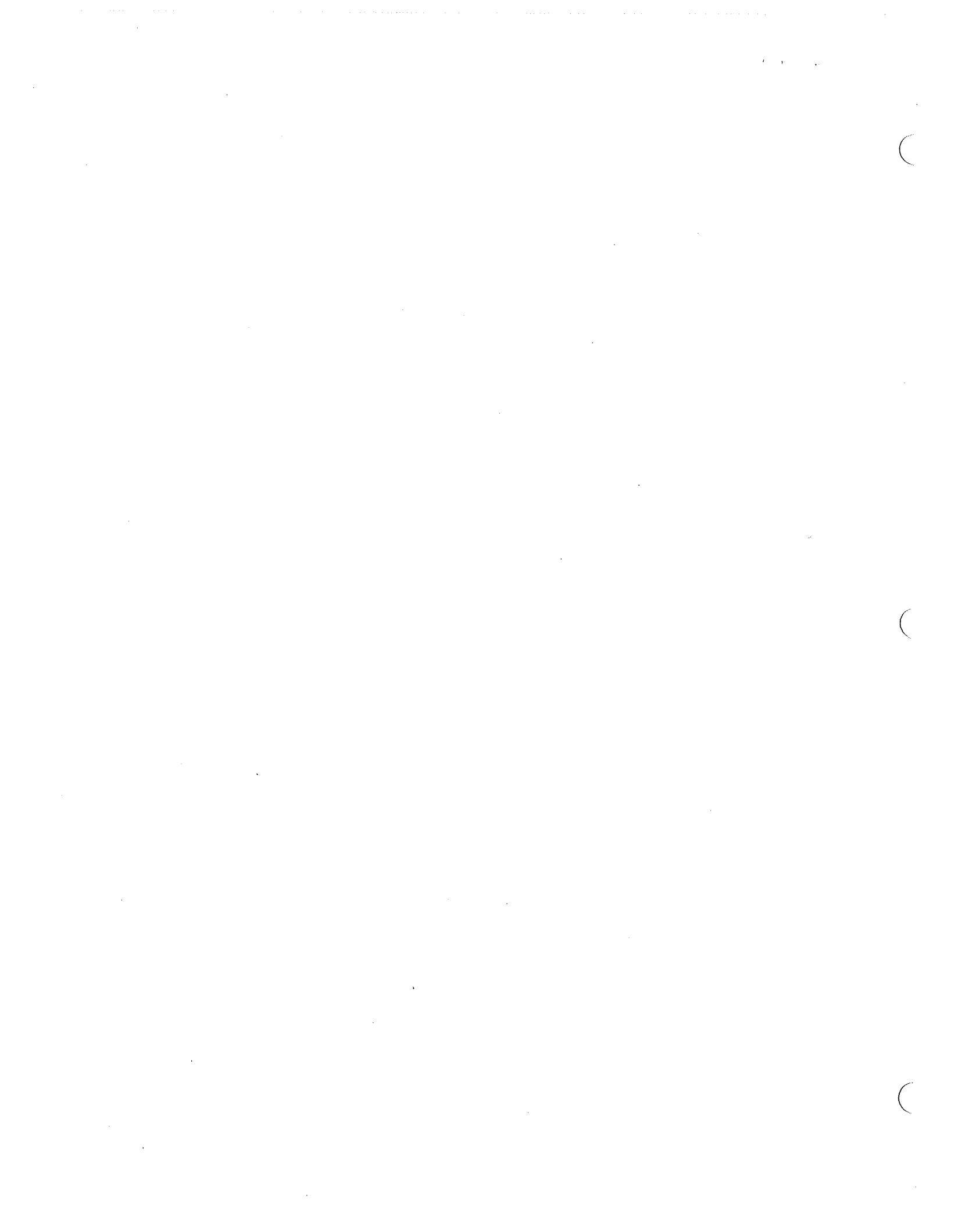
**COUNTERPART SIGNATURE PAGE
INVESTMENT FUND PUT AND CALL AGREEMENT**

IN WITNESS WHEREOF, the undersigned has executed this Agreement as of the day and year first above written.

USBCDC:

**U.S. BANCORP COMMUNITY DEVELOPMENT
CORPORATION**, a Minnesota corporation

By: _____
Tina Lin, Authorized Officer



**COUNTERPART SIGNATURE PAGE
INVESTMENT FUND PUT AND CALL AGREEMENT**

IN WITNESS WHEREOF, the undersigned has executed this Agreement as of the day and year first above written.

PURCHASER:

**CITY OF LOS ANGELES, acting by and through
its DEPARTMENT OF WATER AND POWER BY
BOARD OF WATER AND POWER
COMMISSIONERS OF THE CITY OF LOS
ANGELES**

By: _____
Ronald O. Nichols
General Manager

Date: _____

And: _____
Barbara E. Moschos
Secretary

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**UNCONDITIONAL GUARANTY OF NEW
MARKETS TAX CREDITS, PUT PRICE AND
ENVIRONMENTAL INDEMNIFICATION**



UNCONDITIONAL GUARANTY OF NEW MARKETS TAX CREDITS, PUT PRICE AND
ENVIRONMENTAL INDEMNIFICATION

by and among

La Kretz Innovation Campus,
a California nonprofit public benefit corporation,

and

The City of Los Angeles, a municipal corporation, acting by and through its
Department of Water and Power,

and

U.S. Bancorp Community Development Corporation,
a Minnesota corporation

August __, 2013

THIS UNCONDITIONAL GUARANTY OF NEW MARKETS TAX CREDITS, PUT PRICE AND ENVIRONMENTAL INDEMNIFICATION (this "Guaranty"), is made as of August __, 2013, by and among La Kretz Innovation Campus, a California nonprofit public benefit corporation ("Borrower"), the City of Los Angeles, a municipal corporation, acting by and through its Department of Water and Power of the City of Los Angeles ("Leverage Lender", together with Leverage Lender each a "Guarantor", and collectively, "Guarantors") in favor and for the benefit of U.S. Bancorp Community Development Corporation, a Minnesota corporation, and its successors and/or assigns ("Investor").

RECITALS

The following recitals are a material part of this Guaranty:

Clearinghouse Community Development Financial Institution, a California corporation, (i) received an allocation of New Markets Tax Credits under Section 45D of the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder (collectively, the "Code") and (ii) suballocated a portion of such allocation to Clearinghouse NMTC (Sub 30), LLC, a California limited liability company (the "Clearinghouse CDE").

Consortium America, LLC, a Delaware limited liability company, (i) received an allocation of New Markets Tax Credits under Section 45D of the Code and (ii) suballocated a portion of such allocation to Consortium America XXXIII, a Delaware limited liability company (the "Consortium CDE").

Urban Research Park CDE, LLC, a Massachusetts limited liability company, (i) received an allocation of New Markets Tax Credits under Section 45D of the Code and (ii) suballocated a portion of such allocation to URP Subsidiary CDE XVII, LLC, a Massachusetts limited liability company (the "URP CDE").

Los Angeles Development Fund, a California nonprofit public benefit corporation, (i) received an allocation of New Markets Tax Credits under Section 45D of the Code and (ii) suballocated a portion of such allocation to LADF IX, LLC a California limited liability company (the "LADF CDE").

USBCDE, LLC, a Delaware limited liability company, (i) received an allocation of New Markets Tax Credits under Section 45D of the Code and (ii) suballocated a portion of such allocation to USBCDE Sub-CDE 92, LLC, a Missouri limited liability company (the "USBCDE CDE", the Clearinghouse CDE, the Consortium CDE, the URP CDE, the LADF CDE and the USBCDE CDE are collectively the "CDEs" and each individually a "CDE").

On or about the date hereof, Investor will make (i) an equity investment in LKIC Investment Fund 1, LLC, a Missouri limited liability company ("Investment Fund 1"), in the amount of \$[12,472,200] ("Investment 1"), and (ii) an equity investment in LKIC Investment Fund 2, LLC, a Missouri limited liability company ("Investment Fund 2") (Investment Fund 1 and Investment Fund 2 are collectively referred to herein as the "Investment Funds" and each individually referred to herein as an "Investment Fund"), in the amount of \$[1,404,000] ("Investment 2", together with Investment 1, the "Investor Investment").

Investment Fund 1 will use the proceeds of Investment 1 to make an equity investment in each of the Clearinghouse CDE, the Consortium CDE, the URP CDE and the LADF CDE (collectively, "Equity Investment 1"), each of which investment is expected to constitute a "qualified equity investment" ("QEI") under Section 45D of the Code and the rules and regulations promulgated thereunder (the "NMTC Program") and implemented by the Community Development Financial Institutions Fund of the United States Treasury Department (the "CDFI Fund"), with respect to which Investor may claim New Markets Tax Credits.

Investment Fund 2 will use the proceeds of Investment 2 to make an equity investment in the USBCDE CDE, which investment is expected to constitute a QEI under the NMTC Program implemented by the CDFI Fund, with respect to which Investor may claim New Markets Tax Credits ("Equity Investment 2") (Equity Investment 1 and Equity Investment 2 are collectively and each individually referred to herein as an "Equity Investment").

On or about the date hereof, Leverage Lender will make (i) a loan to Investment Fund 1 in the principal amount of \$[27,808,425] ("Leverage Loan 1") pursuant to the Leverage Loan 1 Documents (as defined below) and (ii) a loan to Investment Fund 2 in the principal amount of \$[2,636,000] ("Leverage Loan 2") pursuant to the Leverage Loan 2 Documents (as defined below).

Investment Fund 1 will use the proceeds of Leverage Loan 1 to (i) pay certain sponsorship fees for the Clearinghouse CDE and the URP CDE and the LADF CDE, (ii) fund a reserve for Investment Fund 1, (iii) pay a bridge equity fee to Investor, and (vi) make Equity Investment 1.

Investment Fund 2 will use the proceeds of Leverage Loan 2 to (i) pay a sponsorship fee for the USBCDE CDE, and (ii) make Equity Investment 2.

The proceeds of the Equity Investment will be used by the CDEs to make loans to Borrower in the aggregate amount of \$[42,460,000], with \$[9,800,000] from the Clearinghouse CDE, \$[6,860,000] from the Consortium CDE, \$[12,000,000] from the URP CDE, \$[9,800,000] from the LADF CDE, and \$[4,000,000] from the USBCDE CDE (collectively, the "**QLICI Loans**"), each of which QLICI Loans is expected to constitute a "qualified low-income community investment" ("**QLICI**") being made to a "qualified active low-income community business" under the NMTC Program.

The documents evidencing or securing the QLICI Loans, including, without limitation, the Loan Agreement, and all other documents by and among the Clearinghouse CDE, the Consortium CDE, the URP CDE, the LADF CDE, the USBCDE CDE, and Borrower dated as of the date hereof, are hereinafter collectively referred to as the "**CDE Loan Documents**".

Borrower will ground lease that certain tract of land located at [501 and 537 Hewitt Street and 516, 524 and 542 Colyton Street, Los Angeles, California] (collectively, the "**Property**") which Property is in a census tract that Borrower has found to be characterized by economic distress and inadequate access to capital. In order to have a catalytic effect on economic development within the Property area and other low-income communities, the Property will be developed and used as clean technology campus (the "**Project**"). The proceeds of the QLICI Loans will be used to purchase the Property, and pay certain costs and expenses in connection with the closing of the transaction, and construction and operation of the Project.

As a condition of making the Investor Investment and consenting to the CDEs making the QLICI Loans to Borrower, Investor has required Guarantors to provide the guaranty set forth herein and Investor has made the Investor Investment in reliance on the Guarantors' agreement to do so.

The New Markets Tax Credits claimable by Investor in connection with the Investor Investment and the subsequent equity investments by the Investment Funds in the CDEs have allowed Investor to indirectly make the equity investments in the CDEs on more favorable terms, which in turn has allowed the CDEs to provide the QLICI Loans to the Borrower on more favorable terms, and, as a result, each Guarantor stipulates it shall substantially benefit, directly or indirectly, from the making of the equity investments in the CDEs.

NOW, THEREFORE, for and in consideration of the foregoing, of the mutual promises of the parties hereto, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Guarantor hereby covenants and agrees as follows:

Section 1. Definitions.

(a) For purposes of this Guaranty, unless otherwise defined herein, capitalized terms shall have the meaning ascribed to such terms in the Transaction Documents (as defined below) as the context requires.

(b) For the purposes of this Guaranty, the following terms used herein shall have the following meanings:

"After Tax Basis" means, with respect to any payment to be received by Investor, the amount of such payment ("**Initial Payment**") supplemented by a further payment or payments so that, after taking into account all taxes imposed on Investor by any Governmental Authority with respect to such payments, the aggregate payments received by Investor net of such taxes equals the Initial Payment.

"Applicable Rate" means the applicable long-term rate as prescribed under Section 1274(d) of the Code in effect at the end of the preceding calendar month plus two percent (2%).

"Borrower" has the meaning set forth in the Recitals to this Guaranty.

"Borrower Bylaws" means those certain Bylaws of Borrower.

"CDE" or **"CDEs"** has the meaning set forth in the Recitals to this Guaranty.

"CDE Loan Documents" has the meaning set forth in the Recitals to this Guaranty.

"CDFI Fund" has the meaning set forth in the Recitals to this Guaranty.

"Clearinghouse CDE Operating Agreement" means that certain [Amended and Restated Limited Liability Company Agreement of the Clearinghouse CDE] dated as of the date hereof.

"Code" has the meaning set forth in the Recitals to this Guaranty.

"Consortium CDE Operating Agreement" means that certain [Amended and Restated Limited Liability Company Agreement of the Consortium CDE] dated as of the date hereof.

"Disallowed New Markets Tax Credits" shall mean, with respect to any QEI made by an Investment Fund in a CDE, the present value of any New Markets Tax Credits disallowed as a result of a NMTC Recapture Event during the period beginning on the date hereof and ending on the seventh (7th) anniversary date thereof calculated using an annual discount rate of six percent (6%) calculated on a quarterly basis, but shall not include any Recaptured New Markets Tax Credits.

"Environmental Hazard" means any hazardous or toxic substance, waste or material, or any other substance, pollutant, or condition that poses a risk to human health or the environment, including, but not limited to: (i) any "hazardous substance" as that term is defined under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Section 9601, et seq. as amended; (ii) petroleum in any form, lead-based paint, asbestos, urea formaldehyde insulation, methane gas, polychlorinated biphenyls, fluorescent lamps, radon, or lead in drinking water, except for ordinary and necessary quantities of office supplies, cleaning materials and pest control supplies stored in a safe and lawful manner and petroleum products contained in motor vehicles; (iii) any underground storage tanks; (iv) accumulations of debris, mining debris or spent batteries, except for ordinary garbage stored in receptacles for regular removal; or (v) any other condition that could result in liability for an owner or operator of the Project under any federal, state, or local law, rule, regulation or ordinance.

"Equity Investment" has the meaning set forth in the Recitals to this Guaranty.

"Equity Investment 1" has the meaning set forth in the Recitals to this Guaranty.

"Equity Investment 2" has the meaning set forth in the Recitals to this Guaranty.

"Final Determination" means the earliest to occur of (i) the date on which a decision, judgment, decree or other order has been issued by any court of competent jurisdiction, which decision, judgment, decree or other order has become final (i.e., all allowable appeals requested by the parties to the action have been exhausted or the time for such appeals has expired); (ii) the date on which the time for instituting a claim for refund has expired, or if a claim was filed the time for instituting suit with respect thereto has expired with no such suit having been filed; or (iii) the date on which the IRS entered into a binding agreement with Investor, with respect to its equity interest in a CDE through an Investment Fund, for federal income tax purposes, in which the IRS has reached a final administrative or judicial determination with respect to such issue and which, whether by law or agreement, is not subject to appeal, or (iv) the date on which the applicable statute of limitations for raising an issue regarding a federal (or, if applicable, a state or local) income tax matter with respect to an Investment Fund has expired with such issue not having been raised.

"Financial Projections" means those certain financial projections dated as of the date hereof and prepared by Novogradac & Company LLP.

"Governmental Authority" means any state, federal, local municipal or other governmental authority.

"Guarantor" has the meaning set forth in the Recitals to this Guaranty.

"Guaranty" means this Unconditional Guaranty of New Markets Tax Credits, Put Price and Environmental Indemnification.

"Guaranty Payment Date" has the meaning set forth in Section 3(b) of this Guaranty.

"Investment 1" has the meaning set forth in the Recitals to this Guaranty.

"Investment 2" has the meaning set forth in the Recitals to this Guaranty.

"Investment Fund 1" has the meaning set forth in the Recitals to this Guaranty.

"Investment Fund 2" has the meaning set forth in the Recitals to this Guaranty.

"Investment Fund or Investment Funds" has the meaning set forth in the Recitals to this Guaranty.

"Investment Fund 1 Operating Agreement" means that certain Operating Agreement for Investment Fund 1 dated as of the date hereof.

"Investment Fund 2 Operating Agreement" means that certain Operating Agreement for Investment Fund 2 dated as of the date hereof.

"Investor" has the meaning set forth in the Recitals to this Guaranty.

"Investor Investment" has the meaning set forth in the Recitals to this Guaranty.

"IRS" means the Internal Revenue Service.

"LADF CDE Operating Agreement" means that certain [Amended and Restated Limited Liability Company Agreement of the LADF CDE] dated as of the date hereof.

"Leverage Lender" has the meaning set forth in the preamble to this Guaranty.

"Leverage Loan 1" has the meaning set forth in the Recitals to this Guaranty.

"Leverage Loan 2" has the meaning set forth in the Recitals to this Guaranty.

"Leverage Loan 1 Documents" means those certain loan documents evidencing Leverage Loan 1 of even date herewith, as amended from time to time, including, without limitation, (i) that certain Fund Loan Agreement by and between Leverage Lender and Investment Fund 1, (ii) that certain Promissory Note in the original principal amount of \$[27,808,425] to be delivered by Investment Fund 1 to Leverage Lender, and (iii) that certain Pledge Agreement by and between Investment Fund 1 and Leverage Lender.

"Leverage Loan 2 Documents" means those certain loan documents evidencing Leverage Loan 2 of even date herewith, as amended from time to time, including, without limitation, (i) that certain Fund Loan Agreement by and between Leverage Lender and Investment Fund 2, (ii) that certain Promissory Note in the original principal amount of

[\$2,636,000] to be delivered by Investment Fund 2 to Leverage Lender, and (iii) that certain Pledge Agreement by and between Investment Fund 2 and Leverage Lender.

"Loan Agreement" means that certain Loan Agreement by and among the Clearinghouse CDE, the Consortium CDE, the URP CDE, the LADF CDE, the USBCDE CDE, and Borrower dated as of the date hereof.

"New Markets Tax Credits" has the meaning set forth in the Recitals to this Guaranty.

"NMTC Guaranteed Amount" means the sum of (i) the NMTC Recapture Amount and (ii) an amount sufficient, on an After Tax Basis, to pay any additional Federal tax liability, interest and penalties of Investor resulting from any NMTC Recapture Event in excess of the NMTC Recapture Amount.

"NMTC Program" has the meaning set forth in the Recitals to this Guaranty.

"NMTC Recapture Amount" means, on an After-Tax Basis, the sum of (i) the Recaptured New Markets Tax Credits and (ii) the Disallowed New Markets Tax Credits.

"NMTC Recapture Event" means a recapture or disallowance of any New Markets Tax Credits attributable to the QEIs, the proceeds of which were or will be used to fund the QLICIs or related fees; but only to the extent such recapture or disallowance is the direct or indirect result of any of the following: (a) the Borrower not being or ceasing to be a QALICB; (b) the redemption by any CDE (within the meaning of Treas. Reg. Section 1.45D-1(e)(3)(iii)) of any portion of the respective Equity Investment in such CDE caused directly or indirectly by Borrower's violation of any of the CDE Loan Documents; (c) the failure of any tenant or subtenant of the Project to be classified as a Qualified Business; (d) the failure of any CDE to maintain substantially all of the applicable Equity Investment invested in QLICIs attributable to a prepayment (whether voluntary or involuntary or as a result of acceleration, foreclosure or otherwise) of any of the QLICI Loans by the Borrower in violation of any of the CDE Loan Documents; (e) any Guarantor's (or any of its affiliates') gross negligence, fraud, willful misconduct, malfeasance, or material violation of any law as evidenced by a Final Determination; (f) any other act or omission by or within the control of any Guarantor; (g) the breach by the Borrower of any warranty or covenant as contained in any of the Transaction Documents (including, without limitation, those provisions of the Loan Agreement limiting the amount of Borrower's property which may constitute Nonqualified Financial Property); (h) any representation of the Borrower as contained in any Transaction Document shall prove to be false or misleading in any respect; or (i) a final written determination by the CDFI Fund or Final Determination of the Internal Revenue Service that the use of QLICI proceeds: (i) constituted an inappropriate or abusive use of such proceeds or (ii) is inconsistent with the purposes of Section 45D of the Code and the related Treas. Reg., as provided in Treas. Reg. Section 1.45D-1(g), respectively, as in effect on the date hereof.

"Nonqualified Financial Property" has the meaning set forth in the Loan Agreement.

"Obligations" means the obligations set forth in Sections 2 through 5 herein.

"Project" has the meaning set forth in the Recitals to this Guaranty.

"Property" has the meaning set forth in the Recitals to this Guaranty.

"Put and Call Agreement" means collectively and each individually, (i) that certain Investment Fund Put and Call Agreement] by and between Leverage Lender and Investor dated as of the date hereof with respect to Investment Fund 1, and (ii) that certain Investment Fund Put and Call Agreement by and between Leverage Lender and Investor dated as of the date hereof with respect to Investment Fund 2.

"QALICB" means a "qualified active low-income community business" as such term is defined in Section 45D of the Code and the Treasury Regulations and Guidance.

"QEI" has the meaning set forth in the Recitals to this Guaranty.

"QLICI" has the meaning set forth in the Recitals to this Guaranty.

"QLICI Loans" has the meaning set forth in the Recitals to this Guaranty.

"Qualified Business" means any trade or business except: (a) the rental of Residential Rental Property; (b) any trade or business consisting of the operation of any private or commercial golf course, country club, massage parlor, hot tub facility, suntan facility, racetrack or other facility used for gambling, or any store the principal business of which is the sale of alcoholic beverages for consumption off premises; or (c) any trade or business the principal activity of which is farming.

"Recaptured New Markets Tax Credits" means, with respect to any QEI made by an Investment Fund in a CDE, the sum of 100% of the New Markets Tax Credits that are recaptured pursuant to a NMTC Recapture Event.

"Residential Rental Property" means any building or structure if eighty percent (80%) or more of the gross rental income from such building or structure for the taxable year is rental income from "dwelling units." For such purpose, a "dwelling unit" means a house or apartment used to provide living accommodations in a building or structure, but does not include a unit in a hotel, motel, or other establishment more than one half (1/2) of the units in which are used on a transient basis. If any portion of the building or structure is occupied by the taxpayer, the gross rental income for such building or structure includes the rental value of the portion so occupied.

"Taxes" means any and all liabilities, losses, expenses, and costs that are, or are in the nature of, taxes, fees, or other governmental charges, including interest, penalties, fines, and additions to tax imposed by any Governmental Authority. Notwithstanding the foregoing, for purposes of this Guaranty, in addition to (x) any taxes, fees, or other governmental charges imposed by any local, municipal or other Governmental Authority (other than income taxes imposed by a federal or state government) or (y) any taxes, fees, or other governmental charges imposed on the Investor without regard to income, the Investor shall be deemed to be subject to a combined federal and state income tax rate equal to the greater of (a) 38% or (b) the actual combined federal and state income tax rate imposed on Investor.

"Transaction Documents" means Investment Fund 1 Operating Agreement, Investment Fund 2 Operating Agreement, Leverage Loan 1 Documents, Leverage Loan 2 Documents, the Borrower Bylaws, the Clearinghouse CDE Operating Agreement, the Consortium CDE Operating Agreement, the URP CDE Operating Agreement, the LADF CDE Operating Agreement, the USBCDE CDE Operating Agreement, the CDE Loan Documents, and all related documents executed and delivered in connection therewith.

"Treasury Regulations and Guidance" means and includes any proposed, temporary and/or final regulations now or hereafter promulgated under the Code and any guidance, rule, or procedure published by the CDFI Fund, including without limitation the Community Development Entity Certification Application of each CDE, the New Markets Tax Credit Allocation Application of each CDE and the Allocation Agreement of each CDE with the CDFI Fund.

"URP CDE Operating Agreement" means that certain [Amended and Restated Limited Liability Company Agreement of the URP CDE], dated as of the date hereof.

"USBCDE CDE Operating Agreement" means that certain Amended and Restated Operating Agreement of the USBCDE CDE, dated as of the date hereof.

Section 2. Guaranty.

(a) Each Guarantor jointly, severally, irrevocably, unconditionally, and absolutely guarantees the due, prompt and complete payment and performance of the Obligations to Investor, including, without limitation, the payment of the NMTC Guaranteed Amount pursuant to Section 3 of this Guaranty.

(b) Any amounts not paid by the Guaranty Payment Date pursuant to this Guaranty shall bear interest at the Applicable Rate as of the Guaranty Payment Date until the date such amounts are paid in full. Such amounts shall be compounded on a monthly basis.

Section 3. New Markets Tax Credits.

(a) The Guarantors shall pay the NMTC Guaranteed Amount in accordance with Section 3(b) of this Guaranty plus interest determined in accordance with Section 2(b) of this Guaranty on any amounts unpaid in accordance with such section, until paid in full directly to Investor, but only if and to the extent that the applicable NMTC Recapture Amount is the direct or indirect result of a NMTC Recapture Event.

(b) The NMTC Guaranteed Amount shall be due and payable by Guarantors not later than the date which is ten (10) calendar days after the earliest to occur, if known, of the following dates (the "Guaranty Payment Date"):

(i) the date on which any Investment Fund and/or Investor provides written notice to Guarantors of the NMTC Recapture Amount based upon the receipt by such Investment Fund of notice from the respective CDE pursuant to such CDE's operating agreement that a Recapture Event has occurred;

(ii) the date on which a determination is made by Investor in good faith based upon a written opinion from tax counsel with written concurrence from Investor's accountants that a NMTC Recapture Event has occurred; or

(iii) the date on which an Investment Fund and/or Investor provides written notice to Guarantors of its receipt of written notice of a Final Determination that a NMTC Recapture Event has occurred and that Investor is being assessed additional tax liability (with any applicable interest or penalties) on account of such NMTC Recapture Event; provided, however, that in the event that, prior to the receipt of written notice of a Final Determination, Investor is (1) actually required by a Governmental Authority to pay such additional tax liability

on account of such NMTC Recapture Event or (2) not permitted by a Governmental Authority to claim the New Markets Tax Credits on its tax return at the time of filing, then the NMTC Guaranteed Amount shall be due and payable within ten (10) calendar days of the date on which the Investment Fund and/or Investor provides written notice to Guarantors of the occurrence of such event; provided, further, however, that if there is subsequently a Final Determination that a NMTC Recapture Event has not occurred, then Investor shall, within ten (10) calendar days after receipt of such Final Determination, pay to Guarantors any amounts previously paid to Investor pursuant to this subsection (b) except to the extent of any amount necessary to pay any reasonable costs and expenses (including reasonable attorney fees) relating to taking necessary steps to address the preliminary determination of a NMTC Recapture Event and the Final Determination, including but not limited to steps relating to amending any tax returns or other related actions.

(c) Notwithstanding anything herein to the contrary, the NMTC Recapture Amount shall be reduced by any amounts previously distributed to Investor by the applicable Investment Fund in connection with the Obligations arising under this Section 3.

Section 4. Put Price. Guarantors shall pay the "Put Price", as defined in each Put and Call Agreement, and any amounts due under Section 12 of the Put and Call Agreement, upon twenty (20) Business Days' prior written notice that Leverage Lender or its designee has failed to make such payments when due.

Section 5. Environmental Indemnification. Each Guarantor shall absolutely and unconditionally, jointly and severally, indemnify Investor against out-of-pocket losses, claims, damages, and expenses arising from (a) the presence, or release of any Environmental Hazard in, on, under, or from the Property, and/or (b) the presence, or release of any Environmental Hazard in, on, under, or from any real property adjacent to or in the vicinity of the Property to which an Environmental Hazard has spread from the Property. Such indemnity shall include, but not be limited to, any and all loss, damage, expense or similar type of economic detriment to Investor arising out of any one or more of the following: (a) injury or death to any person; (b) damage to or loss of use of the Property or any other property or ground water, waterway or body of water adjacent to the Property; (c) the cost of removal, clean-up or remedial action of any and all Environmental Hazard from the Property or surrounding area including any ground water, waterway or body of water and the preparation of any closure or other activity required by any governmental entity; (d) the cost required to take necessary precautions to protect against the release of any Environmental Hazard in, on or under the Property, the air, any ground water, waterway or body of water, any public domain or any surrounding areas to the Property; (e) the cost of any demolition and rebuilding or repair of improvements on the Property or in any surrounding areas to the Property; (f) any lawsuit brought or threatened; settlement reached, or governmental order relating to the presence, disposal, or release of any Environmental Hazard in, on, under, from or affecting the Property or in any surrounding areas to the Property; and (g) the imposition of any lien on or against the Property or in any surrounding areas to the Property arising from the presence or release of any Environmental Hazard in, on, under, from or affecting the Property.

Section 6. Powers and Authority. Each Guarantor hereby grants to Investor, in its absolute discretion and without notice to such Guarantor, the power and authority to deal with the Obligations in any lawful manner. Without limiting the generality of the foregoing, the liability of each Guarantor hereunder shall not be affected, impaired or reduced in any way by any action taken by Investor involving any of the following powers or authorities or pursuant to any

other provision hereof, or by any delay, failure or refusal of Investor to exercise any right or remedy it may have against any person, firm or corporation, including other guarantors, if any, liable for all or any part of the Obligations:

(a) to renew, compromise, extend, accelerate or otherwise change the time or place of payment of the Obligations or to otherwise change the terms of the Obligations (in accordance with the amendment provisions of the documents governing and evidencing the Obligations);

(b) to (i) modify any of the terms of the Transaction Documents, subject to the amendment provisions therein, or (ii) waive any of the terms thereof;

(c) to take and hold security for the payment of the Obligations and to impair, exhaust, exchange, enforce, waive or release any such security;

(d) to direct the order or manner of sale of any such security as Investor, in its discretion, may determine;

(e) to grant any indulgence, forbearance or waiver with respect to the Obligations or any of the other obligations guaranteed hereby;

(f) to release or waive rights against Borrower and any guarantor; and/or

(g) to agree to any valuation by Investor of any collateral securing payment of any of the Obligations in any proceedings under the United States Bankruptcy Code concerning Investor.

Section 7. Payment. Each Guarantor agrees that if any of the Obligations are not fully and timely paid or performed in accordance with the terms and conditions hereof, whether by acceleration or otherwise, such Guarantor shall immediately upon receipt of written demand therefor from Investor, pay all of the unpaid Obligations hereby guaranteed in like manner as if the Obligations constituted the direct and primary obligation of such Guarantor, provided, however (without in any way limiting the obligation to pay and perform the same, or any liability therefor), the Obligations payable by the Leverage Lender shall be payable only from any legally available funds held in the Power Revenue Fund and Water Revenue Fund described in Section 679 of the Charter of the City of Los Angeles. Guarantors shall not have any right of subrogation as a result of any payment hereunder or any other payment made by any other guarantor on account of the Obligations, and each Guarantor hereby waives, releases and relinquishes any claim based on any right of subrogation, any claim for unjust enrichment or any other theory that would entitle such Guarantor to a claim against the Borrower based on any payment made hereunder or otherwise on account of the Obligations.

Section 8. Continuing and Irrevocable. This Guaranty and the Obligations shall be continuing and irrevocable until the Obligations have been satisfied in full. Notwithstanding the foregoing or anything else set forth herein, and in addition thereto, if at any time all or any part of any payment received by Investor from any Guarantor under or with respect to this Guaranty is or must be rescinded or returned for any reason whatsoever (including, but not limited to, any determination that the payment was a voidable preference or fraudulent transfer under insolvency, bankruptcy or reorganization laws), then each Guarantor's obligations hereunder shall, to the extent of the payment rescinded or returned, be deemed to have continued in existence, notwithstanding the previous receipt of payment by Investor, and each Guarantor's

obligations hereunder shall continue to be effective or be reinstated as to such payment, all as though such previous payment to Investor had never been made. The provisions of the foregoing sentence shall survive termination of this Guaranty, and shall remain a valid and binding obligation of Guarantors until satisfied.

Section 9. Waiver of Notice. Each Guarantor hereby waives notice of acceptance of this Guaranty by Investor and this Guaranty shall immediately be binding upon each Guarantor. Each Guarantor, by executing this Guaranty, shall be fully bound hereby regardless of whether or not any other guarantor subsequently executes this Guaranty.

Section 10. Waiver of Rights. Each Guarantor hereby waives and agrees not to assert or take advantage of:

(a) any right to require Investor to proceed against the Borrower or any other person or to proceed against or exhaust any security held by Investor at any time or to pursue any other remedy in Investor's power before proceeding against Guarantor;

(b) the defense of the statute of limitations in any action hereunder or in any action for the collection of any of the Obligations;

(c) any defense that may arise by reason of the incapacity, lack of authority, death or disability of any other person or persons or the failure of Investor to file or enforce a claim against the estate (in administration, bankruptcy or any other proceeding) of any other person or persons;

(d) demand, presentment for payment, notice of nonpayment, protest, notice of protest and all other notices of any kind, including, without limitation, notice of the existence, creation or incurring of any new or additional obligations or obligation or of any action or non-action on the part of Investor or any endorser or creditor of Investor or Guarantor or on the part of any other person whomsoever under this or any other instrument in connection with any of the Obligations or evidence of Obligations held by Investor or in connection therewith;

(e) any defense based upon an election of remedies by Investor, the right of Guarantor to proceed against Investor for reimbursement, any rights or benefits under the bankruptcy and insolvency laws of the State of California or any other applicable state of the United States or under Sections 364 and 1111 of the Bankruptcy Code as same may be amended or replaced from time to time;

(f) any election by Investor to exercise any right or remedy it may have against the Borrower or any security held by Investor, including, without limitation, the right to foreclose upon any such security by judicial or non-judicial sale, without affecting or impairing in any way the liability of such Guarantor hereunder, except to the extent the Obligations have been paid, and such Guarantor waives any default arising out of the absence, impairment or loss of any right of reimbursement, contribution or subrogation or any other right or remedy of such Guarantor against Investor or any such security whether resulting from such election by Investor or otherwise; and

(g) any duty or obligation on the part of Investor to perfect, protect, not impair, retain or enforce any security for the payment of the Obligations or performance of any of the other obligations guaranteed hereby.

Section 11. Subordination. The right of any Guarantor to (i) withdraw, or to cause or permit any person controlled or owned in whole or in part by such Guarantor to withdraw, any capital invested by such Guarantor or such person in Borrower, any other Guarantor or any of their respective Affiliates and (ii) receive payments of any kind from any Guarantor or any of their respective Affiliates, is hereby subordinated to the Obligations. In addition, after the occurrence of a default under this Agreement, without the prior written consent of Investor, such subordinated obligations shall not be paid and such capital shall not be withdrawn in whole or in part nor shall any Guarantor accept or cause or permit any person controlled or owned in whole or in part by such Guarantor to accept any payment of or on account of any such subordinated obligations or as a withdrawal of capital. Any payment received by any Guarantor in violation of this Guaranty shall be received by the person to whom paid in trust for Investor, and such Guarantor shall cause the same to be paid to Investor immediately on account of the Obligations. No such payment shall reduce or affect in any manner the liability of any Guarantor under this Guaranty.

Section 12. Unconditional Guaranty of Payment and Performance; Joint and Several Liability. The liability of each Guarantor under this Guaranty shall be an absolute, direct, immediate and unconditional guaranty of payment and performance and not of collectability. Guarantors shall be jointly and severally liable with any other guarantor. The amount of each Guarantor's liability and all rights, powers and remedies of Investor hereunder shall be cumulative and not alternative, and such rights, powers and remedies shall be in addition to any and all rights, powers and remedies given to Investor under any applicable Transaction Document or any other document or agreement relating in any way to the terms and provisions thereof or otherwise provided by law. The liability of each Guarantor under this Guaranty is independent of the obligations of any other guarantor or of any other party which may initially be or otherwise become responsible for the payment and performance of the obligations guaranteed hereunder, and, in the event of any default hereunder, a separate action or actions may be brought and prosecuted by Investor against any one Guarantor, whether or not any of the other guarantors or any other party is joined therein or a separate action or actions are brought against any of the other guarantors or such other party. Investor may maintain successive actions for other defaults. Investor's rights hereunder shall not be exhausted by its exercise of any of its rights or remedies or by any such action or by any number of successive actions unless and until the obligations guaranteed hereunder have been paid and performed in full.

Section 13. Amendments. The parties to any of the Transaction Documents may, in their sole discretion, at any time enter into agreements to amend, modify or change such agreements in the manner provided for in such documents or as the parties thereto shall otherwise agree; or may at any time waive or release any provision or provisions thereof and, with reference thereto, may make and enter into all such agreements as they may deem proper or desirable, without any notice or further assent from any Guarantor and without in any manner impairing or affecting this Guaranty or any of the rights of Investor or the Obligations.

Section 14. Fees and Costs. Borrower hereby agrees to pay to Investor, upon demand, all reasonable attorneys' fees and all costs and other expenses which Investor expends or incurs in collecting or compromising the Obligations or in enforcing this Guaranty against Guarantors whether or not suit is filed, including, without limitation, all reasonable costs, attorneys' fees and expenses incurred by Investor in connection with any tax audit, insolvency, bankruptcy, reorganization, arrangement or other similar proceedings involving Guarantors which in any way affect the exercise by Investor of its rights and remedies hereunder. Any and

all such costs, attorneys' fees and expenses not so paid shall bear interest at an annual interest rate equal to the lesser of (i) the Applicable Rate or (ii) the highest rate permitted by applicable law, from the date incurred by Investor until paid by Borrower.

Section 15. Severability. Should any one or more provisions of this Guaranty be determined to be illegal or unenforceable, all other provisions nevertheless shall be effective.

Section 16. Waiver. No provision of this Guaranty or right of Investor hereunder can be waived nor can any Guarantor be released from such Guarantor's obligations hereunder except by a writing duly executed by Investor. This Guaranty may not be modified, amended, revised, revoked, terminated, changed or varied in any way whatsoever except by the express terms of a writing duly executed by Investor and Guarantors.

Section 17. Interpretation. When the context and construction so require, all words used in the singular herein shall be deemed to have been used in the plural, and the masculine shall include the feminine and neuter and vice versa. The word "person" as used herein shall include any individual, company, firm, association, limited liability company, partnership, corporation, trust or other legal entity of any kind whatsoever.

Section 18. Assignment. If any or all of the right to claim New Markets Tax Credits with respect to the Investor Investment and the Equity Investment is assigned by Investor, this Guaranty shall automatically be assigned therewith in whole or in part, as applicable, without the need of any express assignment, and, when so assigned, each Guarantor shall be bound as set forth herein to the assignee(s) without in any manner affecting any Guarantor's liability hereunder with respect to any rights hereunder retained by Investor. This Guaranty shall be binding upon each Guarantor and its heirs, executors, administrators, legal representatives, successors and assigns and shall inure to the benefit of Investor and its successors and assigns.

Section 19. [Reserved]

Section 20. Governing Law. This Guaranty shall be governed by and construed in accordance with the laws of the State of California without regard to principles of conflicts of law, except to the extent that any of such laws may now or hereafter be preempted by Federal law, in which case, such Federal law shall so govern and be controlling. Each Guarantor acknowledges that, inasmuch as each of the Guarantors and the Project are located in California, the State of California bears a reasonable relationship to this Guaranty and the underlying transaction. In any action brought under or arising out of this Guaranty, each Guarantor hereby consents to the jurisdiction of any competent court within the State of California and consents to service of process by any means authorized by the laws of such state. Except as provided in any other written agreement now or at any time hereafter in force between Investor and such Guarantor, this Guaranty shall constitute the entire agreement of such Guarantor with Investor with respect to the subject matter hereof, and no representation, understanding, promise or condition concerning the subject matter hereof shall be binding upon Investor or such Guarantor unless expressed herein.

Section 21. Notices. All notices, demands, requests or other communications to be sent by one party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the addressee or by depositing same with Federal Express for next Business Day delivery or by depositing same

in the United States mail, postage prepaid, registered or certified mail, return receipt requested, addressed as follows:

(a) If to Investor: U.S. Bancorp Community Development Corporation
1307 Washington Avenue, Suite 300
St. Louis, Missouri 63103
Attention: Director of Asset Management – NMTC
Project #: 22607
Facsimile: (314) 335-2602

With a copy to:

Bocarsly Emden Cowan Esmail & Arndt LLP
633 West Fifth Street, 70th Floor
Los Angeles, CA 90071
Attention: Eugene Cowan
Facsimile: (213) 559-0751

(b) If to Borrower: La Kretz Innovation Campus

Attention:
Facsimile: _____.____._____

With a copy to:

Kutak Rock LLP
1801 California Street, Suite 3000
Denver, CO 80202
Attention: John Henry
Facsimile: (303) 292-7799

(c) If to Leverage Lender: The Department of Water and Power of the City of Los Angeles
111 North Hope Street, Suite 1221
Los Angeles, CA 90012-2607
Attention:

With a copy to:

Kutak Rock LLP
1801 California Street, Suite 3000
Denver, CO 80202
Attention: Mike Reppe
Facsimile: (303) 292-7799

All notices, demands and requests shall be effective upon such personal delivery or upon being deposited with Federal Express or in the United States mail as required above. However, with respect to notices, demands or requests so deposited with Federal Express or in the United States mail, the time period in which a response to any such notice, demand or

request must be given shall commence to run from the next Business Day following any such deposit with Federal Express or, in the case of a deposit in the United States mail as provided above, the date on the return receipt of the notice, demand or request reflecting the date of delivery or rejection of the same by the addressee thereof. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to be receipt of the notice, demand or request sent. Each party hereto shall have the right from time to time to change its address and the right to specify as its address any other address within the United States of America by giving to the other party hereto at least thirty (30) calendar days' written notice thereof in accordance with the provisions hereof.

Section 22. Bankruptcy. Each Guarantor hereby agrees that this Guaranty and the Obligations shall remain in full force and effect at all times hereinafter until paid and/or performed in full notwithstanding any action or undertakings by, or against Investor or any Guarantor in any proceeding in the United States Bankruptcy Court, including, without limitation, any proceeding relating to valuation of collateral, election or imposition of secured or unsecured claim status upon claims by Investor pursuant to any chapter of the Bankruptcy Code or the Rules of Bankruptcy Procedure as same may be applicable from time to time. Each Guarantor acknowledges that its obligations hereunder may survive the repayment of the QLICI Loans, and that it may not be possible to determine the existence of liability hereunder until after such time as the IRS is prohibited from assessing additional tax liability against Investor for any year in which it claimed any of the New Markets Tax Credits.

Section 23. Counterparts. This Guaranty may be executed in any number of counterparts, each of which shall be effective only upon delivery and thereafter shall be deemed an original, and all of which shall be taken to be one and the same instrument, with the same effect as if all parties hereto had signed the same signature page. Any signature page of this Guaranty may be detached from any counterpart of this Guaranty without impairing the legal effect of any signatures thereon and may be attached to another counterpart of this Guaranty identical in form hereto but having attached to it one or more additional signature pages. Execution by any Guarantor shall bind such Guarantor regardless of whether any one or more other guarantors executes this Guaranty.

Section 24. Representations, Warranties and Covenants.

(a) Each Guarantor represents, warrants and covenants to and for the benefit of Investor as follows:

(i) the execution, delivery and performance by it of this Guaranty does not and will not contravene or conflict with any law, order, rule, regulation, writ, injunction or decree now in effect of any government, governmental instrumentality or court or tribunal having jurisdiction over it, or any contractual restriction binding on or affecting it;

(ii) there are no existing or reasonably anticipated facts or circumstances of any kind or nature whatsoever of which it is aware that could in any way impair or prevent it from performing its obligations under this Guaranty;

(iii) any and all financial information with respect to it that it has given to Investor in connection with the transactions contemplated by this Guaranty fairly and accurately present its financial condition and results of operations as of the respective dates thereof and for the respective dates indicated therein, and, subsequent to such respective dates, there has been no adverse change in the financial condition or results of its operations;

(iv) with the assistance of counsel of its choice, it has read and reviewed this Guaranty and such other documents as it and its counsel deemed necessary or desirable to read in connection herewith;

(v) each representation made by it in any of the Transaction Documents to which such Guarantor is a party is true and correct in all material respects and Investor may rely thereon; and

(vi) upon written request of Investor, such Guarantor shall provide Investor with any financial statements or other reports reasonably requested by Investor or that such Guarantor is otherwise obligated to provide.

(b) Each Guarantor further covenants and agrees to immediately notify Investor of any change in such Guarantor's financial condition that adversely and materially affects its ability to perform the Obligations hereunder.

Section 25. Miscellaneous. Each Guarantor acknowledges that Investor is indirectly a member of each CDE. Notwithstanding such affiliation, each Guarantor agrees as follows: (a) no partnership or joint venture relationship exists between Investor and such Guarantor; (b) Investor owes no fiduciary or other duty to such Guarantor, except for any obligations of Investor set forth in this Guaranty, and (c) the exercise by Investor of any of its rights or remedies under the Transaction Documents shall not serve to reduce or discharge the liability of such Guarantor hereunder, except to the extent of any recovery actually realized by Investor in cash with respect to the Obligations; provided, however that Investor shall have no obligation to exercise any of its rights or remedies under any Transaction Document. Each Guarantor severally waives and releases any claim it may now or hereafter have against Investor based on any theory or cause of action that conflicts with the agreements of the parties set forth in this Section. Borrower has not and will not, without the prior written consent of Investor, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of such Borrower's assets, or any interest therein. Upon any such disposition of all or substantially all of Leverage Lender's assets, Leverage Lender shall promptly give notice thereof to Investor. Upon demand, each Guarantor will provide annual financial information, including financial statements certified as true, correct and complete, and such other information as may reasonably be requested by Investor.

[Remainder of Page Intentionally Left Blank]

[Signatures contained on following pages]

**COUNTERPART SIGNATURE PAGE
UNCONDITIONAL GUARANTY OF NEW MARKETS TAX CREDITS, PUT PRICE AND
ENVIRONMENTAL INDEMNIFICATION**

IN WITNESS WHEREOF, Borrower has caused this Unconditional Guaranty of New Markets Tax Credits, Put Price and Environmental Indemnification to be duly executed as of the date first above written.

Borrower:

LA KRETZ INNOVATION CAMPUS, a California
nonprofit public benefit corporation

By: _____

**COUNTERPART SIGNATURE PAGE
UNCONDITIONAL GUARANTY OF NEW MARKETS TAX CREDITS, PUT PRICE AND
ENVIRONMENTAL INDEMNIFICATION**

IN WITNESS WHEREOF, Leverage Lender has caused this Unconditional Guaranty of New Markets Tax Credits, Put Price and Environmental Indemnification to be duly executed as of the date first above written.

Leverage Lender:

**CITY OF LOS ANGELES, acting by and through
its DEPARTMENT OF WATER AND POWER BY
BOARD OF WATER AND POWER
COMMISSIONERS OF THE CITY OF LOS
ANGELES**

By: _____
Ronald O. Nichols
General Manager

Date: _____

And: _____
Barbara E. Moschos
Secretary

**COUNTERPART SIGNATURE PAGE
UNCONDITIONAL GUARANTY OF NEW MARKETS TAX CREDITS, PUT PRICE AND
ENVIRONMENTAL INDEMNIFICATION**

IN WITNESS WHEREOF, Investor has caused this Unconditional Guaranty of New Markets Tax Credits, Put Price and Environmental Indemnification to be duly executed as of the date first above written.

INVESTOR:

**U.S. BANCORP COMMUNITY DEVELOPMENT
CORPORATION**, a Minnesota corporation

By: _____
Tina Lin, Authorized Officer

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**CERTIFICATE AND INDEMNITY
REGARDING HAZARDOUS SUBSTANCES**

**CERTIFICATE AND INDEMNITY
REGARDING HAZARDOUS SUBSTANCES**

THIS CERTIFICATE AND INDEMNITY REGARDING HAZARDOUS SUBSTANCES ("Certificate") is made and entered into as of the [] day of August, 2013, by and among La Kretz Innovation Campus, a California nonprofit public benefit corporation, having an office at [] Hewitt Street, Los Angeles, California], Attention: Kelli Bernard ("**Borrower**") and The City of Los Angeles, a municipal corporation, acting by and through its Department of Water and Power, having an office at 111 N. Hope Street #1221, Los Angeles, California 90012, Attention: Kelli Bernard ("**LADWP**" and together with Borrower, each an "**Indemnitor**" and collectively, the "**Indemnitors**") in favor of Clearinghouse NMTC (Sub 30), LLC, a California limited liability company ("**Clearinghouse**"), having an office at c/o Clearinghouse CDFI, 23861 El Toro Road, Suite 401, Lake Forest, CA 92630, Attention: Jay Harrison, and its successors and assigns; Consortium America XXXIII, LLC, a Delaware limited liability company ("**Consortium**"), having an office at 3299 K Street NW, Suite 700, Washington, DC 20007 Attention: Stefan Kershow, and its successors and assigns; URP Subsidiary CDE XVII, LLC, a Maryland limited liability company ("**URP**"), having an office at c/o Townsend Capital, LLC, 11311 McCormick Road Suite 470, Hunt Valley, MD 21031, Attention: Josh Ferguson, and its successors and assigns; LADF IX, LLC, a California limited liability company ("**LADF**"), having an office at Los Angeles Development Fund, 1200 W. 7th Street, 8th Floor, Los Angeles CA 90017, Attention: Sandy Rahimi, and its successors and assigns; USBCDE Sub-CDE 92, LLC, a Missouri limited liability company ("**USBCDE**"), having an office at c/o USBCDC, 1307 Washington Ave, Suite 300, St. Louis, MO 63103, Attention: Director of Asset Management NMTC, and its successors and assigns. Hereinafter Clearinghouse, Consortium, URP, LADF, and USBCDE, each a "**Lender**" and collectively, the "**Lenders**").

In connection with and as partial consideration for the loans in the aggregate principal amount of [\$42,660,000] (collectively, the "**Loan**") being made to Borrower by Lenders pursuant to the terms and provisions of that certain Loan Agreement dated on or about the date hereof (as amended or otherwise modified from time to time, the "Loan Agreement"; Capitalized terms used and not defined herein shall have the meanings given to them in the Loan Agreement), Indemnitors hereby certify to Lenders and agree as follows:

1. Indemnitors agree to immediately notify Lenders if either Indemnitor becomes aware of (a) any Hazardous Substances (as defined below) or other environmental problem or liability with respect to the real property legally described on Exhibit A attached hereto, or the improvements located thereon (collectively, the "**Property**"), or (b) any lien, action or notice resulting from violation of any Environmental Laws in connection with the Property. At their own cost, Indemnitors will take all actions which either Indemnitor is legally required to take to clean up, contain, remediate, or address, as the case may be, in accordance with and to the extent required by any applicable law, any Hazardous Substances affecting the Property, including removal, containment or any other remedial action required by applicable governmental authorities.

2. To the extent permitted by law, Indemnitors shall indemnify, defend, and hold Lenders, their affiliates, representatives, agents, assigns and constituent members (the "**Covered Parties**") harmless from and against any and all claims, demands, damages, losses, liens, liabilities, penalties, fines, lawsuits and other proceedings and reasonable out-of-pocket costs and expenses (including reasonable attorneys' fees and disbursements), which accrue to or are incurred by the Covered Parties and arise directly or indirectly from or out of, or in any way connected with (a) the inaccuracy of the certifications contained herein, or (b) any activities

on the Property which directly or indirectly result in the Property or any Other Property (defined below) becoming contaminated with Hazardous Substances and any clean-up remediation required as a result thereof. Indemnitors acknowledge that they will be solely responsible, as between Indemnitors and Lenders, for all costs and expenses relating to the clean-up of Hazardous Substances from the Property or from any Other Property which is required to be performed. Without in any way limiting the obligation to pay or perform hereunder, or any liability for such payment or performance, payments by LADWP under this Certificate shall be payable from any legally available funds held in the Power Revenue Fund and Water Revenue Fund described in Section 679 of the Charter of the City of Los Angeles. To the extent permitted by law, Indemnitors shall indemnify, defend and hold the Covered Parties harmless from and against the presence, suspected presence, release, suspected release, or threat of release of any Hazardous Substances in, on, under, from or affecting:

- (a) the Property, and/or
- (b) any real property adjacent to or in the vicinity of the Property to which Hazardous Substances have:
 - (i) spread from the Property, and/or
 - (ii) been released in, on or under the Property.

Subject to the above limitations, such indemnity shall include, but not be limited to, any and all claims, demands, damages, losses, liens, liabilities, penalties, fines, lawsuits and other proceedings and reasonable out-of-pocket costs and expenses (including reasonable attorneys' fees and disbursements) or similar type of economic detriment out of any one or more of the following:

- (a) injury or death to any person;
- (b) damage to or loss of use of the Property or any Other Property or ground water, waterway or body of water adjacent to the Property or any Other Property;
- (c) the cost of removal, clean-up or remedial action of any and all Hazardous Substances from the Property or any Other Property or surrounding area including any ground water, waterway or body of water and the preparation of any closure or other activity to the extent such actions are legally required by any governmental entity;
- (d) the cost required to take necessary precautions required by any governmental entity to protect against the release of any Hazardous Substances in, on or under the Property or any Other Property, the air, any ground water, waterway or body of water, any public domain or any surrounding areas to the Property or any Other Property;
- (e) the cost of any demolition and rebuilding or repair of improvements on the Property or in any surrounding areas to the Property or any Other Property;
- (f) any lawsuit brought or threatened, settlement reached, or governmental order relating to the presence, suspected presence, disposal, release or threatened release of any Hazardous Substances in, on, under, from or affecting the Property or any Other Property or in any surrounding areas to the Property or any Other Property; and

(g) the imposition of any lien on or against the Property or any Other Property or in any surrounding areas to the Property or any Other Property arising from the presence, disposal, release or threatened release of any Hazardous Substances in, on, under, from or affecting the Property or any Other Property.

3. The obligations of each Indemnitor under this Certificate are unconditional and shall not be limited by any limitations of liability provided for in any document relating to the Loan (the "**Loan Documents**"). The representations, warranties and covenants of each Indemnitor set forth in this Certificate (including, without limitation, the indemnity provided for in Section 2, above) (a) are separate and distinct obligations from (i) such Indemnitor's obligations under the Loan Agreement and the other Loan Documents evidencing and securing the Loan and (ii) any guarantor's obligations under their respective guaranty in connection with the Loan; (b) subject to the terms and conditions of this Section 3, shall not be discharged or satisfied by foreclosure of the liens created by such mortgages or other security documents; and (c) shall continue in effect after any transfer of the Property, including without limitation transfers pursuant to foreclosure proceedings (whether judicial or nonjudicial), or by any transfer in lieu of foreclosure. Notwithstanding the provisions of this Certificate to the contrary, Indemnitors shall not be obligated to indemnify hereunder with regard to any Hazardous Substances first used, generated, manufactured, stored, treated, released, discharged or disposed in, on, under or about the Property by any third party (other than the Indemnitors) after the latest of: (i) the date of foreclosure on the mortgage or other security documents (or Lenders' acceptance of a deed in lieu thereof); or (ii) the date neither Indemnitor has occupancy of the Property; or (iii) the date neither Indemnitor uses or operates the Property; provided, however, notwithstanding the foregoing, if any Hazardous Substances are discovered in, on, under or about the Property after such applicable date that are consistent with the lease, occupancy, use or operation of the Property which occurred during Borrower's ground lease of the Property, or either Indemnitors' occupancy, use or operation of the Property, then there is a presumption that the use, generation, manufacture, storage, disposal of, transportation or presence of any of said Hazardous Substances in, on, under, about, or migrating from, the Property occurred during Borrower's ground lease, occupancy, use or operation of the Property, and, to the extent permitted by law, the Indemnitors shall continue to be obligated to indemnify hereunder unless Borrower overcomes said presumption with the burden of proof.

4. As used in this Certificate, "Hazardous Substances" shall mean "Hazardous Materials," as defined in the Loan Agreement as well as any substance or material defined or designated as hazardous or toxic waste, hazardous or toxic material, a hazardous, toxic or radioactive substance, or other similar term, by any federal, state or local environmental statute, regulation, or ordinance presently in effect or that may be promulgated in the future, as such statutes, regulations and ordinances may be amended from time to time, including but not limited to the statutes listed below:

(a) Federal Resource Conservation and Recovery Act of 1976, 42 U.S.C. Section 6901 et seq.;

(b) Federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. Section 9601 et seq.;

(c) Federal Clean Air Act, 42 U.S.C. Sections 7401-7626;

(d) Federal Water Pollution Control Act, Federal Clean Water Act of 1977, 33 U.S.C. Section 1257 et seq.;

(e) Federal Insecticide, Fungicide, and Rodenticide Act, Federal Pesticide Act of 1978, 7 U.S.C. Paragraph 13 et seq;

(f) Federal Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq.;
and

(g) Federal Safe Drinking Water Act, 42 U.S.C. Section 300(f) et seq.

As used in this Certificate, "Other Property" means any property which becomes contaminated with Hazardous Substances directly or indirectly as a result of construction, operations or other activities on, or the contamination of, the Property.

5. This Certificate shall be binding upon and inure to the benefit of the Covered Parties and Indemnitors and their respective heirs, representatives, successors and assigns. This Certificate shall be governed under the laws of the State of California, and shall be construed in accordance with and governed by the laws of said State, except to the extent that any of such laws may now or hereafter be preempted by Federal law.

6. Each Indemnitor hereby agrees that this Certificate and the Indebtedness shall remain in full force and effect at all times hereinafter until paid and/or performed in full notwithstanding any action or undertakings by, or against the Covered Parties or Indemnitors in any proceeding in the United States Bankruptcy Court, including, without limitation, any proceeding relating to valuation of collateral, election or imposition of secured or unsecured claim status upon claims by the Covered Parties pursuant to any chapter of the Bankruptcy Code or the Rules of Bankruptcy Procedure as same may be applicable from time to time.

7. Indemnitors hereby represent and warrant that they have reviewed the Environmental Reports (as defined in the Loan Agreement). Indemnitors further represent and warrant that, to the best of each Indemnitor's knowledge, the Environmental Reports accurately represented the environmental condition of the Property as of their respective dates. LADWP hereby represents and warrants that it has been in a position to observe and control all activities on the Property since the respective dates of the Environmental Reports to such an extent that LADWP can, and does hereby, represent and warrant to the best of its knowledge, that nothing has occurred at the Property or surrounding properties since the respective dates of the Environmental Reports that would exacerbate or constitute "recognized environmental conditions" not otherwise identified in the Environmental Reports. LADWP hereby further represents and warrants that (i) LADWP has completed any environmental investigative or remedial action legally required by the appropriate governmental authorities with jurisdiction over the matters described in the Environmental Reports, (ii) LADWP is in compliance with all federal, state and local Environmental Laws applicable to the Property and has not been cited for any violation of any federal, state or local Environmental Laws applicable to the Property, and (iii) there has been no "release or threatened release of a hazardous substance" (as defined by CERCLA) or any other release, emission or discharge into the environment of any hazardous or toxic substance, pollutant or other materials from the Property other than as permitted under the applicable Environmental Law or disclosed to Lender in the Environmental Reports. On and after the date hereof, LADWP covenants to comply with the foregoing representation for so long as any amount of the Loans remains unpaid or this Agreement remains in effect.

8. Each Indemnitor acknowledges that the Lenders have accepted the Environmental Reports for purposes of satisfying one of the conditions precedent to the

Lenders' entering into the financing transactions contemplated by the Loan Agreement. The acceptance of such Environmental Reports in no way constitutes a warranty of the Lenders to Indemnitor of the suitability of the Property described in the Environmental Reports for environmental or any other purpose. Each Indemnitor acknowledges and agrees that they have relied upon their own review of such Environmental Reports and their own counsel with reference to reliance on such Environmental Reports.

9. Notwithstanding anything herein to the contrary this Certificate shall survive repayment of the Loan and termination of the Loan Documents. This Certificate shall not apply to any environmental hazards or violations first created during any Lender's ownership or actual possession of the Property. The Lenders acknowledge and agree that U.S. Bancorp Community Development Corporation, a Minnesota corporation ("**USBCDC**"), shall have no right to payment of indemnity amounts under this Certificate relating to losses and liabilities for which USBCDC has actually received indemnity payment under that certain Unconditional Guaranty of New Markets Tax Credits, Put Price and Environmental Indemnification, dated as of even date herewith, by and among USBCDC, LADWP and Borrower.

10. Time is of the essence in the performance of each and every term of this Certificate by Indemnitors.

11. The Indemnitors' obligations hereunder are joint and several.

12. No provision of this Indemnity or right of the Lenders hereunder can be waived nor can Indemnitors be released from their obligations hereunder except by a writing duly executed by the Lender so waiving its rights hereunder or providing its release of the Indemnitors. This Certificate may not be modified, amended, revised, revoked, terminated, changed or varied in any way whatsoever except by the express terms of a writing duly executed by the Lenders and Indemnitors.

13. Without limiting any of the remedies provided in this Certificate, the Loan Agreement and the other Loan Documents, the Indemnitors acknowledge and agree that the provisions of this Agreement are environmental provisions, as that term is defined in Section 736(f)(2) of the California Code of Civil Procedure, made by the Indemnitors relating to the real property security, and that the Indemnitors' failure to comply with the terms of this Certificate is a breach of contract such that the Beneficiaries shall have the remedies provided under Section 736 of the California Code of Civil Procedure ("**Section 736**") for the recovery of damages and for the enforcement thereof. Pursuant to Section 736, any of the Covered Parties' action for recovery of damages or enforcement of this Agreement shall not constitute an action within the meaning of Section 726(a) of the California Code of Civil Procedure or constitute a money judgment for a deficiency or a deficiency or a deficiency judgment within the meaning of Sections 580a, 580b, or 726(b) of the California Code of Civil Procedure.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, Indemnitors have executed this Certificate as of the day and year first written above.

BORROWER:

**LA KRETZ INNOVATION CAMPUS, a
California
Nonprofit public benefit corporation**

By: _____

Name: _____

Title: _____

DATE: _____

LADWP:

**CITY OF LOS ANGELES, acting by and
through its DEPARTMENT OF WATER
AND POWER BY BOARD OF WATER
AND POWER COMMISSIONERS OF THE
CITY OF LOS ANGELES**

By: _____
Ronald O. Nichols
General Manager

Date: _____

And: _____
Barbara E. Moschos
Secretary

EXHIBIT A

Legal Description

15

NON DEBARMENT CERTIFICATE

NON DEBARMENT CERTIFICATE

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION LOWER TIER COVERED TRANSACTIONS

INSTRUCTIONS FOR CERTIFICATION

The undersigned executes this Certificate as of September [], 2013. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.

The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.

The terms covered transaction, debarred, suspended, ineligible, lower tier covered transactions, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.

The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 C.F.R. part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.

The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 C.F.R. part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from covered transactions, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties excluded from Federal Procurement and Nonprocurement Programs.

Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The

knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier coverage transaction with a person who is proposed for debarment under 48 C.F.R. part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

**CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND
VOLUNTARY EXCLUSION
LOWER TIER COVERED TRANSACTIONS**

(1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

(2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

**CITY OF LOS ANGELES, acting by and
through its DEPARTMENT OF WATER
AND POWER BY BOARD OF WATER
AND POWER COMMISSIONERS OF THE
CITY OF LOS ANGELES**

By: _____
Ronald O. Nichols
General Manager

Date: _____

And: _____
Barbara E. Moschos
Secretary

16

**ASSIGNMENT OF CONTRACTS,
ANCILLARY DOCUMENTS AND OTHER
RIGHTS**

**ASSIGNMENT OF CONTRACTS,
ANCILLARY DOCUMENTS AND OTHER RIGHTS**

THIS ASSIGNMENT OF CONTRACTS, ANCILLARY DOCUMENTS AND OTHER RIGHTS (this "**Assignment**") is executed as of the [__ day of August], 2013, by **LA KRETZ INNOVATION CAMPUS**, a California nonprofit public benefit corporation, with an address of 501 and 537 Hewitt Street and 516, 524 and 542 Colyton Street in the City of Los Angeles, County of Los Angeles, California 90013, Attention: Kelli Bernard ("**Borrower**"), in favor of **Clearinghouse NMTC (Sub 30), LLC**, a California limited liability company ("**Clearinghouse Sub 30**"), having an office at c/o Clearinghouse CDFI, 23861 El Toro Road, Suite 401, Lake Forest, CA 92630, Attention: Jay Harrison, and its successors and assigns; **Consortium America XXXIII, LLC**, a Delaware limited liability company ("**Consortium XXXIII**"), having an office at 3299 K Street, NW, Suite 700, Washington, DC 20007 Attention: Stefan Kershow, and its successors and assigns; **URP Subsidiary CDE XVII, LLC**, a Maryland limited liability company ("**URP XVII**"), having an office at c/o Townsend Capital, LLC, 11311 McCormick Road Suite 470, Hunt Valley, MD 21031, Attention: Josh Ferguson, and its successors and assigns; **LADF IX, LLC**, a California limited liability company ("**LADF IX**"), having an office at c/o Los Angeles Development Fund, 1200 W. 7th Street, 8th Floor, Los Angeles, CA 90017, Attention: Sandy Rahimi, and its successors and assigns; **USBCDE Sub-CDE 92, LLC**, a Missouri limited liability company ("**USB Sub 92**"), having an office at c/o USBCDC, 1307 Washington Ave, Suite 300, St. Louis, MO 63103, Attention: Director of Asset Management - NMTC, and its successors and assigns. Clearinghouse Sub 30, Consortium XXXIII, URP XVII, LADF IX, and USB Sub 92 are referred to together as "**Lender**".

Recitals

The following recitals are a material part of this Assignment:

A. Borrower and Lender are parties to that certain Loan Agreement of even date herewith (hereinafter, together with all amendments, modifications, replacements and restatements thereof, the "**Loan Agreement**"), pursuant to which Lender has agreed to make a loan to Borrower in the principal amount of [\$42,660,000] (the "**Loan**"), on the terms and conditions set forth in the Loan Agreement and for the purposes set forth therein.

B. To evidence and secure the Loan, Borrower has executed and delivered to Lender, among other documents and instruments:

(a) that certain promissory note dated of even date herewith from Borrower, as maker, to Clearinghouse Sub 30, as payee, in the maximum principal amount of [\$6,819,340] (as such note is renewed, replaced, consolidated, amended or otherwise modified from time to time, "**Clearinghouse Sub 30 A Note**");

(b) that certain promissory note dated of even date herewith from Borrower, as maker, to Clearinghouse Sub 30, as payee, in the maximum principal amount of [\$2,980,660] (as such note is renewed, replaced, consolidated, amended or otherwise modified from time to time, "**Clearinghouse Sub 30 B Note**");

(c) that certain promissory note dated of even date herewith from Borrower, as maker, to Consortium XXXIII, as payee, in the maximum principal amount of [\$5,123,537] (as such note is renewed, replaced, consolidated, amended or otherwise modified from time to time, "**Consortium XXXIII A Note**");

(d) that certain promissory note dated of even date herewith from Borrower, as maker, to Consortium XXXIII, as payee, in the maximum principal amount of [\$1,736,463] (as such note is renewed, replaced, consolidated, amended or otherwise modified from time to time, "**Consortium XXXIII B Note**");

(e) that certain promissory note dated of even date herewith from Borrower, as maker, to URP XVII, as payee, in the maximum principal amount of [\$9,053,208] (as such note is renewed, replaced, consolidated, amended or otherwise modified from time to time, "**URP XVII A Note**");

(f) that certain promissory note dated of even date herewith from Borrower, as maker, to URP XVII, as payee, in the maximum principal amount of [\$2,946,792] (as such note is renewed, replaced, consolidated, amended or otherwise modified from time to time, "**URP XVII B Note**");

(g) that certain promissory note dated of even date herewith from Borrower, as maker, to LADF IX, as payee, in the maximum principal amount of [\$6,819,340] (as such note is renewed, replaced, consolidated, amended or otherwise modified from time to time, "**LADF IX A Note**");

(h) that certain promissory note dated of even date herewith from Borrower, as maker, to LADF IX, as payee, in the maximum principal amount of [\$3,180,660] (as such note is renewed, replaced, consolidated, amended or otherwise modified from time to time, "**LADF IX B Note**");

(i) that certain promissory note dated of even date herewith from Borrower, as maker, to USB Sub 92, as payee, in the maximum principal amount of [\$2,636,000] (as such note is renewed, replaced, consolidated, amended or otherwise modified from time to time, "**USB Sub 92 A Note**");

(j) that certain promissory note dated of even date herewith from Borrower, as maker, to USB Sub 92, as payee, in the maximum principal amount of [\$1,364,000] (as such note is renewed, replaced, consolidated, amended or otherwise modified from time to time, "**USB Sub 92 B Note**" and together with Clearinghouse Sub 30 A Note, Clearinghouse Sub 30 B Note, Consortium XXXIII A Note, Consortium XXXIII B Note, URP XVII A Note, URP XVII B Note, LADF IX A Note, LADF IX B Note, and USB Sub 92 A Note, the "**Notes**"); and

(k) that certain Deed of Trust (with Assignment of Leases and Rents, Security Agreement and Fixture Filing) dated as of the date hereof, as amended (hereinafter, together with all further amendments, modifications, replacements and restatements thereof, the "**Deed of Trust**"), encumbering that certain real property located in Los Angeles, California, which property is more particularly described in Exhibit A attached hereto and made a part hereof (the "**Property**").

C. As a condition to the making of the Loan, Lender has required that Borrower assign, transfer and set over to Lender, and Borrower has agreed to assign, transfer and set over to Lender, all right, title and interest of Borrower in, to and under the Contracts and Ancillary Documents (as hereinafter defined) as additional security and collateral for the

payment and performance by Borrower of the Loan and all of Borrower's obligations under the Loan Agreement, the Notes, the Deed of Trust and the other Loan Documents (as such term is defined in the Loan Agreement).

NOW, THEREFORE, in consideration of the recitals set forth above and incorporated herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower hereby agrees as follows:

AGREEMENT

1. **Definitions.** All terms used in this Assignment shall have the definitions set forth in the Loan Agreement, unless such terms are otherwise defined herein.

2. **Assignment.** Borrower hereby grants, transfers and assigns to Lender all of its right, title and interest in and to and under the following:

(i) all construction, architectural, engineering, management, maintenance, franchise, service, supply, utility and other contracts and agreements relating to the Project, or the acquisition, development, construction, use, occupancy, operation, management, maintenance, enjoyment or ownership of the Project, or the provision of goods and/or services to the Project, now or hereafter executed by Borrower, including, without limitation, that certain Development Services Agreement ("**Development Services Agreement**"), by and between Borrower and the City of Los Angeles, a municipal corporation, acting by and through its Department of Water and Power, and all subcontracts related thereto, together with any and all extensions, modifications, amendments, and renewals thereof;

(ii) all supplemental agreements, operating agreements and any other contracts and agreements relating to the Project, or the acquisition, development, construction, use, occupancy, operation, management, maintenance, enjoyment or ownership of the Project, now or hereafter executed by Borrower, together with any and all extensions, modifications, amendments, and renewals thereof;

(iii) all guarantees, warranties and other undertakings covering the quality or performance of the construction and other work to the Project or the quality of materials used or to be used in the construction and other work to the Project;

(iv) all rights under any purchase contracts pursuant to which Borrower acquired the Project, and any and all extensions, modifications, amendments and renewals thereof;

(v) all plans and specifications and all construction, architectural, shop and other drawings, renderings and technical descriptions for the Project now or hereafter in existence, together with all revisions and modifications thereof and all drawings and notes related thereto (including, without limitation, all plans and specifications relating to the improvements, presently existing or to be constructed);

(vi) any and all tests, studies, surveys, audits, results or reports which have been or may hereafter be performed or prepared in connection with the Project;

(vii) all permits (including, without limitation building permits and governmental permits), licenses, certifications, entitlements and authorizations which have been or may hereafter be issued in connection with the acquisition, development, construction, use, occupancy, operation, management, maintenance, enjoyment or ownership of the Project (including, without limitation, all permits, licenses and authorizations obtained in connection with or relating to the improvements, presently existing or to be constructed);

(viii) any and all contracts or agreements relating to the items described in subparagraphs (v) through (vii) above, together with any and all extensions, modifications, amendments, and renewals thereof.

The items referred to in subparagraphs (i) through (iv) above are sometimes hereinafter collectively referred to as the "**Contracts**". The items referred to in subparagraphs (v) through (viii) above are sometimes hereinafter collectively referred to as the "**Ancillary Documents**". All parties to the Contracts and Ancillary Documents, except for Borrower, are hereinafter individually called a "**Party**", and are collectively called the "**Parties**".

This Assignment is given for the purpose of securing the payment of all sums, including, without limitation, the payment of principal and interest, due under the Notes, the Loan Agreement or any other Loan Documents which are now or at any time due Lender thereunder, and the performance and discharge of the obligations, covenants, conditions and agreements of Borrower contained herein and in the Loan Agreement, the Deed of Trust or in the other Loan Documents, and any extensions, modifications, amendments and renewals of any of the foregoing. Lender hereby grants to Borrower a revocable license to enjoy the benefits of and enforce the Contracts and Ancillary Documents. So long as there exists no Event of Default (as hereinafter defined) beyond any applicable cure period, Borrower will have the right under the license hereby granted to so enjoy the benefits of and enforce the Contracts and Ancillary Documents.

3. Obligations; Defaults; Liability; Further Assignment. Borrower agrees:

(a) That, to the extent applicable, it shall faithfully abide by, perform and discharge each and every material obligation, covenant, condition and agreement of the Contracts and Ancillary Documents to be performed by Borrower, and, to the extent applicable, it shall enforce, in a commercially reasonable manner, performance by the Parties thereto of each and every material obligation, covenant, condition and agreement to be performed by the Parties thereto.

(b) That the occurrence of any of the following shall constitute an Event of Default hereunder:

(i) any default by Borrower in the observance or performance of any obligation, covenant, condition or agreement hereof and such default continues for fifteen (15) calendar days after written notice from Lenders therefor;

(ii) any representation or warranty made by Borrower herein which is not true and correct in any material respect as of the date hereof and continues unremedied for fifteen (15) calendar days after written notice from Lenders therefor; or

(iii) the occurrence of any Event of Default (however defined or described) in any of the other Loan Documents, including, without limitation, the Loan Agreement and the Notes.

(c) That any Event of Default hereunder, as provided above, shall be deemed to be an Event of Default under all of the Loan Documents, including, without limitation, the Notes. Upon the occurrence of any Event of Default hereunder, Lender shall have the right (but not the obligation), without notice to or demand on Borrower: (1) to declare all amounts outstanding under the Notes and all other sums evidenced or secured by the Loan Documents, to be immediately due and payable; (2) to exercise any and all rights and remedies provided under the Loan Documents, or hereunder as well as such remedies as may be available at law or in equity; and (3) to correct any such default in such manner and to such extent as Lender may deem necessary to protect the security hereof, including, without limitation, the right (but not the obligation) to appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Lender, and also the right (but not the obligation) to perform and discharge each and every obligation, covenant, condition and agreement of Borrower under the Contracts and Ancillary Documents, and, in exercising any such powers, to pay necessary costs and expenses, employ counsel and incur and pay attorneys' fees and expenses. Lender shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under any of the Contracts and Ancillary Documents, by reason of this Assignment.

(d) That at any time after the occurrence of an Event of Default, Lender may, at its option, without notice, and without regard to the adequacy of security for the indebtedness hereby secured, either in person or by agent, with or without bringing any action or proceeding, or by a receiver to be appointed by a court at any time hereafter, (i) enforce for its own benefit the Contracts, or any of them, or (ii) enforce, own and possess for its own benefit the Ancillary Documents, or any of them. The exercise of any rights under this Assignment shall not be deemed to cure or waive any default under any of the Loan Documents, or waive, modify or affect any notice of default under any of the Loan Documents, or invalidate any act done pursuant to such notice.

(e) That the Parties, upon written notice from Lender of the occurrence of an Event of Default, shall be, and each hereby is, authorized by Borrower to perform the Contracts and the Ancillary Documents for the benefit of Lender in accordance with the terms and conditions thereof without any obligation to determine whether or not such an Event of Default has in fact occurred.

(f) That in the exercise of the powers herein granted to Lender, no liability shall be asserted or enforced against Lender, all such liability being hereby expressly waived and released by Borrower. Borrower hereby agrees to indemnify and hold Lender free and harmless from and against any and all liability, expense, cost, loss or damage which Lender may incur by reason of any act or omission of Borrower under any of the Contracts or with respect to any of the Ancillary Documents, or under or by reason of this Assignment and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertakings on Lender's part to perform or discharge any of the terms, covenants or agreements contained in any of the Contracts or in any of the Ancillary Documents. Should Lender incur any liability, expense, cost, loss or damage (1) under the Contracts or Ancillary Documents, or any of them, for which it is to be indemnified by Borrower as aforesaid, or (2) by reason of the exercise of Lender's rights hereunder (including but not limited to the exercise of the rights granted to Lender under Section 3(c) hereof), then the

amount thereof, including, but not limited to, costs and expenses (including litigation costs and reasonable attorneys' fees and disbursements), damages, obligations and liabilities of any nature whatsoever, shall be added to the indebtedness evidenced by the Notes and secured hereby and by the Deed of Trust and the other Loan Documents (regardless of whether such indebtedness, when aggregated with other sums secured by the Deed of Trust, then increases the outstanding balance of the Notes, to an amount in excess of the face amount thereof) and shall (a) be due and payable immediately upon demand by Lender, and (b) bear interest at the Default Rate set forth in the Notes.

(g) That this Assignment shall be assignable by Lender to any assignee of Lender under the Loan Agreement and all representations, warranties, covenants, powers and rights herein contained shall be binding upon, and shall inure to the benefit of, Borrower and Lender and their respective legal representatives, successors and assigns, including, in the case of Lender, all holders, from time to time, of the Notes.

4. **Additional Covenants, Representations.** Borrower further hereby covenants and represents to Lender that (i) Borrower has not previously assigned, sold, pledged, transferred, mortgaged, hypothecated or otherwise encumbered the Contracts or Ancillary Documents, or any of them, or its right, title and interest therein, and shall not do so, (ii) Borrower has not performed any act which might prevent Borrower from performing its undertakings hereunder or which might prevent Lender from operating under or enforcing any of the terms and conditions hereof or which would limit Lender in such operation or enforcement, (iii) Borrower is not in default under any of the Contracts or Ancillary Documents, and to the best knowledge of Borrower, none of the Parties is in default under any of the Contracts or Ancillary Documents, (iv) no amendment to the Development Services Agreement shall be made without the prior written consent of Lender, and (v) upon execution of any Contract or Ancillary Document, Borrower will deliver a copy of such Contract or Ancillary Document (or the original at Lender's request) to Lender and, if required by Lender, Borrower shall cause the Party thereto to execute and deliver to Lender a consent to this Assignment, such consent to be substantially the same as the form of Consent and Agreement attached hereto as Exhibit B.

5. **Release of Security.** This Assignment is made for collateral purposes only and the duties and obligations of Borrower under this Assignment shall terminate and be released when all sums due Lender under the Loan Documents are paid in full.

6. **Security Agreement. Borrower agrees:**

(a) (1) That this Assignment shall constitute a "**Security Agreement**" within the meaning of the Uniform Commercial Code of the State of California (the "**Code**") with respect to all of Borrower's right, title and interest, whether now existing or hereafter arising or acquired, in, to and under the Contracts and Ancillary Documents, and all replacements, substitutions and additions thereto, and the proceeds thereof (said Contracts and Ancillary Documents and all replacements, substitutions, additions and the proceeds thereof being collectively referred to in this Section 6 as the "**Collateral**"); (2) that a security interest in and to the Collateral is hereby granted to Lender; and (3) that all of Borrower's right, title and interest in the Collateral hereby assigned to Lender is to secure payment of the indebtedness evidenced

by, and to secure performance by Borrower of the terms, covenants and provisions of, the Notes and the other Loan Documents.

(b) If an Event of Default occurs hereunder, Lender, pursuant to the appropriate provisions of the Code, shall have an option to proceed with respect to both the real property encumbered by the Deed of Trust and the Collateral, in accordance with its rights, powers and remedies with respect to such real property, in which event the default provisions of the Code shall not apply. The Parties agree that if Lender shall elect to proceed with respect to the Collateral separately from such real property, Lender shall have all remedies available to a secured party under the Code and ten (10) days' notice of the sale of the Collateral shall be reasonable notice. The reasonable expenses of preparing for sale, selling and the like incurred by Lender shall include, but shall not be limited to, reasonable attorneys' fees and disbursements incurred by Lender.

(c) This Assignment shall be self-operative with respect to the security interest granted in the Collateral, but Borrower, upon request by Lender from time to time, agrees to execute, acknowledge and deliver to Lender a separate security agreement, financing statement or other similar security instruments, in form reasonably satisfactory to Lender, covering the Collateral, whenever in the sole opinion of Lender there may be any doubt whether the title to same has been conveyed by or security interest perfected by this Assignment under the laws of the State of California and will further execute, acknowledge and deliver or cause to be executed, acknowledged and delivered, any financing statement, affidavit, continuation statement or certificate or other document as Lender may request in order to perfect, preserve, maintain, continue and extend the security interest under and the priority of this Assignment and such security instrument. Borrower further agrees to pay to Lender on demand all costs and expenses incurred by Lender in connection with the preparation, execution, recording, filing and re filing of any such document. To the extent permitted by the provisions of the Code, now or hereafter in effect, Borrower hereby authorizes Lender, without the signature of Borrower, to execute and file any of the documents described in this Section 6 if Lender shall determine that such are necessary or advisable in order to perfect Lender's security interest in the Collateral.

7. **Notices.** All notices, demands, requests and other communications which are required or permitted to be given hereunder shall be in writing and shall be deemed sufficiently given when delivered or mailed in the manner set forth in the Loan Agreement.

8. **Governing Law.** This Assignment shall be governed by and construed under the internal laws of the State of California (as opposed to the laws of conflicts) applicable to contracts made and performed in such state and any applicable laws of the United States of America. To the greatest extent permitted by law, Borrower hereby waives any and all rights to require marshaling of assets by Lender.

9. **Captions.** The captions of this Assignment are for purposes of convenience only and are not intended to be a part of this Assignment and shall not be deemed to modify, explain, enlarge or restrict any of the provisions hereof.

10. **No Third Party Rights.** It is expressly intended, understood and agreed that this Assignment, and the other Loan Documents, are made and entered into for the sole protection and benefit of Borrower and Lender, and their respective successors and assigns; that no other person shall have any right at any time to action hereon or rights to the proceeds of the Loan; that the Loan proceeds do not constitute a trust fund for the benefit of any third party; that no

third party shall under any circumstances be entitled to any equitable lien on any undisbursed Loan proceeds at any time.

11. No Joint Venture. The relationship between Lender and Borrower is solely that of a lender and borrower, and nothing contained herein or in any of the Loan Documents shall in any manner be construed as making the parties hereto partners, joint venturers or any other relationship other than lender and borrower.

12. Severability. Borrower and Lender intend and believe that each provision in this Assignment comports with all applicable local, state or federal laws and judicial decisions. However, if any provision or provisions, or if any portion of any provision or provisions, in this Assignment is found by a court of law to be in violation of any applicable local, state or federal ordinance, statute, law, administrative or judicial decision or public policy, and if such court should declare such portion, provision or provisions of this Assignment to be illegal, invalid, unlawful, void or unenforceable as written, then it is the intent both of Borrower and Lender that such portion, provision or provisions shall be given force to the fullest possible extent that they are legal, valid and enforceable, that the remainder of this Assignment shall be construed as if such illegal, invalid, unlawful, void or unenforceable portion, provision or provisions were not contained therein and that the rights, obligations and interests of Borrower and Lender under the remainder of this Assignment shall continue in full force and effect.

13. WAIVER OF JURY TRIAL. TO THE FULLEST EXTENT PERMITTED BY LAW, AND AS SEPARATELY BARGAINED-FOR CONSIDERATION TO THE LENDER, BORROWER HEREBY WAIVES ANY RIGHT TO A TRIAL BY JURY (WHICH LENDER ALSO WAIVES) IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS ASSIGNMENT OR ANY OTHER LOAN DOCUMENT OR RELATING THERETO OR ARISING FROM THE LENDING RELATIONSHIP WHICH IS THE SUBJECT OF THIS ASSIGNMENT AND AGREE THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Borrower, intending to be legally bound hereby, has caused this Assignment to be duly executed as of the day and year first above written.

BORROWER:

LA KRETZ INNOVATION CAMPUS, a California
nonprofit public benefit corporation

By: _____

Name:
Title:

EXHIBIT A

Legal Description of Property

50072529.2
QLICI Assignment of Contracts (La Kretz)

EXHIBIT B

FORM OF CONSENT TO ASSIGNMENT OF PLANS, SPECIFICATIONS,
CONSTRUCTION AND SERVICE CONTRACTS, LICENSES AND PERMITS

See attached Consent and Agreement of City of Los Angeles, a municipal corporation,
acting by and through its Department of Water and Power

B - 1

CONSENT AND AGREEMENT
OF
THE CITY OF LOS ANGELES, acting by and through its
DEPARTMENT OF WATER AND POWER

The undersigned City of Los Angeles, a municipal corporation, acting by and through its Department of Water and Power, under that certain Development Services Agreement dated on or about _____, 2013 (the "**Agreement**"), which is one of the Contracts referred to in that certain Assignment of Contracts, Ancillary Documents and Other Rights dated as of _____, 2013 (the "**Assignment**"), from **LA KRETZ INNOVATION CAMPUS**, a California nonprofit public benefit corporation ("**Borrower**"), to and for the benefit of **Clearinghouse NMTC (Sub 30), LLC**, a California limited liability company ("**Clearinghouse Sub 30**"), and its successors and assigns, **Consortium America XXXIII, LLC**, a Delaware limited liability company ("**Consortium XXXIII**"), and its successors and assigns, **URP Subsidiary CDE XVII, LLC**, a Maryland limited liability company ("**URP XVII**"), and its successors and assigns, **LADF IX, LLC**, a California limited liability company ("**LADF IX**"), and its successors and assigns, and **USBCDE Sub-CDE 92, LLC**, a Missouri limited liability company ("**USB Sub 92**"), and its successors and assigns (USB Sub 92, with Clearinghouse Sub 30, Consortium XXXIII, URP XVII, and LADF IX referred to together as "**Lender**"), hereby consents to the terms of the Assignment relating to the Agreement and agrees that, upon receipt of written notice from Lender, or its successors or assigns, that an Event of Default has occurred under the Assignment, it will perform all of its obligations, covenants, conditions and agreements under the Agreement for the benefit of Lender and its successors and assigns (including, without limitation, any subsequent owner of the Property (as defined in the Assignment), so long as Lender or its successors and assigns performs the duties and obligations of Borrower under the Agreement and continues to fund loan proceeds in accordance with the Loan Agreement (as described and defined in the Assignment); provided, however, Lender shall have no obligation to cure defaults of Borrower under the Agreement and such defaults shall not excuse the undersigned from its obligation to perform under the Agreement. The undersigned also agrees that no amendments to the Agreement, including but not limited to, any addenda, modifications or consents to change orders, shall be made or given without the express written consent of Lender, except as authorized by the Loan Agreement (as described and defined in the Assignment). In the event any amendments are made to the Agreement without the express written consent of Lender, the undersigned hereby acknowledges that the Lender shall not be bound by such amended provisions to the Agreement, in the event Lender succeeds to the Borrower's interest thereunder.

The undersigned represents and warrants to Lender as of the date executed by the undersigned that (i) the undersigned has reviewed and approved in all respects the existing plans and specifications for the redevelopment and improvements to the Property, (ii) the Agreement is in full force and effect and has not been modified or amended, and (iii) the undersigned has not sent or received any notice of default or any notice for the purpose of terminating the Agreement, nor is there any existing circumstance or event which, but for the lapse of time or otherwise, would constitute a default by the undersigned or Borrower under the Agreement.

For purposes of the Assignment and this Consent and Agreement, all notices, requests, demands, consents, confirmations or other communications hereunder shall be in writing and delivered (i) in person, by messenger or overnight courier, (ii) by registered or certified mail, return receipt requested and postage prepaid, or (iii) by facsimile, to the applicable party at its address or facsimile number set forth below, or at such other address or

facsimile number as such party hereafter may designate as its address for communications hereunder by notice so given. Such notices and communications shall be deemed delivered upon receipt (or refusal to accept delivery) provided that all notices and communications sent by facsimile shall also be evidenced by the facsimile machine's confirmation identifying the recipient's facsimile number and transmission and provided further that all notices or other communications sent by facsimile shall also delivered by another means permitted by under this paragraph.

If to Lender:

Clearinghouse NMTC (Sub 30), LLC
c/o Clearinghouse CDFI
23861 El Toro Road, Suite 401
Lake Forest, CA 92630
Attention: Jay Harrison
Facsimile: (949) 859-8534

With copies to:

Bergman and Allderdice
1200 Wilshire Blvd., Suite 610
Los Angeles, California 90017
Attention: Beth Bergman
Facsimile: (213) 947-4371

And:

Consortium America XXXIII, LLC
3299 K Street, NW, Suite 700
Washington, D.C. 20007
Attention: Stephan Kershow
Facsimile: (202) 333-3323

With copies to:

Dentons US LLP
233 South Wacker Drive, Suite 7800
Chicago, IL 60606-6306
Attention: Scott Lindquist
Facsimile: (312) 876-7934

And:

URP Subsidiary CDE XVII, LLC
c/o Townsend Capital, LLC
11311 McCormick Road Suite 470
Hunt Valley, MD 21031
Attention: Josh Ferguson
Facsimile: (410) 321-1901

With copies to:

Nixon Peabody LLP
401 9th Street NW, Suite 900
Washington, DC 20004-2128
Attention: Andrew Potts
Facsimile: (866) 261-8275

And:

USBCDE Sub-CDE 92, LLC
c/o USBCDC
1307 Washington Avenue, Suite 300
St. Louis, MO 63103
Project #22607
Attention: Director of Asset
Management NMTC
Facsimile: (314) 335-2602

With copies to:

Bocarsly Emden Cowan Esmail &
Arndt LLP
633 West Fifth Street, 70th Floor
Los Angeles, CA 90071
Attention: Eugene Cowan
Facsimile: (213) 559-0751

And:

LADF IX, LLC
c/o Los Angeles Development Fund
1200 W. 7th Street, 8th Floor
Los Angeles, CA 90017
Phone: (213) 808-8959
Attention: Sandra Rahimi
Sandra.Rahimi@lacity.org

With copies to:

Bergman and Allderdice
1200 Wilshire Blvd., Suite 610
Los Angeles, California 90017
Attention: Beth Bergman
Facsimile: (213) 947-4371

If to the undersigned:

City of Los Angeles, acting by and
through its Department of Water and
Power
111 North Hope Street
Los Angeles, CA 90012-2607
Facsimile: []

The undersigned also agrees that in the event of a breach by Borrower of any of the terms and conditions of the Agreement, the undersigned will give Lender written notice of such breach and the opportunity to remedy or cure such breach within sixty (60) days thereafter, except that the undersigned agrees that no default shall be deemed to have occurred if curing

such default cannot reasonably by its nature be accomplished in such sixty (60) day period, so long as Lender shall have commenced curing the same within such sixty (60) day period and thereafter shall diligently and continuously prosecute the same to completion.

[Remainder of Page Intentionally Left Blank]

[Signature Page Follows]

IN WITNESS WHEREOF, this Agreement has been duly executed by the undersigned and delivered to Lender.

CITY OF LOS ANGELES, acting by and through its DEPARTMENT OF WATER AND POWER BY BOARD OF WATER AND POWER COMMISSIONERS OF THE CITY OF LOS ANGELES

By: _____
Ronald O. Nichols
General Manager

Date: _____

And: _____
Barbara E. Moschos
Secretary