** Revised **

Carson Reclamation Authority
Special Meeting

AUGUST 18, 2026
701 East Carson Street
City Hall

4:00 PM

This Agenda and corresponding staff reports can be found on the City of Carson website at www.ci.carson.ca.us

"In accordance with the Americans with Disabilities Act of 1990, if you require a disability related modification or accommodation to attend or participate in this meeting, including auxiliary aids or services, please call the City Clerk's office at 310-952-1720 at least 48 hours prior to the meeting." (Government Code Section 54954.2)

PUBLIC INFORMATION

The public may address the members of the Carson Reclamation Authority on matters within the jurisdiction of the Authority during the designated public comment periods. There will be two oral communication sessions: one on items ON the agenda, and another on the matters NOT on the agenda. The Oral Communications portion of the agenda is limited to one hour, with comments from each speaker limited to 3 minutes depending on the number of speakers, unless otherwise approved by the board.

IF YOU ARE NOT ABLE TO ATTEND THE MEETING IN-PERSON, PUBLIC COMMENTS CAN BE SUBMITTED BEFORE THE MEETING VIA:

- **Email:** **cityclerk@carsonca.gov** (up to 2 hours prior to the start of the meeting).
- **Written:** Delivered to the City Clerk's Office at City Hall (up to 2 hours prior to the start of the meeting).

Emailed and written comments received by the City Clerk's Office may not be read aloud during the meeting but will be provided to the Board and incorporated into the record.

PUBLIC VIEWING OF THIS MEETING WILL BE AVAILABLE BY:

- **Livestream: www.carsonca.gov**
- **YouTube: www.youtube.com/@CityofCarsonCalifornia**
- **Cable TV: Spectrum (Channel 35) and ATT (Channel 99)**

RULES OF DECORUM:

1. *No person attending a Public Meeting shall engage in disorderly or boisterous conduct, including but not limited to applause, whistling, stamping of feet, booing, or making any loud, threatening, profane, abusive, personal, impertinent, or slanderous utterance-that disturbs, disrupts, or otherwise impedes the orderly conduct of the meeting.*
2. *All remarks by members of the public shall be addressed to the Mayor or the Chair and not to any other member of the public or to any single Council, Board or Commission Member unless in response to a question from that Member.*
3. *Signs, placards, banners, or other similar items shall not be permitted in the audience during a Public Meeting if the presence of such item disturbs, disrupts or otherwise impedes the orderly conduct of the meeting.*
4. *All persons attending a Public Meeting shall remain seated in the seats provided, unless addressing the body at the podium or entering or leaving the meeting.*

5. *All persons attending a Public Meeting shall obey any lawful order of the Presiding Officer to enforce the Rules of Decorum.*

- *Treat everyone courteously*
- *Listen to others respectfully*
- *Exercise self-control*
- *Give open-minded consideration to all viewpoints*
- *Focus on the issues and avoid personalizing debate*
- *Embrace respectful disagreement and dissent as democratic rights that are inherent components of an inclusive public process and rolls for forging sound decisions*

Everyone is urged to take appropriate health safety precautions before entering Carson City Hall. Wearing a mask is not required but highly recommended for those who are experiencing any airborne illness symptoms.

CALL TO ORDER: CARSON RECLAMATION AUTHORITY (4:00PM)

ROLL CALL (AUTHORITY SECRETARY)

FLAG SALUTE

INVOCATION

ORAL COMMUNCIATIONS FOR MATTERS LISTED ON THE AGENDA (MEMBERS OF THE PUBLIC)

The public may address the members of the Carson Reclamation Authority on any matters within the jurisdiction of the Carson Reclamation Authority. No action may be taken on non-agendized items except as authorized by law. Speakers are limited to no more than three minutes, speaking once.

DISCUSSION

1. CONSIDER APPROVAL OF RESOLUTION NO. 26-12-CRJPA, CREATING THE POSITION OF CHIEF OPERATING OFFICER

   RECOMMENDED ACTION

   — 1. WAIVE further reading and ADOPT Resolution No. 26-12-CRJPA, "A RESOLUTION OF THE CARSON RECLAMATION AUTHORITY BOARD, CREATING THE POSITION OF CHIEF OPERATING OFFICER"; and,

   — 2. DIRECT staff to return with related and required updates to the Carson Reclamation Authority Bylaws to integrate authorities of the Chief Operating Officer position; and,

   — 3. DIRECT staff to return with an Employment Agreement for Dr. Robert Lennox to ratify his appointment as the Chief Operating Officer of the Carson Reclamation Authority.

2. CONSIDER RESOLUTION NO. 26-13-CRJPA, APPROVING AN EB-5 LOAN AGREEMENT BETWEEN THE CARSON RECLAMATION AUTHORITY AND CANAM CALIFORNIA REGIONAL CENTER, LP IX ("LENDER"), IN AN AMOUNT NOT TO EXCEED ONE HUNDRED EIGHTY MILLION DOLLARS ($180,000,000) FOR THE PURPOSE OF INSTALLING REMEDIAL SYSTEMS ON CELLS 4 AND 5, AND A PORTION OF CELL 3, OF THE FORMER CAL COMPACT LANDFILL IN THE CITY OF CARSON

RECOMMENDED ACTION

— 1. APPROVE RESOLUTION NO. 26-13-CRJPA, APPROVING AN EB-5 LOAN AGREEMENT BETWEEN THE CARSON RECLAMATION AUTHORITY AND CANAM CALIFORNIA REGIONAL CENTER, LP IX ("LENDER"), IN AN AMOUNT NOT TO EXCEED ONE HUNDRED EIGHTY MILLION DOLLARS ($180,000,000) FOR THE PURPOSE OF INSTALLING REMEDIAL SYSTEMS ON CELLS 4 AND 5, AND A PORTION OF CELL 3, OF THE FORMER CAL COMPACT LANDFILL IN THE CITY OF CARSON

— 2. AUTHORIZE the Executive Director to execute the Loan Agreement and Promissory Note and any ancillary documents subject to approval as to form by the Authority Counsel.

ORAL COMMUNICATIONS (AUTHORITY MEMBERS)

ADJOURNMENT

Date Posted: August 17, 2026

Carson Reclamation Authority

701 East Carson Street

Report to Carson Reclamation Authority

Tuesday, August 18, 2026, 4:00 PM

DISCUSSION 1.

To: Carson Reclamation Authority

From: John Raymond, Executive Director

Subject: CONSIDER APPROVAL OF RESOLUTION NO. 26-12-CRJPA, CREATING THE POSITION OF CHIEF OPERATING OFFICER

I. SUMMARY

Staff is proposing the creation of the position of Chief Operating Officer ("COO") for the Authority, providing direction and oversight of the Executive Director and staff operations, up to 50% time. This COO position would supervise the Executive Director's scope of work, oversee complex financial, contractual, and administrative duties and working with City and CRA staff and consultants responsible for facilitating the remediation and development of the site. The COO would be responsible for the points of connection between the CRA and the City of Carson, including Finance, Land Use, Administration, and others.

Description of the duties is included below.

II. RECOMMENDATION

TAKE the following actions:

1. **WAIVE** further reading and **ADOPT** Resolution No. 26-12-CRJPA, "A RESOLUTION OF THE CARSON RECLAMATION AUTHORITY BOARD, CREATING THE POSITION OF CHIEF OPERATING OFFICER"; and,
2. **DIRECT** staff to return with related and required updates to the Carson Reclamation Authority Bylaws to integrate authorities of the Chief Operating Officer position; and,
3. **DIRECT** staff to return with an Employment Agreement for Dr. Robert Lennox to ratify his appointment as the Chief Operating Officer of the Carson Reclamation Authority.

III. ALTERNATIVES

TAKE another action the Board deems appropriate.

IV. BACKGROUND

On January 20, 2015, the governing Boards of the Carson Housing Authority and Carson Community Facilities Districts Nos. 2012-1 and 2012-2 ("CFDs") approved each Board's authority to enter into an agreement for the formation of the Carson Reclamation Authority (“Authority”) for the purpose of overseeing, and facilitating the remediation of contaminated properties in the City of Carson; this was achieved pursuant to the Joint Exercise of Powers Act, commencing with section 6500 et seq. of the Government Code. The Authority’s Joint Powers Agreement was adopted on February 17, 2015 and amended on March 17, 2015 (as so amended, the “Joint Powers Agreement of the Carson Reclamation Authority”), which designates the powers and authority of the Authority. The Authority’s Board also adopted Bylaws of the Authority on February 17, 2015, in order to set forth the rules, principles, and governing structure of the Authority, which Bylaws were amended in 2016, 2021, and 2026.

The Bylaws establish the position of Executive Director, who is responsible for carrying out the day to day functions of the Authority. Over the past 11 years, those functions have increased in number and in complexity while the Authority's direct staff has remained small: the Executive Director and the Executive Assistant. The Authority relies on a series of contracts for legal work as well as Site Management, O&M of the remedial systems, and construction of the site infrastructure including Lenardo Drive. The Authority is also negotiating several agreements with its development partner on the site, Carson Goose Owner, LLC, that would result in hundreds of millions of dollars in new infrastructure work eventually leading to the 157 acre former Cal Cal Compact Landfill site ("CCLF") being fully developed.

<u>Creation of the COO Position</u>

There has been a need for the past several years for organizational oversight and assistance to the Authority, particularly at the senior level. Staff is proposing the creation of the position of Chief Operating Officer ("COO") operating at a level above of the Executive Director, and up to 50% time. This position would provide supervision over and accountability for the Executive Director's scope of work, overseeing or assisting with performing complex financial, contractual, and administrative duties and working with City and CRA staff and consultants responsible for facilitating the remediation and development of the site. The COO would be responsible for the points of connection between the CRA and the City of Carson, including Finance, Land Use, Administration, and others.

The COO's primary responsibilities would include:

1. Assume responsibility for the Authority’s budget and accounting functions (budget, cash flow, claims and demands, accounts payable/accounts receivable, annual and special audits, and Treasurer’s Reports) including the reconciliation of charges against contract terms and the management of contracts between the Authority and the City of Carson;
2. Assume responsibility for Authority or CCLF projects handled by Community Development, including project entitlements, site plan review, CEQA determinations, Specific Plan conformance and changes, Mitigation Monitoring and Reporting Programs, Development Agreements, Surplus Land Act ("SLA") declarations and the SLA process, plan checking and building permits, Developer Impact Fee Agreements, and the mapping and subdivision process; work with the legal team on any Validation Action taken pursuant to any these actions;
3. Work with the insurance team on the annual renewals and purchase of new coverages under the Authority’s insurance program, including the renewals of D&O policy, property insurance, pollution legal liability insurance, contractor pollution liability insurance, builder’s risk insurance, and others;
4. Working with the legal team, consultants, and development partners on the long-term financing plan for the Authority, such as the restructuring of Community Facilities Districts 2012-1 and 2012-2 (“CFDs”) including the financial modeling of future O&M costs and the establishment of the rate and method of allocation; develop, update, and maintain the carry cost model for post-closure O&M; and include other revenue factors such as EIFD participation and the construction of a freeway pylon sign on the Cell 2 embankment;
5. Through CRA staff, assume responsibility for the Authority’s administrative functions including the Authority's Agenda and minutes; updating the Conflict of Interest Code and Biennial Reviews; updating the Authority's Bylaws; overseeing the Authority's Records Retention Policy; and professionalizing the

Authority's public outreach effort including developing an Authority website and regular public updates to keep the community informed;

Authority to Create Positions

Section 3.02 of the Bylaws allows for the Board of the Authority to elect or authorize the appointment of additional employees and staff to assist in the business of the Authority, each of whom shall hold office for such period, have such authority and perform such duties as the Board from time to time may authorize by resolution or by contract. As such, the proposed Resolution No. 26-12-CRJPA establishes the position of Chief Operating Officer. On August 3, 2026, the Board considered the same resolution but ultimately decided to postpone adoption until the COO job scope and responsibilities could be further reviewed by staff. The attached Duties and Responsibilities represents staff's final review of the position description.

It should be noted that although this resolution does create the position and its assumed tasks, staff will need to return to the Board with an additional resolution to update the Authority's Bylaws to incorporate the COO role and authority within the organization. Additionally, During the August 3, 2026 meeting the Board appointed Dr. Robert Lennox to the COO position, with expectation that the position description would return with the attached updates. The Board will also need to formally ratify the appointment of Dr. Lennox by approving an employment agreement at the next regular meeting.

V. FISCAL IMPACT

A resolution amending the FY 2026-27 Authority Budget will be presented at the next regular meeting of the Authority incorporating the COO salary into the current year's budget.

VI. EXHIBITS

1. Resolution No. 26-12-CRJPA - Creation of the Carson Reclamation Authority Chief Operating Officer
2. Chief Operating Officer Job Specification (Attachment 1 to Resolution No. 26-12-CRJPA)

Attachments

CRA Chief Operating Officer Resolution No. 26-12-CRJPA

CRA - Chief Operating Officer Job Specifications

RESOLUTION NO. 26-12-CRJPA

A RESOLUTION OF THE CARSON RECLAMATION AUTHORITY BOARD CREATING THE POSITION OF CHIEF OPERATING OFFICER

WHEREAS, on January 20, 2015, the governing Boards of the Housing Authority and Carson Community Facilities Districts Nos. 2012-1 and 2012-2 ("CFDs") approved each Board's authority to enter into an agreement for the formation of the Carson Reclamation Authority (“Authority”) for the purpose of overseeing, and facilitating the remediation of contaminated properties in the City of Carson; this was achieved pursuant to the Joint Exercise of Powers Act, commencing with section 6500 et seq. of the Government Code; and

WHEREAS, the Authority’s Joint Powers Agreement was adopted on February 17, 2015 and amended on March 17, 2015 (as so amended, the “Joint Powers Agreement of the Carson Reclamation Authority”), which designates the powers and authority of the Authority; and

WHEREAS, the Authority’s Board also adopted Bylaws of the Authority on February 17, 2015, in order to set forth the rules, principles, and governing structure of the Authority; and

WHEREAS, the Authority’s Bylaws were subsequently amended by Resolution No. 16-10-CRJPA adopted by the Authority Board on June 8, 2016, and by Resolution No. 21-02-CRJPA, adopted by the Authority Board on May 21, 2021; and

WHEREAS, on February 2, 2026 the Authority Bylaws were amended and restated by Resolution No. 26-03-CRJPA; and

WHEREAS, Section 3.02 of the Bylaws allows for the Board of the Authority to elect or authorize the appointment of additional employees and staff to assist in the business of the Authority, each of whom shall hold office for such period, have such authority and perform such duties as the Board from time to time may authorize by resolution or by contract.

NOW, THEREFORE, THE BOARD OF THE CARSON RECLAMATION AUTHORITY OF THE CITY OF CARSON, CALIFORNIA, DOES RESOLVE AS FOLLOWS:

Section 1. The foregoing recitals are true and correct and are incorporated by reference herein.

Section 2. This Resolution 26-12-CRJPA is hereby approved, which creates the position of Chief Operating Officer, which duties and responsibilities are described in Attachment 1 attached hereto.

Section 3. All other provisions of the Bylaws remain unchanged.

Section 4. The Authority hereby authorizes and directs staff to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution, the Bylaws of the Authority, and the Joint Powers Agreement of the Carson Reclamation Authority.

Section 5. The Secretary of the Authority shall certify the adoption of this Resolution.

PASSED, APPROVED and **ADOPTED** at a regular meeting of the Carson Reclamation Authority on this 18th day of August 2026.

____
Lula Davis-Holmes, Chair

ATTEST:

____
Authority Secretary

APPROVED AS TO FORM:

____
Authority Counsel

ATTEST

I, _______________, Secretary of the Carson Reclamation Authority, hereby attest to and certify that the foregoing resolution is the original resolution adopted by the Carson Reclamation Authority at its regular meeting held on the 18th day of August, 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

____
Authority Secretary

Chief Operating Officer (COO)

Job Summary/Class Description:
Under the direction of the Carson Reclamation Authority Board of Directors, serve as the chief administrator to oversee, manage, and perform complex operational, financial, contractual, and administrative functions. Direct daily operational activities and serve as the primary operational link and point of connection between the City of Carson and the Carson Reclamation Authority, aligning operations across Finance, Land Use, Administration, and interagency initiatives. Lead cross-functional efforts involving City staff, authority personnel, legal counsel, and technical consultants to facilitate major municipal remediation, land use, and development projects—including the environmental remediation and economic redevelopment of former landfill sites into productive commercial and public assets. Ensure full organizational alignment with policy directives, established bylaws, and applicable municipal, state, and federal laws.

ESSENTIAL DUTIES

(These functions are representative and may not be present in all positions in the class. Management reserves the right to add, modify, change or rescind related duties and work assignments.)

1. **Strategic & Operational Leadership:** Plan, organize, and direct day-to-day operations and administrative functions across assigned departments and municipal authorities. Serve as the key liaison integrating operations, Land Use, Finance, and Administration between the City and governing boards.
2. **Financial Management & Fiscal Oversight:** Assume primary responsibility for authority and departmental budget preparation, cash flow forecasting, accounts payable/receivable, claims and demands, and annual audits. Oversee contract reconciliations, Treasurer's Reports, carry-cost modeling for post-closure operations and maintenance (O&M), and revenue enhancement strategies including Enhanced Infrastructure Financing District (EIFD) participation and regional asset initiatives.
3. **Land Use, Entitlements & Environmental Remediation:** Direct high-level municipal development and remediation projects. Oversee project entitlements, site plan reviews, California Environmental Quality Act (CEQA) determinations, Specific Plan conformance, Mitigation Monitoring and Reporting Programs (MMRP), Development Agreements, Surplus Land Act (SLA) declarations/compliance, plan checks, building permits, Development Impact Fees, and mapping/subdivision processes.
4. **Long-Term Capital Financing & Legal Coordination:** Collaborate with legal counsel, financial advisors, and development partners on complex long-term financing plans. Direct the restructuring of Community Facilities Districts (CFDs), establish rates and methods of allocation, model post-closure operational costs, and assist with validation actions or legal proceedings.
5. **Risk Management & Insurance Program Administration:** Work directly with risk management and insurance specialists to negotiate, purchase, and renew comprehensive insurance coverages, including Directors & Officers (D&O), general property, pollution legal liability, contractor pollution liability, builder's risk, and related municipal liability policies.

6. **Executive Administration & Public Governance:** Manage formal Board governance processes, including agenda preparation, official minutes, Conflict of Interest Code updates, biennial reviews, Bylaw revisions, and Records Retention Policies. Professionalize civic outreach programs by developing official websites and regular community updates.
7. **Personnel & Interdepartmental Direction:** Direct, evaluate, and supervise executive, administrative, and technical staff; participate in recruitment; review and approve personnel and disciplinary actions according to policy guidelines.
8. **Interagency & Community Engagement:** Represent the organization before governing boards, city councils, local businesses, state/federal regulatory bodies, and public community meetings. Negotiate and maintain contracts with external service providers and government agencies.
9. **Board Support & Related Duties:** Prepare complex reports and recommendations for governing boards; perform related executive and operational duties as directed by the governing Board.

MINIMUM QUALIFICATIONS

To perform this job successfully, an individual must be able to perform each essential duty satisfactorily. The requirements listed below are representative of the knowledge, skill, and/or ability required. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

Education & Experience:
Graduation from an accredited four-year college or university with major coursework in public administration, business administration, finance, urban planning, or a closely related field. Five (5) years of increasingly responsible executive or administrative experience in municipal management, fiscal control, public sector contract oversight, or large-scale land remediation and development projects.

Knowledge of:
- Advanced principles and practices of municipal management, administrative leadership, and executive authority governance.
- Complex public financing mechanisms, including Community Facilities Districts (CFD), Enhanced Infrastructure Financing Districts (EIFD), carry-cost modeling, and capital project budgeting.
- California entitlement processes, environmental regulations (including CEQA), land use mapping, Specific Plans, Development Agreements, and the Surplus Land Act (SLA).
- Public risk management principles, municipal liability, and specialized public/environmental insurance products (e.g., Pollution Legal Liability, Builder's Risk, D&O).
- Government transparency laws, Conflict of Interest Codes, public record retention, and official agenda/minutes procedures.
- Municipal budget formulation, cash flow monitoring, financial auditing, and accounts payable/receivable control.

Skills & Ability to:

- Lead and integrate complex municipal operations, land remediation, and public-private development initiatives.
- Manage long-term public financing structures, financial models, and multi-million dollar operational budgets.
- Interpret and enforce statutory regulations, legal contracts, CEQA mandates, and municipal land use policies.
- Coordinate effectively with legal teams, financial consultants, environmental engineers, developers, and regulatory officials.
- Oversee comprehensive insurance programs and mitigate municipal liability.
- Establish and maintain effective public outreach programs and clear communication channels with community stakeholders.
- Direct, evaluate, and mentor multi-disciplinary professional staff.
- Prepare clear, concise, and persuasive reports, policies, and board presentations.

License & Certificates:

Possession of a valid California Class C driver's license. Employees in this classification will be enrolled in the Department of Motor Vehicles (DMV) Government Employer Pull Notice Program which confirms possession of a valid driver's license and reflects driving record.

WORKING CONDITIONS

Physical Requirements & Working Conditions:

Employee accommodations for physical or mental disabilities will be considered on a case-by-case basis. Positions in this class normally:

- Require vision (which may be corrected) to read small print
- Perform work which is primarily sedentary
- Interacts with personnel and data through physical and virtual means
- Must be available to work on Board meeting days/evenings
- May be required to use personal vehicle in the course of employment.
- Is subject to inside and outside environmental conditions.
- May be required to attend periodic evening meetings and/or to travel within and out of City boundaries to attend meetings.
- May be required to work holidays, evenings or weekends.

Carson Reclamation Authority

701 East Carson Street

Report to Carson Reclamation Authority

Tuesday, August 18, 2026, 4:00 PM

DISCUSSION 2.

To: Carson Reclamation Authority

From: John S. Raymond, Executive Director

Subject: CONSIDER RESOLUTION NO. 26-13-CRJPA, APPROVING AN EB-5 LOAN AGREEMENT BETWEEN THE CARSON RECLAMATION AUTHORITY AND CANAM CALIFORNIA REGIONAL CENTER, LP IX ("LENDER"), IN AN AMOUNT NOT TO EXCEED ONE HUNDRED EIGHTY MILLION DOLLARS ($180,000,000) FOR THE PURPOSE OF INSTALLING REMEDIAL SYSTEMS ON CELLS 4 AND 5, AND A PORTION OF CELL 3, OF THE FORMER CAL COMPACT LANDFILL IN THE CITY OF CARSON

I. SUMMARY

This action approves a Loan Agreement between the Authority and CanAm California Regional Center, LLC IX, (the “Lender”) as a "public infrastructure project" under the EB-5 Program in an amount of up to $180,000,000 (the **“**Loan”), subject to and in accordance with the terms and conditions of the Agreement and the other Loan Documents.

The EB-5 Loan Program is a program under the US Customs & Immigration Service ("USCIS") that permits foreign citizens to receive lawful permanent resident status in the United States in exchange for making a minimum capital investment of Eight Hundred Thousand Dollars ($800,000) in a new commercial enterprise that will create at least ten (10) direct and/or indirect full-time jobs per minimum investment unit in an area designated by the USCIS as a “regional center." Regional Centers exist to find and qualify investors, and then make and administer loans to US businesses on behalf of the investors. To raise the $180,000,000 needed for this phase of the project, that’s 225 investors.

The Program permits foreign citizens to receive lawful permanent resident status in the United States in exchange for making a minimum capital investment of Eight Hundred Thousand Dollars ($800,000) in a new commercial enterprise that will create at least ten (10) direct and/or indirect full-time jobs per minimum investment unit in an area designated by the USCIS as a “regional center”; and

The Authority’s obligations under the Loan will be secured by, among other things, a Construction Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing, (collectively, the “Deed of Trust”) to be executed by Authority for the benefit of Lender, pursuant to which Lender shall be granted a first-priority security interest in the “Premises” (as defined in the Deed of Trust consisting of the Surface Lots of Cell 3, 4 and 5, except for the Landfill Operations Center).

Given the size of the EB-5 loan, the Authority was understandably concerned about risk and negotiated with Carson Goose Owner, LLC ("CGO"), the developer of Cells 3, 4, and 5, that they or an affiliate provide a loan guarantee, a completion guarantee (backstopping cost overruns), and a guarantee to make all the debt service payments and pay off the loans at maturity. Some of those guarantees are described in the Loan Agreement and the rest are in a separate document, the Loan Support Agreement. Given that CGO and their affiliates are fully guaranteeing the Authority's obligations, CGO wanted to be able to control the work on the EB-5 project and the Authority agreed. The Loan Support Agreement names CGO as the Project Manager and Hines (an international development and construction firm) as Construction Manager.

The effectiveness of this Agreement and the execution and delivery of certain Loan Documents shall occur on the Closing Date, which will occur soon after approval, while the delivery of certain other Loan Documents and the availability of the Initial Advance shall be conditioned upon the satisfaction of additional conditions precedent as set forth in Section 3.2 of the Loan Agreement, and that the Authority bears no liability to Lender if the Initial Advance is never made because one or more of the Conditions Precedent were not met. These conditions precedent include the completion of the Amended & Restated Option Agreements, certain entitlements on the Project Site, and other actions.

The Loan would be to administer and oversee the “Environmental Remediation Work” described below. Also part of the overall EB-5 Project is the construction of certain roads and related site improvements (Lenardo and Stamps Drives) at the Project Site (collectively, the “Public Roadway Work”), which is already underway and is funded by the City and the Authority and not EB-5 Loan Proceeds. The Environmental Remediation Work and the Public Roadway Work together comprise the “Project,” which is structured to meet the definition of “infrastructure project” under the Program.

II. RECOMMENDATION

1. APPROVE CONSIDER RESOLUTION NO. 26-13-CRJPA, APPROVING AN EB-5 LOAN AGREEMENT BETWEEN THE CARSON RECLAMATION AUTHORITY AND CANAM CALIFORNIA REGIONAL CENTER, LP IX ("LENDER"), IN AN AMOUNT NOT TO EXCEED ONE HUNDRED EIGHTY MILLION DOLLARS ($180,000,000) FOR THE PURPOSE OF INSTALLING REMEDIAL SYSTEMS ON CELLS 4 AND 5, AND A PORTION OF CELL 3, OF THE FORMER CAL COMPACT LANDFILL IN THE CITY OF CARSON

2. AUTHORIZE the Executive Director to execute the Loan Agreement and Promissory Note and any ancillary documents subject to approval as to form by the Authority Counsel.

III. ALTERNATIVES

TAKE another action the Authority Board deems appropriate.

IV. BACKGROUND

The Authority is a joint powers authority established under the provisions of the California Joint Powers Act (Govt. Code Sections 6500, *et seq*.) in order to facilitate, potentially fund and oversee the remediation and reclamation of underutilized properties impacted by hazardous environmental contamination within the City. The Authority is the sole owner of an approximately 157 acre site (the “157 Acre Site”), known as the former Cal-Compact Landfill, which was operated as a landfill from approximately 1959 until 1965 and is divided into five (5) “Cells” and is also vertically subdivided into two (2) lots, a surface lot (the “Surface Lot”) and a subsurface lot (the “Subsurface Lot”); Cells 3, 4 and 5 comprise approximately 86 acres (the “Project Site”) of the 157 Acre Site.

Carson Goose Owner, LLC ("CGO") has been the Authority's development partner on Cells 3, 4, and 5 since the end of 2020. They have an option on about 86 net acres, and under their option agreement (as amended) they are required to design, finance, and construct all the remedial systems and horizontal improvements on their cells without assistance from the Authority, and also make a contribution toward the construction of Lenardo Drive.

The Authority and CGO are seeking funding under the Program to administer and oversee the construction, installation, and financing of necessary foundations, utilities, remedial systems, building protection systems and associated horizontal infrastructure for the benefit of the Project Site, which shall include: (A) [(i) the relocation and consolidation of trash layers, together with the excavation, grading and venting necessary to cap the landfill as well as manage and control landfill gas contaminants on the Surface Lot and Subsurface Lot of the Project Site, (ii) installation of piles and pile caps, vaults, under-slab utilities and establishing underground utility runs on or in the Surface Lots and Subsurface Lots of the Project Site (as applicable), (iii) removal of existing geomembrane and replacement of same to complete the installation of the designed landfill cap across Cells 4 and 5, (iv) completion of the installation of the gas collection and control system on the Subsurface Lot portions of the Project Site] (collectively, the "Environmental Remediation Work"), and (B) the construction of certain roads and related site improvements at the Project Site (collectively, the "Public Roadway Work"). The Environmental Remediation Work and the Public Roadway Work are more particularly described in the Plans and Specifications and together comprise the "Project," which is structured to meet the definition of "infrastructure project" under the EB-5 Program.

On March 15, 2022, the President signed into law the EB-5 Reform and Integrity Act, which makes EB-5 visas available under the Immigration and Nationality Act of 1952 (as amended, the "Immigration Act") and further amends provisions of the Immigration Act impacting the Immigrant Investor Program (the "Program"), which is administered by USCIS. The Program permits foreign citizens to receive lawful permanent resident status in the United States in exchange for making a minimum capital investment of Eight Hundred Thousand Dollars ($800,000.00) in a new commercial enterprise that will create at least ten (10) direct and/or indirect full-time jobs per minimum investment unit in an area designated by the USCIS as a "regional center." The standard EB-5 fee for an investor is $1,050,000, but for qualifying public infrastructure projects the fee is only $800,000. The Authority needs $180,000,000 for this phase of the project, which would require 225 investors.

The Lender has agreed to make one or more advances to Borrower in an amount of up to $180,000,000 (the "Loan"), subject to and in accordance with the terms and conditions of this Agreement and the other Loan Documents (as such term is defined below). The Authority's obligations under the Loan will be secured by, among other things, a Construction Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing, (collectively, the "Deed of Trust") to be executed by Authority for the benefit of Lender, pursuant to which Lender shall be granted a first-priority security interest in the "Premises" (as defined in the Deed of Trust consisting of the Surface Lots of Cell 3, 4 and 5, except for the Landfill Operations Center).

The Loan would be to administer and oversee the "Environmental Remediation Work" described below. Also part of the overall EB-5 Project is the construction of certain roads and related site improvements (Lenardo and Stamps Drives) at the Project Site (collectively, the "Public Roadway Work"), which is already underway and is funded by the City and the Authority and not EB-5 Loan Proceeds. The Environmental Remediation Work and the Public Roadway Work together comprise the "Project," which is structured to meet the definition of "infrastructure project" under the Program.

Given the size of the EB-5 loan, the Authority was understandably concerned about the financial risk and negotiated with CGO that they or an affiliate provide a loan guarantee, a completion guarantee (backstopping cost overruns), and a guarantee to make all the debt service payments and pay off the loans at maturity. Some of those guarantees are described in the Loan Agreement and the rest are in a separate document, the Loan Support Agreement. Given that CGO and their affiliates are fully guaranteeing the Authority's obligations, CGO wanted to be able to control the work on the EB-5 project and the Authority agreed. The Loan Support Agreement names CGO as the Project Manager and Hines (an international development and construction firm) as Construction Manager for the EB-5 Work.

The effectiveness of this Agreement and the execution and delivery of certain Loan Documents shall occur on the Closing Date, which will occur soon after approval, while the delivery of certain other Loan Documents and the availability of the Initial Advance shall be conditioned upon the satisfaction of additional conditions precedent as set forth in Section 3.2 of the Loan Agreement, and that the Authority bears no liability to Lender if the Initial Advance is never made because one or more of the Conditions Precedent were not met. These conditions precedent include the completion of the Amended & Restated Option Agreements, certain entitlements on the Project Site, and other actions.

V. FISCAL IMPACT

Despite the size of the Loan, there is not a fiscal impact to the Authority. The terms of the Loan Support Agreement and the financial guarantees require CGO or its affiliates to provide a loan guarantee, a completion guarantee (backstopping cost overruns), and a guarantee to make all the debt service payments and pay off the loans at maturity. They also cover all fees paid to the Lender associated with the loan.

VI. EXHIBITS

1. Resolution No. 26-13-CRJPA
2. Loan Agreement
3. Promissory Note

Attachments

CRA - EB-5 Loan Agreement Resolution (2181393.2).pdf

Loan Agreement - CanAm Carson (CA) EB-5 Loan

Promissory Note - CanAm Carson (CA)

RESOLUTION NO. 26-13-CRJPA

A RESOLUTION OF THE CARSON RECLAMATION AUTHORITY BOARD APPROVING AN EB-5 LOAN AGREEMENT BETWEEN THE CARSON RECLAMATION AUTHORITY AND CANAM CALIFORNIA REGIONAL CENTER, LP IX, IN AN AMOUNT NOT TO EXCEED ONE HUNDRED EIGHTY MILLION DOLLARS ($180,000,000) FOR THE INSTALLATION AND CONSTRUCTION OF REMEDIAL SYSTEMS, INFRASTRUCTURE IMPROVEMENTS, AND MAKING SITE IMPROVEMENTS TO THE FORMER CAL-COMPACT LANDFILL IN THE CITY OF CARSON AND TAKING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Carson Reclamation Authority ("Authority") is the owner of an approximately 157 acre site (the "157 Acre Site") located at 20400 S. Main St., Carson, California, known as the former Cal-Compact Landfill; and

WHEREAS, the 157 Acre Site was operated as a landfill from approximately 1959 until 1965 and is divided into five (5) "Cells" and is also vertically subdivided into two (2) lots, a surface lot (the "Surface Lot") and a subsurface lot (the "Subsurface Lot"); Cells 3, 4 and 5 comprise approximately 86 acres (the "Project Site") of the 157 Acre Site; and

WHEREAS, on March 15, 2022, the U.S. President signed into law the EB-5 Reform and Integrity Act, which makes EB-5 visas available under the Immigration and Nationality Act of 1952 (as amended, the "Immigration Act") and amended provisions of the Immigration Act impacting the Immigrant Investor Program (the "Program"), which is administered by the U.S. Citizenship and Immigration Services ("USCIS"); and

WHEREAS, the Program permits foreign citizens to receive lawful permanent resident status in the United States in exchange for making a minimum capital investment of Eight Hundred Thousand Dollars ($800,000) in a new commercial enterprise that will create at least ten (10) direct and/or indirect full-time jobs per minimum investment unit in an area designated by the USCIS as a "regional center"; and

WHEREAS, the Authority is seeking funding under the Program to administer and oversee the construction, installation, and financing of necessary foundations, utilities, remedial systems, building protection systems and associated horizontal infrastructure for the benefit of the Project Site, which includes, among other things, (i) the relocation and consolidation of trash layers, together with the excavation, grading and venting necessary to cap the landfill as well as manage and control landfill gas contaminants on the Surface Lot and Subsurface Lot of the Project Site, (ii) installation of piles and pile caps, vaults, under-slab utilities and establishing underground utility runs on or in the Surface Lots and Subsurface Lots of the Project Site, (iii) removal of existing geomembrane and replacement of same to complete the installation of the designed landfill cap across Cells 4 and 5, and (iv) completion of the installation of the gas collection and control system on the Subsurface Lot portions of the Project Site (collectively, the "EB-5 Project"); and

WHEREAS, the Authority executed a Commitment Letter on December 29, 2025 with CanAm California Regional Center, LLC ("CANAM"), and Carson Goose Owner, LLC ("CGO"), for the purpose of applying for funding pursuant to the Program for the EB-5 Project, and thereafter CANAM, together with CANAM CALIFORNIA REGIONAL CENTER, LP IX ("Lender"), filed a Form I-956F, Application for Approval of an Investment in a Commercial Enterprise (the "I-956F Application") with USCIS in order to establish the eligibility of the EB-5 Project under the Program; and

WHEREAS, Lender has agreed to make one or more advances to Authority in an aggregate principal amount of up to $180,000,000 (the "Loan"), subject to and in accordance with the terms and conditions of the EB-5 Loan Agreement, the form of which is attached hereto as Exhibit A (the "Loan Agreement"), and the other Loan Documents (as such term is defined in the Loan Agreement); and

WHEREAS, the Authority's obligations under the Loan will be secured by, among other things, (i) a Promissory Note made by the Authority in favor of Lender (the "Note"), the form of which is attached hereto as Exhibit B, and (ii) a Construction Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing to be recorded against the Surface Lot of the Project Site (the "Deed of Trust"); and

WHEREAS, the Loan Agreement and the execution and delivery of certain of the Loan Documents shall occur on the Closing Date, while the delivery of certain other Loan Documents and the availability of the Initial Advance shall be conditioned upon the satisfaction of additional conditions precedent as set forth in Section 3.2 of the Loan Agreement, and that the Authority bears no liability to Lender if the Initial Advance is never made because one or more of the Conditions Precedent were not met; and

WHEREAS, the Authority Board desires to approve the forms of, and authorize the execution and delivery of, the Loan Agreement and Note, and to authorize the execution and delivery of the Deed of Trust and other Loan Documents when finalized, and authorize the Executive Director of the Authority to take all actions that are necessary or required in order to facilitate the transactions contemplated under the Loan Agreement to effectuate the Loan and the EB-5 Project.

NOW THEREFORE, THE BOARD OF THE CARSON RECLAMATION AUTHORITY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The above recitals are true and correct and are hereby incorporated by reference.

Section 2. Approval of Loan Agreement, Note and Other Loan Documents. The Loan Agreement and Note, the forms of which are attached to this Resolution as Exhibit A and Exhibit B, respectively, and all other Loan Documents (as defined in the Loan Agreement) to which the Authority is a party, including the Deed of Trust, are hereby approved in such form as may be approved by the Executive Director of the Authority and in a form acceptable to the Authority Counsel.

Section 3. Effective Date. This Resolution shall take effect immediately upon its passage.

Section 4. Executive Director Authority to Execute Documents. The Authority Board hereby authorizes and directs the Executive Director to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution, including, without limitation, (i) executing and delivering the Loan Agreement, Note and other applicable Loan Documents, (ii) executing and delivering the Collateral Documents (as defined in the Loan Agreement), including the Deed of Trust, (iii) taking all actions necessary to satisfy all conditions precedent set forth in the Loan Agreement, and (iv) execution of all agreements, documentation, and instruments necessary to facilitate the Loan and the EB-5 Project.

Section 5. Authorized Signatory and Incumbency. John Raymond, Executive Director of the Authority, is hereby identified, designated and authorized as the authorized signatory on behalf of the Authority for all Loan Documents and Collateral Documents, including the Loan Agreement, Note, Deed of Trust and all other documents to be executed and delivered by the Authority in connection with the Loan. Any signature of John Raymond, in his capacity as Executive Director, on any such Loan Document or Collateral Document is hereby authorized and shall be binding on the Authority.

Section 6. Certification. The Secretary of the Authority shall certify the adoption of this Resolution.

PASSED, APPROVED and **ADOPTED** at a special meeting of the Carson Reclamation Authority on this 18th day of August 2026.

____
Cedric L. Hicks, Vice Chair

ATTEST:

____
Dr. Khaleah K. Bradshaw, Authority Secretary

APPROVED AS TO FORM:

____
Sunny Soltani, Authority Counsel

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) §
CITY OF CARSON)

ATTEST

I, ___________________, Secretary of the Carson Reclamation Authority, hereby attest to and certify that the foregoing resolution is the original resolution adopted by the Carson Reclamation Authority at its regular meeting held on the 18th day of August, 2026, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

____
Authority Secretary

EXHIBIT A

LOAN AGREEMENT

[Attached]

EXHIBIT B

NOTE

[Attached]

EB-5 LOAN AGREEMENT

BETWEEN

CANAM CALIFORNIA REGIONAL CENTER, LP IX,

AS LENDER

AND

CARSON RECLAMATION AUTHORITY,

AS BORROWER

DATED AS OF AUGUST 21, 2026

TABLE OF CONTENTS

Page

EB-5 LOAN AGREEMENT

THIS EB-5 LOAN AGREEMENT is made and entered into as of August 21, 2026 (as the same may be amended, restated, supplemented or otherwise modified from time to time, this "**Agreement**"), between CARSON RECLAMATION AUTHORITY, a joint powers authority established pursuant to California Government Code Sections 6500, *et. seq.* ("**Borrower**"), and CANAM CALIFORNIA REGIONAL CENTER, LP IX, a Delaware limited partnership ("**Lender**").

RECITALS:

A. On March 15, 2022, the U.S. President signed into law the EB-5 Reform and Integrity Act, which makes EB-5 visas available under the Immigration and Nationality Act of 1952 (as amended, the "**Immigration Act**") and further amends provisions of the Immigration Act impacting the Immigrant Investor Program (the "**Program**"), which is administered by the U.S. Citizenship and Immigration Services ("**USCIS**").

B. The Program permits foreign citizens to receive lawful permanent resident status in the United States in exchange for making a minimum capital investment of Eight Hundred Thousand Dollars ($800,000.00) in a new commercial enterprise that will create at least ten (10) direct and/or indirect full-time jobs per minimum investment unit in an area designated by the USCIS as a "regional center."

C. Borrower is a joint powers authority established by the City of Carson (the "**City**") under the provisions of the California Joint Powers Act (Govt. Code Sections 6500, *et seq.*) in order to facilitate, potentially fund and oversee the remediation and reclamation of underutilized properties impacted by hazardous environmental contamination within the City.

D. Borrower is the sole owner of an approximately 157 acre site (the "**157 Acre Site**") located at 20400 South Main Street, Carson, California. The 157 Acre Site, known as the former Cal-Compact Landfill, was operated as a landfill from approximately 1959 until 1965. The 157 Acre Site is divided into five (5) "Cells", numbered Cells 1 through 5 (each, a "**Cell**") and is also vertically subdivided into surface lots (collectively, the "**Surface Lot**") and a subsurface lot (the "**Subsurface Lot**"); Cells 3, 4 and 5 comprise approximately 86 acres (the "**Project Site**") of the 157 Acre Site, as more particularly shown on the Site Plan attached hereto as <u>Exhibit A</u> (the "**Site Plan**").

E. Lender acknowledges and agrees that (i) Hazardous Materials have been identified on, at, under and/or migrating from the 157 Acre Site, including the Project Site, as more fully described in the Environmental Disclosures; and (ii) certain Hazardous Materials require investigation and/or corrective actions by Borrower as more fully described in the Environmental Disclosures.

F. Borrower is seeking funding under the Program to administer and oversee the construction, installation, and financing of necessary foundations, utilities, remedial systems, building protection systems and associated horizontal infrastructure for the benefit of the Project Site, which shall include: (A) (i) the relocation and consolidation of trash layers, together with the excavation, grading and venting necessary to cap the landfill as well as manage and control landfill gas contaminants on the Surface Lot and Subsurface Lot of the Project Site, (ii) installation of piles and pile caps, vaults, under-slab utilities and establishing underground utility runs on or in the Surface Lots and Subsurface Lots of the Project Site (as applicable), (iii) removal of existing geomembrane and replacement of same to complete the installation of the designed landfill cap across Cells 4 and 5, (iv) completion of the installation of the gas collection and control system on the Subsurface Lot portions of the Project Site (collectively, the "**Environmental Remediation Work**"), and (B) the construction of certain roads and related site improvements at the Project Site (collectively, the "**Public Roadway Work**"). The Environmental Remediation Work and the Public Roadway Work are more particularly described in the Plans and Specifications and together comprise the "**Project**," which is structured to meet the definition of "infrastructure project" under the Program. To the extent of any conflict between the description of the Project in the Recitals to this Agreement and the Plans and Specifications, the Plans and Specifications shall control.

H. CanAm California Regional Center, LLC (the "**Regional Center**"), together with Lender, has filed a Form I-956F, Application for Approval of an Investment in a Commercial Enterprise (the "**I-956F Application**") with USCIS in order to establish the eligibility of the Project under the Program. The filing of the I-956F Application for the Project is a prerequisite to individual investors in Lender filing their related Form I-526E, Immigrant Petition by Regional Center Investor (the "**I-526E Petition**").

I. The development and construction of the Project will occur in Los Angeles County, California, within the USCIS-approved geographic area which has been designated the "CanAm California Regional Center".

J. Lender has agreed to make one or more advances to Borrower in an aggregate principal amount of up to $180,000,000 (the **"Loan**"), subject to and in accordance with the terms and conditions of this Agreement and the other Loan Documents (as such term is defined below).

K. Borrower's obligations under the Loan will be secured by, among other things, a Construction Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing to be dated as of the Security Date (as such term is defined herein) (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "**Deed of Trust**") to be executed by Borrower for the benefit of Lender, pursuant to which Lender shall be granted a first-priority security interest in the "**Premises**" consisting of Tax Parcel Nos. 7336-010-905, 7336-010-906, 7336-010-907, 7336-010-908, 7336-010-909, 7336-010-910, 7336-010-911, 7336-010-912, 7336-010-913, 7336-010-914, 7336-010-915, 7336-010-916, 7336-010-917 and 7336-010-918 (for the avoidance of doubt, excluding the Subsurface Lot and it being acknowledged that the existing tax parcels may be reconfigured and/or consolidated as part of the entitlements for the Project prior to the Security Date).

L. The parties have agreed that the effectiveness of this Agreement and the execution and delivery of certain of the Loan Documents shall occur on the Closing Date, while the delivery of certain other Loan Documents and the availability of the Initial Advance shall be conditioned upon the satisfaction of additional conditions precedent as set forth in Section 3.2 hereof. For the avoidance of doubt, no advances of the Loan shall be made on the Closing Date.

NOW, THEREFORE, in consideration of the making of the Loan by Lender and the covenants, agreements, representations, and warranties set forth in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby covenant, agree, represent and warrant as follows:

ARTICLE I
DEFINITIONS

1.1 Defined Terms. As used in this Agreement, the following terms shall have the meanings set forth respectively after each:

"**157 Acre Site**" has the meaning set forth in Recital D hereof.

"**Acceptable Accounting Standard**" means GAAP (including, to the extent applicable, application of the standards and pronouncements issued by the Governmental Accounting Standards Board [GASB]) or such other accounting method mutually and reasonably acceptable to Lender and Borrower.

"**Affiliate**" means, as to any Person, any other Person that is in Control of, is Controlled by or is under common Control with such Person; provided, for the avoidance of doubt, no individual shall be deemed to be an Affiliate of a Person solely because such individual is a director (or the equivalent thereof) or officer of such Person.

"**Agreement**" has the meaning set forth in the introductory paragraph hereof.

"**A&R Option Agreement**" means the Amended and Restated Option Agreement and Joint Escrow Instructions to be entered into by and among Borrower, Project Manager and the Title Company, acting as the escrow holder and title company.

"**Amended and Restated Land Use Covenant**" means the Amended and Restated Land Use Covenant and Agreement Environmental Restrictions to be recorded against the applicable Cells in favor of DTSC, as the same may be amended, restated, modified or supplemented and in effect from time to time.

"**Architect**" means any architect or engineer engaged by Borrower or Project Manager in connection with the Project and approved by Lender in its reasonable discretion.

"**Architect's Contract**" means any contract or agreement entered into by Borrower or Project Manager with an Architect in connection with the Project and approved by Lender in its reasonable discretion, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"**Assignment of Leases**" means that certain first priority Assignment of Leases and Rents, to be dated as of the Security Date, from Borrower, as assignor, to Lender, as assignee, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"**Assignment of Development Agreement**" means that certain Assignment and Subordination of Development Agreement, to be dated as of the Security Date, by Project Manager for the benefit of Lender, as the same may be amended, restated, modified or supplemented and in effect from time to time.

"**Assignment of A&R Option Agreement**" means that certain Assignment of A&R Option Agreement, to be dated as of the Security Date, by Borrower for the benefit of Lender, whereby Borrower assigns to Lender the A&R Option Agreement, as the same may be amended, restated, modified or supplemented and in effect from time to time.

"**Assignment of Project Documents**" means that certain Assignment of Project Documents, to be dated as of the Security Date, executed and delivered by Borrower, whereby Borrower assigns to Lender the Project Documents, as the same may be amended, restated, modified or supplemented and in effect from time to time.

"**Assignment of the Letter Agreement**" means that certain Assignment of Letter Agreement, to be dated as of the Security Date, executed and delivered by Borrower, whereby Borrower and the Project Manager assign to Lender the Letter Agreement, dated December 29, 2025, by and between Borrower and the Project Manager, as the same may be amended, restated, modified or supplemented and in effect from time to time.

"**Bankruptcy Event**" has the meaning set forth in Section 7.1(e) hereof.

"**Borrower**" has the meaning specified in the preamble of this Agreement.

"**Borrower Indemnified Parties**" has the meaning set forth in Section 6.2(e) hereof.

"**Borrowing Request**" has the meaning set forth in Section 3.3(b) hereof.

"**Business Day**" means any day excluding Saturday, Sunday and any day which is a legal holiday under the laws of the State of New York and/or State of California or which is a day on which banking institutions located in the State of New York and/or State of California are required or authorized by law or other governmental action to close.

"**Cell**" has the meaning set forth in Recital D hereof.

"**Cell 1 Option Agreement**" means that certain option agreement relating to Cell 1 to be entered into by and among Borrower, Project Manager and such other parties as may be necessary, as the same may be amended, restated, modified or supplemented and in effect from time to time.

"**Cell 2 Option Agreement**" means that certain option agreement relating to Cell 2 to be entered into by and among Borrower, Project Manager and such other parties as may be necessary, as the same may be amended, restated, modified or supplemented and in effect from time to time.

"**CGO Covenant Agreement**" means that certain Covenant Agreement, dated as of the Security Date, executed by Carson Goose Owner, LLC, a Delaware limited liability company ("**CGO**"), in favor of Lender, pursuant to which CGO makes certain representations, warranties, covenants, and reporting obligations to Lender with respect to CGO's performance of its duties as Project Manager, as the same may be amended, restated, modified or supplemented and in effect from time to time.

"**City**" has the meaning set forth in Recital C hereof.

"**Closing Conditions**" means the conditions precedent set forth in Section 3.1 hereof.

"**Closing Date**" means the date hereof.

"**Code**" means the Internal Revenue Code of 1986, as amended, as it may be further amended from time to time, and any successor statutes thereto, and applicable U.S. Department of Treasury regulations issued pursuant thereto in temporary or final form.

"**Collateral**" means all properties, rights, interests, and privileges from time to time subject to the Liens granted to the Lender, or any security trustee therefor, by the Collateral Documents.

"**Collateral Documents**" means, collectively, the following: the Deed of Trust, the Assignment of Leases, the Guaranty, the Collateral Assignment of Construction Documents, the Assignment of Development Agreement, the Assignment of A&R Option Agreement, and all other mortgages, deeds of trust, security agreements, pledge agreements, assignments, financing statements and other documents as shall from time to time secure or relate to the Obligations under the Loan Documents, or any part thereof (it being understood that the Collateral Documents, other than the Guaranty, shall be executed and delivered on the Security Date as conditions to the Initial Advance pursuant to Section 3.2 hereof).

"**Commitment**" means the commitment of Lender to make advances of the Loan to Borrower under Section 2.1 hereof.

"**Commitment Amount**" means the aggregate amount of up to One Hundred Eighty Million and 00/100 Dollars ($180,000,000).

"**Completion Date**" means twenty-five (25) months after the Term Commencement Date.

"**Common Collateral**" has the meaning set forth in Section 8.19 hereof.

"**Construction Contract**" means, collectively, and as the context may require: (A)(i) the Amended and Restated Environmental Remediation and Development Management Agreement, dated as of June 20, 2019, between Borrower and the Development Manager, as amended, restated, supplemented or otherwise modified from time to time; (ii) the Amended & Restated Master Agreement for Civil Improvements, dated as of April 15, 2025, between the Development Manager the General Contractor (the "**Master Agreement**"), together with Work Order No. 004 thereunder, dated as of May 2, 2025, relating the Public Roadway Work; and (iii) each other work order hereafter entered into under the Master Agreement by and between the Development Manager and the General Contractor in connection with the Environmental Remediation Work and/or Public Roadway Work components of the Project, and/or (B) such other development management agreement(s) entered into by Borrower and Development Manager in connection with the Project and approved by Lender in its reasonable discretion, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"**Construction Cost(s)**" means the actual cost of labor, materials, land improvements, architectural and engineering services, and other work to be performed and costs to be incurred in connection with the construction and completion of the Project in accordance with the Plans and Specifications, this Agreement, and all other Loan Documents.

"Construction Escrow Agreement" means that certain Construction Escrow Agreement to be entered into by and among Borrower, Escrowee, and Lender prior to the Initial Advance, pursuant to which the Escrowee shall review lien waivers, sworn statements, and related draw documentation and issue date-down endorsements prior to each disbursement of Loan proceeds, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"**Control**" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise (it being agreed that the right of a limited partner or member to consent to major decisions shall not, in and of itself, constitute Control). The terms "Controlled", "Controlling" and "Common Control" shall have correlative meanings.

"**Deed of Trust**" has the meaning set forth in the recitals hereto.

"**Default Rate**" has the meaning set forth in Section 2.4 hereof.

"**Development Manager**" means RE Solutions, LLC, Project Manager or such other Person as may be engaged by Borrower to manage the development of the Project and reasonably approved by Lender.

"**Development Counterparty**" means, collectively, or individually as the context may require, the Project Manager, the General Contractor, the Development Manager, the Architect, the Engineer, and any other party that is or will be engaged by Borrower or Project Manager to complete the Project.

"**Disclosure Exceptions**" has the meaning set forth in Section 5.40(a) hereof.

"**DTSC**" means the California Department of Toxic Substances Control.

"**Economic Development Benefit Agreement**" means that certain economic development benefit agreement to be entered into by and between Borrower and the City of Carson, providing for enhanced infrastructure financing district funding commitments, reimbursement obligations and other economic benefits related to the Project, as the same may be amended, restated, modified or supplemented and in effect from time to time.

"**Economic Impact Study**" means the report dated February 9, 2026, prepared by Economic & Policy Resources, a copy of which is attached hereto as Exhibit B.

"**Engineer**" means EKI Environment & Water and any other engineer engaged by Borrower or Project Manager in connection with the Project and approved by Lender in its reasonable discretion.

"Environmental Access Agreement" means that certain agreement to be entered into by and between Borrower and Lender (or its designee), in form and substance subject to Lender's review and approval, granting Borrower (or its successors) a right of access to the Project Site following a foreclosure or other exercise of remedies by Lender for the purpose of performing ongoing operation and maintenance of the remedial systems and ensuring regulatory compliance with respect to Cells 3, 4 and 5, as the same may be amended, restated, modified or supplemented and in effect from time to time.

"**Environmental Claim**" means any written complaint, action, notice, order, claim, investigation, judicial or administrative proceeding or action, or other similar written claims or communications from any Governmental Authority involving or alleging any non-compliance with any Environmental Requirement or the existence of any unsafe or hazardous condition resulting from or related to the Release of any Hazardous Material.

"**Environmental Disclosure**" means, collectively, all environmental reports, assessments, audits, investigations, studies, tests, data, plans, filings, permits, approvals, correspondence, notices, agreements and other documents or information, whether written or electronic, relating to the environmental condition of the Project or compliance with Environmental Laws, in each case that have been delivered or made available to Lender by or on behalf of Borrower, any Guarantor, any indemnitor, the owner, operator, developer, remediation contractor, environmental consultant or any Governmental Authority or are otherwise publicly available, including: (i) the Environmental Regulatory Documents, (ii) all environmental site assessments and any updates, amendments or supplements thereto; (iii) all sampling results, laboratory analyses, risk assessments, remediation investigations, remedial action plans, corrective action plans, operation and maintenance plans, monitoring reports and closure reports; (iv) all environmental permits, licenses, approvals and registrations and any applications therefor; (v) all notices of violation, information requests, directives, consent orders, consent decrees, no-further-action letters, closure letters and other correspondence with any Governmental Authority; and (vi) all environmental insurance policies, indemnities, cost estimates, financial assurances and similar materials relating to the Project.

"**Environmental Insurance Policies**" means those Enviro Covered Location Insurance Policies issued by Beazley (Policy Nos. B0901EK1702322000 and B0509BOWCI2351958) and the Environmental Liability Policy to be issued by QBE Insurance with $10,000,000 limits of liability per occurrence and in the aggregate, a $50,000 self-insured retention and policy term of ten (10) years with CanAM California Regional Center, LLC as the first named insured thereunder.

“**Environmental Law**” means any and all applicable federal, state or local laws, statutes, ordinances, rules, regulations, orders, principles of common law, judgments, permits, licenses or other determinations of any judicial or regulatory authority, now or hereafter in effect, imposing liability, establishing standards of conduct or otherwise relating to protection of the environment (including natural resources, surface water, groundwater, soils, and indoor and ambient air), health and safety, land use matters or the presence, generation, treatment, storage, disposal, Release or threatened Release, transport or handling of any Hazardous Material, and shall include without limitation, the Solid Waste Disposal Act also known as the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq.; the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601 et seq. ("CERCLA"), as amended by the Superfund Amendments and Reauthorization Act of 1986 ("SARA"); the Hazardous Materials Transportation Act, 49 U.S.C. § 1801 et seq.; the Federal Water Pollution Control Act also known as the Clean Water Act, 33 U.S.C. § 1251 et seq.; the Clean Air Act, 42 U.S.C. § 7401 et seq.; the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; the Safe Drinking Water Act, 42 U.S.C. § 300f et seq.; and any other state or federal environmental statutes, and all rules, regulations, orders and decrees now or hereafter promulgated under any of the foregoing, as any of the foregoing now exist or may be changed or amended or come into effect in the future.

“**Environmental Regulatory Documents**” means, collectively, and as the context may require: (i) the Remedial Action Plan, approved by DTSC on October 25, 1995 (the **“Remedial Action Plan**”); (ii) that certain letter regarding phased development matters, issued by DTSC, dated October 17, 2017; (iii) that certain document entitled Management Approach to Phase Occupancy (File No. 01215078.02), approved by DTSC in April 2018, as amended; (iv) that certain Land Use Covenant and Agreement Environmental Restrictions made and entered into by Borrower in favor of DTSC and recorded on December 14, 2023, as amended; (v) a Consent Decree issued for the 157 acre site by DTSC in December 1995 in order to resolve claims made regarding the resolution of the contamination issues affecting the 157 Acre Site; and (vi) any applicable terms contained in the Compliance Framework Agreement, dated as of September 28, 2006, as amended by the First Amendment to the Compliance Framework Agreement dated as of December 31, 2007, each as may be amended, restated, modified or replaced from time to time.

“**Environmental Remediation Work**” has the meaning set forth in Recital F hereof.

“Environmental Requirement” means any Environmental Law, or any other applicable agreement or restriction to which Borrower is a party, now or hereafter in effect, which relates to any matters addressed by any Environmental Law, Hazardous Material, or the prevention of any unsafe or hazardous condition resulting from or related to the Release of any Hazardous Material.

“**Escrowee**” means the Title Company, or any successor loan disbursing agent approved by Lender, in its reasonable discretion (it being agreed by Lender that any national title insurance underwriter shall be acceptable to Lender.

“**Equity Interests**” means, as applicable, (a) partnership interests (general or limited) in a partnership; (b) membership interests in a limited liability company; (c) shares or stock interests in a corporation; and (d) the beneficial ownership interests in a trust.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended or re-codified from time to time, and the regulations promulgated thereunder.

"**Event of Default**" means each of those events so designated in Section 7.1 hereof.

"**Excluded Assets**" has the meaning given to such term in the Deed of Trust.

"**Expenditure Period**" has the meaning set forth in Section 3.3(b) hereof.

"**Failed Investor**" shall have the meaning set forth in Section 2.5 hereof.

"**Force Majeure Event**" means any event (other than a Force Majeure Event – Act of God, defined below) beyond the reasonable control of Borrower that causes a delay in the construction or prevents or impairs the operation of the Project, including, without limitation: (a) strikes, lockouts or other labor disturbances that cause a delay in construction of the Project in spite of the Borrower's use of commercially reasonable efforts to mitigate the delay; (b) acts of war, riots, insurrections, civil commotions, acts of terrorism or similar acts of destruction; (c) requirements of Law enacted after the Closing Date (including those which may prohibit access to utilities); (d) orders or judgments; or (e) embargoes, shortages or unavailability of materials, supplies, labor, equipment and systems that first arise after the Closing Date in spite of the Borrower's commercially reasonable efforts to mitigate such shortage or unavailability; provided, that Force Majeure Events shall not extend the Completion Date by more than ninety (90) days in the aggregate without the prior written consent of Lender, and provided further, that no Force Majeure Event, or combination of Force Majeure Events, shall serve to extend the Completion Date beyond the Maturity Date, as the same may be extended pursuant to such conditions for the Extension Period set forth in the definition of the Maturity Date. To benefit from any Force Majeure Event extension, Borrower must notify Lender in writing within ten (10) Business Days of learning of the event resulting in such delay and the delay's likely impact on the construction schedule.

"**Force Majeure Event – Acts of God**" means the occurrence of one or more of the following events beyond the reasonable control of Borrower that causes a delay in the construction or prevents or impairs the operation of the Project: (a) weather events and other acts of god, including, without limitation, a tornado, flood, earthquake, hurricane, tropical storm or other seismic or weather event or other natural occurrence (it being acknowledged that rain and related weather events may have a significant impact to construction on a landfill site and that a weather event may constitute Force Majeure Event – Acts of God without the need to establish that the weather was of an unusually adverse nature or otherwise atypical for the applicable area and time of year); (b) fires or other casualties; provided no Force Majeure Event – Acts of God, or combination of Force Majeure Events – Acts of God, shall serve to extend the Completion Date beyond the Maturity Date, as the same may be extended pursuant to such conditions for the Extension Period set forth in the definition of the Maturity Date. To benefit from any Force Majeure Event – Acts of God extension, Borrower must notify Lender in writing within ten (10) Business Days of learning of the event resulting in such delay and the delay's likely impact on the construction schedule.

"**Funding Conditions**" means the conditions precedent set forth in Section 3.2 hereof.

"**Funding Outside Date**" has the meaning set forth in Section 3.2(n) hereof.

"**GAAP**" means generally accepted accounting principles in the United States of America set forth in the opinions and pronouncements of the Accounting Principles Board of 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 entity as have been approved by a significant segment of the accounting profession, as in effect from time to time.

"**General Contractor**" means SL Carson Builders, LLC or such other Person as may be engaged by the Development Manager or Borrower to perform construction work on the Project and reasonably approved by Lender.

"**Governmental Authority**" means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"**Guarantor**" means, Frank Zarabi, as Co-Trustee of the Zarabi Family Trust, dated September 3, 1992, as amended.

"Guaranty" means, individually and/or collectively as the context may require, (i) the Guaranty-Carve-Out-Completion-Carry, (ii) the Guaranty-Qualified, and (iii) any other guaranty agreement that may be executed by Guarantor in connection with the Loan from time to time, as may be amended, restated, modified or replaced from time to time.

"Guaranty-Carve-Out-Completion-Carry" means that certain Guaranty (Carve-out, Completion, Carry) of even date herewith executed by Guarantor in favor of Lender, as the same may be amended, restated, modified or replaced from time to time.

"**Guaranty-Qualified**" means that certain Qualified Guaranty, dated as of the date hereof, made by Guarantor in favor of Lender, as the same may be amended, restated and/or modified from time to time.

"**Hazardous Materials**" means any substance, material, element, compound, waste or chemical, whether solid, liquid or gaseous, which is defined, listed, classified as, or otherwise determined to be, hazardous, radioactive or toxic or a pollutant or a contaminant under or pursuant to or for which liability may be imposed under any Environmental Law, or otherwise regulated in any way under any Environmental Laws, including any mixture or solution thereof, or any other such substances or conditions (including mold and other mycotoxins or fungi) which may create any unsafe or hazardous condition or pose any threat to health and safety, and shall include without limitation any substance which is or contains petroleum and all derivatives thereof or synthetic substitutes therefor, asbestos, radon, any polychlorinated biphenyl, urea formaldehyde foam insulation, explosive or radioactive material, or motor fuel or other petroleum hydrocarbons, but excluding substances of kinds and in amounts ordinarily and customarily used or stored in properties similar to the Project Site for the purposes of cleaning or other maintenance, construction or operations and otherwise in compliance with all Environmental Laws.

"**I-526E Petition**" has the meaning set forth in the recitals hereto.

"**I-956F Application**" has the meaning set forth in the recitals hereto.

"Improvements" shall have the meaning set forth in the Deed of Trust.

"**In Balance**" has the meaning set forth in Section 6.3.

"**Incremental Defeasance**" has the meaning set forth in Section 2.3.

"Incremental Defeasance Amount" has the meaning set forth in Section 2.3.

"Indebtedness" means, with respect to any Person at any time, without duplication, (i) indebtedness or liability of such Person for borrowed money whether or not evidenced by bonds, debentures, notes or other instruments, or for the deferred purchase price of property or services (excluding trade obligations); (ii) obligations of such Person as lessee under leases which should have been or should be, in accordance with GAAP, recorded as finance leases ("**Capitalized Leases**"); (iii) reserved; (iv) non-contingent or contingent reimbursement obligations of such Person arising under letters of credit or similar credit facilities; (v) obligations of such Person under any guarantees or other agreement to become secondarily liable for any obligation of any other Person, endorsements (other than for collection or deposit in the ordinary course of business), and other contingent obligations to purchase property, securities or services for the purpose of assuring a creditor against loss; (vi) obligations of such Person secured by any Lien on any property of such Person, whether or not the obligations have been assumed by such Person; or (vii) net obligations of such Person under any interest rate or currency exchange agreement; provided that, notwithstanding the foregoing, the following items shall not be considered "Indebtedness": (a) intercompany liabilities between Borrower and Guarantor, (b) liabilities associated with customer prepayments and deposits and other accrued obligations (including transfer pricing), in each case incurred in the ordinary course of business, consistent with past practice or consistent with industry practices, (c) performance bonds or performance guaranties (or any bank guarantee, letter of credit or similar instrument issued in lieu thereof) entered into in the ordinary course of business, (d) interest, fees, premium or expenses, if any, relating to the principal amount of Indebtedness, (e) reserved, and (f) obligations under any license, permit or other approval (or guarantees given in respect of such obligations) incurred prior to the Closing Date or in the ordinary course of business, consistent with past practice or consistent with industry practices.

"**Indemnified Liabilities**" has the meaning set forth in Section 6.2(a) hereof.

"**Indemnified Party**" has the meaning set forth in Section 6.2(a) hereof.

"**Information**" has the meaning set forth in Section 8.12 hereof.

"**Initial Advance**" means the initial advance of the Loan which shall be made on the Security Date upon satisfaction of all conditions precedent set forth in Section 3.2 hereof.

"**Insurance**" means the contracts and policies of insurance taken out by or on Borrower in connection with the Project, other than any municipal bond or financial guaranty insurance policy issued to guarantee the scheduled payment when due of any secured obligations or any bonds related thereto.

"**Intercreditor Agreement**" has the meaning set forth in Section 8.19 hereof.

"**Interest Payment Date**" has the meaning set forth in Section 2.2(a) hereof.

"**Interest Rate**" means a fixed rate of interest of five and 75/100 percent (5.75%) per annum.

"**Investors**" means, collectively, the purchasers of the limited partnership units in Lender pursuant to the Program.

"**Job Creation Period**" means the period commencing on January 1, 2026 (such date being the date on which Qualifying Expenditures started to accrue with respect to the Project) and ending on the Completion Date.

"**Job Creation Requirement**" has the meaning set forth in Section 5.21(a) hereof.

"**Land**" shall have the meaning set forth in the Deed of Trust.

"**Late Charge**" has the meaning set forth in Section 2.4 hereof.

"**Legal Requirements**" means, collectively, all present and future laws, statutes, codes, ordinances, consents, approvals, certifications, orders, judgments, decrees, injunctions, rules, regulations and requirements of every Governmental Authority (including Environmental Laws, Occupational Safety and Health Administration regulations, and all covenants, restrictions and conditions now or hereafter of record) which may be, and to the extent the same are, applicable to (i) Borrower, (ii) all or any portion of the Project, (iii) the performance and completion of the obligations and agreements of Borrower contained herein or in the other Loan Documents, including the development and construction of the Project, and (iv) the use, manner of use, occupancy, possession, operation, maintenance, alteration, repair or reconstruction of all or any portion of the Project, including building and zoning codes and any required variances, and ordinances and laws relating to handicapped accessibility.

"**Lender**" has the meaning set forth in the introductory paragraph of this Agreement.

"**Lender Costs**" means all reasonable and necessary and documented out-of-pocket expenses actually incurred by Lender in connection with (a) the preparation, execution and delivery of this Agreement and the other Loan Documents, (b) the offering of Equity Interests to the Investors and obtaining pre-approval of the Project from USCIS, (c) any subsequent amendments, modifications or waivers of the provisions of this Agreement or any other Loan Document requested by Borrower, (d) the filing and recording fees and expenses incurred in creating and perfecting the Liens in favor of Lender pursuant to this Agreement and the other Loan Documents, (e) the engagement of a third-party construction consultant, including an initial review of the project and a monthly review of the project throughout construction of the project until completion, and (f) in the event that (i) this Agreement or any other Loan Document is put into the hands of an attorney for collection, suit, action or foreclosure, (ii) a foreclosure occurs with respect to any pledge, collateral assignment, security agreement prior to or subsequent to the Deed of Trust in which proceeding Lender is made a party, (iii) a bankruptcy, insolvency, rehabilitation or other similar proceeding occurs with respect to Borrower or the Guarantor or (iv) Borrower and Lender endeavor to negotiate and execute a forbearance agreement or similar arrangement, enforcing or defending its rights under or in connection with this Agreement or any other Loan Documents during an Event of Default hereunder. Lender acknowledges that the Project Manager has deposited $150,000 with Lender (the "**Expense Deposit**"), to be credited towards the Lender Costs in connection with the closing of the Loan; provided, any portion of the Expense Deposit not needed for application on account of such Lender Costs shall be applied to the Closing Fee on the Term Commencement Date.

"**Lien**" means any mortgage, deed of trust, lien, pledge, hypothecation, collateral assignment, security interest, or any other encumbrance or charge, including any conditional sale or other title retention agreement and any financing lease having substantially the same economic effect as any of the foregoing.

"**Loan**" has the meaning set forth in the recitals hereto.

"**Loan Documents**" means, collectively, this Agreement, the Note, the Deed of Trust, the Assignment of Leases, the Assignment of Project Documents, the Assignment of Development Agreement, the Assignment of A&R Option Agreement, the Assignment of the Letter Agreement, the CGO Covenant Agreement, the Guaranty and all other documents now or hereafter executed and/or delivered in connection with the Loan, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"**Loan Party(ies)**": means, individually and/or collectively, Borrower and Guarantor.

"**Loan Support Agreement**" means that certain loan support agreement to be entered into by and among Borrower, Project Manager and Lender, setting forth the parties' respective obligations with respect to the support of the Loan, as the same may be amended, restated, modified or supplemented and in effect from time to time.

"**Lockout Period**" has the meaning set forth in <u>Section 2.3(c)</u>.

"**Mandatory Prepayment Date**" means the date which is ninety (90) days after the date on which Lender provides written notice to Borrower that a Project Denial has occurred; provided, however, that in no event shall the Mandatory Prepayment Date occur prior to the date that is three (3) years following the Term Commencement Date.

"**Material Adverse Effect**" means any event or condition after the Closing Date that has a material adverse effect on (i) the validity or enforceability of any material provision of the Loan Documents, (ii) the Borrower's or the Guarantor's ability to observe and perform its material obligations under any of the Loan Documents, including, without limitation, the Borrower's ability to repay the principal and interest of the Loan as it becomes due, (iii) the validity, perfection or priority of the Collateral under the Loan Documents, (iv) the aggregate value of the Collateral securing the Loan pursuant to the Loan Documents, or (v) the I-956F Application or any I-526E Petition such that approval by the USCIS thereof cannot be achieved.

"**Material Project Contract**" means (a) the Construction Contract, (b) the Architect's Contract, (c) any other contract or agreement pertaining to the Project or to which the Borrower or the Project Manager is a party (as applicable), as to which there is an obligation of Borrower or Project Manager to pay more than $7,500,000, in the aggregate, and (d) such other contract or agreement that when signed would require a change order exceeding the thresholds set forth in Section 5.30.

"**Maturity Date**" means sixty (60) months from the Term Commencement Date.

"**Municipal Financing**" means collectively, the voter approved Los Angeles County Measure M Transportation Sales Tax Funds, the 2019 bonds issued by the City of Carson against its local return of Los Angeles County Measure R and Measure M Transportation Sales Tax Funds, and earmarked proceeds from the City of Carson's August 2024 Lease Revenue Bond Issuance.

"**Note**" means that certain Promissory Note, dated as of the date hereof, made by Borrower in favor of Lender, as the same may be amended, restated and/or modified from time to time.

"**Obligations**" means (a) the payment of the Outstanding Principal Balance of the Loan together with all accrued and unpaid interest; (b) the performance of all obligations of Borrower contained herein; (c) the performance of each obligation of Borrower contained in any other Loan Document; (d) the payment of all Lender Costs to the extent required pursuant to the terms of the Loan Documents; and (e) the payment, performance, discharge and satisfaction of all other liabilities and obligations of Borrower to Lender with respect to the Loan in accordance with the terms of the Loan Documents, including, without limitation, Protective Advances (as defined in the Deed of Trust) whether now existing or hereafter arising, direct or indirect, absolute or contingent, and including, without limitation, each liability and obligation of Borrower under any one or more of the Loan Documents and any amendment, extension, modification, or replacement thereof.

"**OFAC**" has the meaning set forth in Section 4.18 hereof.

“**Offering**” has the meaning set forth in Section 6.2(e) hereof.

“**Offering Documents**” has the meaning set forth in Section 6.2(e) hereof.

“**Operating Account**” has the meaning as defined in Section 6.4 hereof.

“**Origination Fee**” has the meaning set forth in Section 2.2(b) hereof.

“**Out of Balance**” has the meaning set forth in Section 6.3 hereof.

“**Outstanding Principal Balance**” means, as of any date, the then outstanding principal balance of the Loan that has been advanced to Borrower.

“**Partial Release**” has the meaning set forth in Section 8.21 hereof.

“**Patriot Act**” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, as amended from time to time.

“Permitted Encumbrances” means collectively, (a) the Liens and security interests created by the Loan Documents, (b) all Liens, encumbrances and other matters actually existing as of the Security Date and disclosed to Lender in the Title Policy on or before the Security Date, (c) Liens, if any, for Taxes imposed by any Governmental Authority not yet delinquent, including, but not limited to, real estate taxes, (d) any workers’, mechanics’ or other similar Liens on the Premises or any other Collateral provided that any such lien is bonded or discharged within thirty (30) days after Borrower first receives written notice of such lien or is otherwise being contested by Borrower in accordance with the terms of this Agreement, (e) such other title and survey exceptions as Lender has approved or may approve in writing in Lender’s sole discretion, (f) Liens in favor of the Senior Lender, subject to the conditions and provisions of Section 8.19, and any other Liens and security interests created pursuant to any Permitted Indebtedness, (g) any Leases existing as of the Effective Date or entered into after the Effective Date in accordance with this Agreement and any memorandum thereof when such memorandum is expressly required by the terms of such Lease or otherwise approved by Lender in writing, (h) any subordination, non-disturbance and attornment agreement with respect to a Lease entered into in accordance with this Agreement, (i) Permitted Equipment Financing, (j) the Environmental Access Agreement, provided the same is recorded prior to the Deed of Trust, (k) any covenants, conditions and restrictions and/or any instruments implementing a community facilities district to be recorded against the Project which have been approved by Lender in its reasonable discretion, (l) any agreements contemplated to be entered into and/or recorded against the Premises pursuant to Section 3.1, including a site plan and/or tract map modification, after approval of Lender to the extent required under Section 3.1, and (m) utility and access easements contemplated by the Plans and Specifications and which are reasonably approved by Lender.

“**Permitted Equipment Financing**” means the leasing of equipment in the ordinary course of business of constructing and operating the Project provided that (i) the equipment leased is readily replaceable without material interference or interruption to the operation of the Project taken as a whole, (ii) such lease is secured only by the equipment leased therein, and (iii) such equipment does not become a fixture.

"**Permitted Indebtedness**" means, collectively, (a) the Obligations; (b) unsecured trade and operational debt incurred in the ordinary course of business relating to the ownership, development, construction, maintenance, management, and operation of the Project, (c) the unsecured Municipal Financing currently in the amount of $57,700,000, and (d) the Senior Debt, if applicable, under Section 8.19.

"**Person**" means any individual, corporation, partnership, joint venture, limited liability company, estate, trust, unincorporated association, any federal, state, county or municipal government or any bureau, department or agency thereof and any fiduciary acting in such capacity on behalf of any of the foregoing.

"**Plan**" has the meaning set forth in Section 5.37 hereof.

"**Plans and Specifications**" means the then current drawings, plans and specifications prepared for the Project, which shall include, without limitation, all drawings and a specifications project manual necessary for the construction of the Project, as approved by DTSC or another applicable Governmental Authority; it being agreed that "Plans and Specifications" shall include all supplements, modifications and changes to such drawings, plans, specifications, and/or manuals that are made in accordance with Section 5.22(a) hereof.

"**Potential Event of Default**" means an event which, with the giving of notice or lapse of time, would become a monetary Event of Default or a non-monetary Event of Default that is likely to result in a Material Adverse Effect.

"**Premises**" has the meaning as defined in the Deed of Trust.

"**Program**" has the meaning set forth in the recitals hereto.

"**Project**" has the meaning set forth in the recitals hereto.

"**Project Budget and Schedule**" means the budget and construction schedule for the Project to be delivered to and approved by Lender in its reasonable discretion prior to the Initial Advance in accordance with Section 3.2(g), which Project Budget and Schedule, once approved by Lender, shall not be modified except as permitted under the Loan Documents.

"**Project Denial**" means (i) a written decision issued by the USCIS denying the I-956F Application for the Project for failure to establish eligibility of the Project under the Program and the exhaustion by Lender using commercially reasonable efforts in good faith of all administrative and federal court appeals and/or other rights to contest available under the Program or at law that in Lender's good faith reasonable judgment would have a reasonable expectation of resulting in an ultimate approval of such I-956F Application or (ii) there shall occur legislative or regulatory changes to the Program which, in the good faith reasonable judgment of Lender (A) if the I-956F Application for the Project was subsequently adjudicated by the USCIS, such I-956F Application would reasonably be expected to be ultimately denied and Lender is unable to make conforming changes to the existing I-956F Application that would result in USCIS approval (and taking into account any appeals and/or other rights to contest available under the Program) or (B) if the I-526E Petitions for the Investors were subsequently adjudicated, all such I-526E Petitions would reasonably be expected to be denied and the Investors were unable to make conforming changes to the existing I-526E Petitions that would result in USCIS approval (and taking into account any appeals and/or other rights to contest available under the Program), in each case solely as a result of such legislative or regulatory changes.

"**Project Documents**" means, collectively, the Construction Contract, the Architect's Contract, all other architecture and engineering contracts entered into by Borrower or Project Manager, Plans and Specifications, permits, licenses, approvals and development rights, together with consents to the assignment and continuation agreements from the Project Manager, the General Contractor, the Development Manager, the Architect, the Engineer, and other parties reasonably specified by Lender on or before the Security Date, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time

"**Project Manager**" means Carson Goose Owner, LLC, a Delaware limited liability company.

"**Project Reimbursement Agreement**" means that certain project reimbursement agreement to be entered into by and between Project Manager and Borrower relating to the Lenardo roadway construction project, as the same may be amended, restated, modified or supplemented and in effect from time to time.

"**Project Site**" has the meaning set forth in Recital D.

"**Public Roadway Work**" has the meaning set forth in Recital F hereof.

"**Qualifying Expenditures**" means any EB-5-compliant expenditures, audited and approved by Lender and spent by Borrower as part of the Project during the Job Creation Period (as approved by Lender in its reasonable discretion and in accordance with Program rules and regulations), including, but not limited to, the following: (i) development, construction, roadway and utility work, site remediation, architecture, engineering, other soft costs, equipment purchase expenditures, and operational expenditures incurred in connection with the Project, and (ii) if applicable, repayment or reduction of bridge debt or equity financing that complies with USCIS Policy on bridge financing, provided that no portion of the Loan may be used to pay interest or other costs originating from the Loan.

"**Regional Center**" has the meaning set forth in Recital G hereof.

"**Release**" means the presence of or any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, seeping, migrating, dumping or disposing of any Hazardous Material (including the illicit abandonment or discarding of barrels, drums, tanks, and other similar containers, containing any Hazardous Material) into the indoor or outdoor environment, in each case in violation of Environmental Laws.

"**Release Notice**" has the meaning set forth in Section 8.21 hereof.

"**Released Parcel**" has the meaning set forth in Section 8.21 hereof.

"**Replacement Investor**" has the meaning set forth in Section 2.5 hereof.

"**Security Date**" means the date on which all conditions precedent to the Initial Advance set forth in Section 3.2 have been satisfied (or waived by Lender) and the Deed of Trust has been recorded against the Premises.

"**Senior Debt**" has the meaning set forth in Section 8.19 hereof.

"**Senior Lender**" has the meaning set forth in Section 8.19 hereof.

"**Subsequent Advance(s)**" means any advance of the remaining proceeds of the Loan, made available pursuant to Section 3.4 hereof, following the Initial Advance.

"**Subsurface Lot**" has the meaning set forth in Recital D hereof.

"**Substantial Completion Requirements**" means:

(a) a certificate of a responsible officer of Borrower, certifying that:

(i) the Borrower has completed or caused the substantial completion of all material construction of the Project, in accordance with the Plans and Specifications, such that it is in a condition that can be used for normal and safe operations;

(ii) Borrower has complied with and has received confirmation of compliance with the applicable remediation plan for each Government Authority having jurisdiction over the Project;

(iii) reserved;

(iv) reserved; and

(v) the Borrower, the Project Manager, the Development Manager, or the General Contractor, as applicable, has received lien releases and waivers from each contractor providing goods or services with a value in excess of $10,000 that has timely filed a notice to owner or other notice sufficient to perfect such contractor's right to a lien in compliance with law, which lien releases and waivers may be conditioned upon receipt of payment of amounts to be funded through the final Advance;

(b) the Project is constructed in accordance with applicable law in all material respects.

"**Surface Lot**" has the meaning set forth in Recital D hereof.

"**Sustainment Period**" means, with respect to any Investor, the period during which such Investor's purchase of limited partnership units in Lender must remain invested in Lender and "at risk" in order for such Investor to qualify for visa benefits under the Program, as reasonably determined by Lender in good faith based on applicable EB-5 law, USCIS policy, and Lender's records of each Investor's status.

"**Taxes**" means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority on the Premises.

"**Term Commencement Date**" means the date of the Initial Advance of the Loan, which shall occur only upon satisfaction of all conditions precedent set forth in Section 3.2 hereof.

"**Termination Conditions**" means the payment in full in cash or satisfaction or discharge of all the Obligations (other than contingent obligations to the extent such obligations have not accrued).

"**Title Company**" means Fidelity National Title Insurance Company, a California corporation.

"**Title Policy**" means an ALTA (or equivalent) mortgagee policy of title insurance in the maximum amount of the Loan, with an insured closing letter and such reinsurance and endorsements as Lender may require, containing no exceptions to title (printed or otherwise) which are unacceptable to Lender in its reasonable discretion, and insuring that the Deed of Trust is a first-priority Lien on the Premises (subject to the Permitted Encumbrances) issued by the Title Company in form acceptable to Lender.

"**Transfer**" means any sale, conveyance, transfer, lease, assignment, grant, mortgage, option, encumbrance, hypothecation, or pledge, in each case, directly or indirectly, voluntarily or involuntarily, in whole or in part, by operation of law or otherwise, of any of Borrower's interest or estate in any Collateral, other than Permitted Encumbrances and transactions permitted by this Agreement and/or the other Loan Documents.

"**Transferee**" has the meaning set forth in Section 8.12 hereof.

"**UCC**" or "**Uniform Commercial Code**" means the Uniform Commercial Code as in effect in the State of California.

"**UCC Financing Statement**" means the financing statements naming the Borrower, as debtor, and the Lender, as secured party, with respect to the personal property secured by the Deed of Trust.

"**United States**" and "**U.S.**" means the United States of America.

"**Units**" has the meaning set forth in Section 2.5 hereof.

"**USCIS**" shall have the meaning set forth in Recital A to this Agreement.

1.2 Uses of Phrases. Except as otherwise expressly provided, the following rules of interpretation shall apply to this Agreement:

(i) the definitions of terms herein shall apply equally to the singular and plural forms of the terms defined;

(ii) whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms;

(iii) the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation";

(iv) the word "will" shall be construed to have the same meaning and effect as the word "shall";

(v) unless the context requires otherwise, any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or therein) and shall include any appendices, schedules, exhibits, clarification letters, side letters and disclosure letters executed in connection therewith;

(vi) any reference herein to any Person shall be construed to include such Person's permitted successors and assigns and, in the case of any Governmental Authority, any Person succeeding to its functions and capacities;

(vii) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision thereof;

(viii) all references in this Agreement to Articles, Sections, Exhibits, Attachments and Schedules shall be construed to refer to Articles and Sections of, and Exhibits, Attachments and Schedules to, this Agreement;

(ix) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights;

(x) each reference to a law shall be deemed to refer to such law as the same may be in effect from time to time;

(xi) references to days shall refer to calendar days unless Business Days are specified; references to weeks, months or years shall be to calendar weeks, months or years, respectively;

(xii) except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with the Acceptable Accounting Standard; and

(xiii) references to any terms as defined in the Deed of Trust refer (a) prior to the Security Date, to the most recent draft of the Deed of Trust in agreed or substantially agreed form between Borrower and Lender as of the Closing Date and (b) on and after the Security Date, to the Deed of Trust.

1.3 US Dollars. Unless expressly stated in this Agreement to the contrary, all references to "Dollars", "$" and "dollars" shall be references to United States dollars.

1.4 Timing of Payment or Performance. When payment of any obligation or the performance of any covenant, duty or obligation (including, without limitation, the due date for the delivery of any report, certificate or other information) is stated to be due or required on a day which is not a Business Day, the date of such payment or performance shall extend to the immediately succeeding Business Day, and, in the case of any payment of accruing interest, interest thereon shall be payable for the period of such extension.

1.5 Time is of the Essence. Time is of the essence under this Agreement and the other Loan Documents.

ARTICLE II
LOAN AND TERMS OF PAYMENT

2.1 Commitment; Loan. In accordance with the terms of this Article II and subject to the conditions precedent set forth in Article III:

(a) Commitment. Lender hereby agrees to make the Loan to Borrower in one or more advances to Borrower, including the (i) Initial Advance, which shall occur on the Security Date upon satisfaction of all conditions precedent set forth in Section 3.2 hereof (unless Borrower requests to defer the Initial Advance to a date following the Security Date), and (ii) Subsequent Advances in accordance with Section 3.4 hereof, in an aggregate amount not to exceed the Commitment Amount. For the avoidance of doubt, no advances shall be made on the Closing Date. Lender shall fund each of the requested advances within five (5) Business Days after the satisfaction of the applicable conditions precedent set forth in Article III.

(b) Evidence of Debt. Borrower shall execute and deliver the Note to evidence Borrower's obligation to repay Lender for the Outstanding Principal Balance of the Loan, with interest as set forth herein. The Note evidencing repayment of the Outstanding Principal Balance of the Loan is incorporated herein by reference and made part hereof.

(c) Full Commitment Amount; Use of Proceeds. Borrower shall use commercially reasonable efforts to request hereunder all available advances in an aggregate amount equal to the Commitment Amount by no later than twenty (20) months following the Term Commencement Date as may be extended by Lender, which extension shall not be unreasonably withheld or delayed. The proceeds of the Loan shall be used by Borrower to fund Qualifying Expenditures relating to the Project. Notwithstanding the foregoing, the proceeds of the Loan shall be used by Borrower solely to fund Qualifying Expenditures relating to the Environmental Remediation Work component of the Project.

2.2 Interest; Closing Fee; Origination Fee.

(a) Except as set forth in Section 2.4, commencing on the date of the Initial Advance, the Outstanding Principal Balance of the Loan shall bear interest at the Interest Rate. Commencing on the date of the Initial Advance, such interest is due and payable semiannually in arrears to Lender on the first day of January and July of every year (or if such date is not a Business Day, the next Business Day) (each an "**Interest Payment Date**") until the Outstanding Principal Balance of the Loan has been paid in full. Interest shall accrue on any advanced and unpaid Outstanding Principal Balance of the Loan, based upon the actual date such portion of the principal amount of the Loan was advanced to Borrower. All interest hereunder shall be calculated on the basis of a 360-day year of twelve 30-day months.

(b) Borrower agrees to pay Lender on the Term Commencement Date and on the date of each Subsequent Advance of the Loan, a fee ("**Origination Fee**") equal to one and one-quarter percent (1.25%) of the amount of any such advance. The Origination Fee shall be paid from sources other than the proceeds of the Loan and shall be deemed fully earned when due and shall be non-refundable.

2.3 Payments; Prepayments.

(a) Unless sooner prepaid following the occurrence and continuation of an Event of Default and subject to subsection (b) below, Borrower shall pay to Lender amounts due and owing in respect of the Loan as follows on the following payment dates: (i) on the Maturity Date, the Outstanding Principal Balance of the Loan and all accrued and unpaid interest thereon and other Obligations then due and payable hereunder, and (ii) on the date any repayment is due pursuant to Section 2.5, an amount equal to such required repayment amount. Subject to Section 2.3(c), any payments received prior to the end of the Lockout Period shall be held in a separate account of the Lender as collateral for the Loan.

(b) In the event of a Project Denial, Borrower shall be obligated to repay to Lender the Outstanding Principal Balance and all accrued and unpaid interest thereon on or before the Mandatory Prepayment Date (it being understood that the Guaranty-Qualified covers Borrower's repayment obligations under this Section 2.3(b)).

(c) Except as otherwise provided in this Agreement, the Outstanding Principal Balance of the Loan is not repayable during the first forty-two (42) months of the Loan (the "**Lockout Period**"). Notwithstanding any other provision herein to the contrary, prepayments of the Loan shall be permitted as a result of any of the following: (i) the application of insurance proceeds or awards pursuant to the terms of the Loan Documents, (ii) and any prepayment required or permitted pursuant to Section 8.21, provided, however, Borrower shall comply with the terms of Section 8.21 in connection therewith.

(d) Notwithstanding the foregoing, Borrower may, not more than once in any calendar quarter unless otherwise agreed by Lender in its sole and absolute discretion, defease on an incremental basis a portion of the Loan in an amount equal to Eight Hundred Thousand and No/100 Dollars ($800,000.00) multiplied by the number of Investors whose Sustainment Periods have been satisfied, as reasonably determined by Lender in good faith based on applicable EB-5 law, USCIS policy, and Lender's records of each Investor's status, and who have not previously been counted for purposes of any prior incremental defeasance transaction. Each such amount is referred to herein as an "**Incremental Defeasance Amount**," and each such transaction is referred to herein as an "**Incremental Defeasance**".

The Lockout Period shall not prohibit an Incremental Defeasance, provided that: (i) the full amount of the Loan has been advanced to Borrower; (ii) the Substantial Completion Requirements for the Project and the Job Creation Requirement for the Project have been satisfied, in each case as confirmed by Lender in its reasonable discretion; and (iii) Borrower has deposited cash in an amount not less than the applicable Incremental Defeasance Amount into a deposit account maintained by Borrower or Project Manager and approved by Lender, which account shall be pledged to Lender pursuant to an account pledge and security agreement and subject to a deposit account control agreement, each in form and substance reasonably satisfactory to Lender.

Each Incremental Defeasance shall be subject to Borrower's delivery of such certificates, evidence and other documentation as Lender may reasonably require to effect and perfect such Incremental Defeasance. Any cash or other collateral deposited in connection therewith shall constitute Collateral for the Obligations, shall not reduce the Outstanding Principal Balance of the Loan unless applied by Lender in accordance with the Loan Documents, and shall not be released, reduced or returned except as expressly provided in the applicable Incremental Defeasance documentation approved by Lender.

(e) Any payment contemplated under this Agreement that shall be required to be made on a day that is not a Business Day shall be made on the immediately succeeding Business Day.

2.4 Default Interest; Interest Rate Limitations; Late Charge. If an Event of Default shall occur and be continuing, the Outstanding Principal Balance of the Loan and all other Obligations then due and payable in accordance with the Loan Documents will bear interest at a rate per annum equal to 5.00% per annum above the then applicable Interest Rate (the "**Default Rate**"); provided that the Default Rate shall never exceed the maximum lawful rate. In addition to, but not in limitation of, the foregoing, if any amounts payable pursuant to this Agreement or any of the other Loan Documents (other than the principal payment due on the Maturity Date) is not paid within five (5) days after the same is due and written notice of nonpayment from Lender to Borrower, Borrower shall pay to Lender an amount (the "**Late Charge**") equal to the greater of (i) five percent (5.0%) of such unpaid amount, or (ii) $250.00. Borrower agrees that the Late Charge is a reasonable estimate of the administrative costs and expenses which will be incurred by Lender in connection with the late payment hereunder. The "Late Charge" shall be deemed to be included in the Obligations as of the date it is due and payable until paid in full, subject in all cases to the foregoing maximum lawful rate limitation.

2.5 Repayment for Failed Visa Applications. Notwithstanding anything to the contrary contained herein, Borrower acknowledges that Lender has advised Borrower that Lender is issuing limited partnership units ("**Units**") to Investors pursuant to the Program and that the proceeds from the subscriptions for such units are being utilized by Lender to fund the Loan. If all or any portion of the Loan is advanced to Borrower and one or more Investors whose subscription funded the advances under the Loan has its I-526E Petition denied under the Program after pursuing the petition in good faith (as determined by Lender in its reasonable discretion) and responding to all requests of USCIS (each, a "**Failed Investor**"), then Lender shall provide prompt written notice thereof to Borrower and, thereafter, Lender will use its commercially reasonable efforts to seek for a period of up to one hundred eighty (180) days to substitute a replacement Investor (each, a "**Replacement Investor**") for each such Failed Investor. If Lender is able to find a Replacement

Investor for a Failed Investor, then in order to comply with applicable guidelines under the Program, Borrower agrees that it shall prepay to Lender an amount equal to $800,000 for such Failed Investor within sixty (60) days following written notice from Lender to Borrower of such mandatory prepayment requirement and Lender agrees to immediately re-advance such amount to Borrower from the Replacement Investor(s), provided, that no such replacement shall occur, and no such payment will be required to be paid to Lender, if an Investor becomes a Failed Investor after satisfaction of the Substantial Completion Requirements for the Project and satisfaction of the Job Creation Requirement; it being acknowledged and agreed that Borrower shall have no obligation to prepay any amount of the Loan as a result of a Failed Investor following such date. If, however, Lender is unable to find a Replacement Investor for a Failed Investor during the applicable 120-day period or due to legislative or regulatory revisions to the Program, Lender will not be able to sell such limited partnership units to a Replacement Investor, then Lender shall promptly so notify Borrower and Guarantor in writing and Guarantor shall prepay to Lender, within sixty (60) days following receipt of such written notice, an amount equal to $800,000 for each such Failed Investor. Lender acknowledges that Investors filing an I-526E Petition after September 30, 2026 will not have the benefit of any grandfathering protections under the Program. Lender agrees that neither Borrower nor Guarantor is required to make such repayment for any Failed Investor who files an I-526E Petition after September 30, 2026 and who receives an I-526E Petition denial due to lapse of the Program after September 30, 2027 or changes in USCIS adjudication policies that do not apply to grandfathered Investors.

2.6 Obligations of Borrower Unconditional. The Obligations of the Borrower to make the payments required in Section 2.3 hereof and to perform and observe the other agreements contained herein shall not be subject to any defense or any right of setoff, counterclaim or recoupment arising out of (a) any breach by Lender of any obligation to Borrower, whether hereunder or otherwise, or (b) any indebtedness or liability at any time owing to Borrower by Lender, and, until such time as the principal of, premium, if any, and interest on the Loan shall have been fully paid, Borrower (1) will not suspend or discontinue any payments provided for in Section 2.3 hereof, and (2) will perform and observe all other agreements contained in this Agreement, the Note, the Deed of Trust, and the other Loan Documents. Nothing contained in this Section shall be construed to release Lender from the performance of any of the agreements on its part herein contained, and in the event Lender should fail to perform any such agreement on its part, Borrower may institute such action against Lender as Borrower may deem necessary to compel performance so long as such action does not abrogate the Obligations of Borrower contained in Section 2.3.

ARTICLE III
CONDITIONS PRECEDENT TO ADVANCES

3.1 Conditions to Effectiveness. The effectiveness of this Agreement on the Closing Date shall be subject to Lender's receipt, review, approval and/or confirmation of the following, at Borrower's cost and expense, each in form and content satisfactory to Lender in its reasonable discretion:

(a) Lender shall have received each of the following documents, in each case, fully executed by the applicable parties thereto:

(i) this Agreement;

(ii) the Note;

(iii) the Guaranty-Qualified if the I-956F Application is not yet approved by USCIS as of the Closing Date; and

(iv) the Guaranty-Carve-Out-Completion-Carry;

(b) Lender shall have received a Certificate as to Borrower, certifying (i) that a true and correct copy of the Registry of Public Agencies from the State of California is attached thereto, (ii) a true and correct copy of the bylaws of Borrower as in effect on the date thereof is attached thereto, (iii) [reserved], (iv) resolutions authorizing the execution, delivery and performance by Borrower of each Loan Document to which it is a party and (iv) the names of the incumbent officers of Borrower authorized to sign each Loan Document to which it is a party;

(c) Lender shall have received a fully executed Certificate as to Project Manager, certifying (i) that a true and correct copy of the Certificate of Formation of Project Manager, as amended, certified by the Secretary of State of Delaware as in effect on the date thereof is attached thereto, (ii) a true and correct copy of the operating agreement of Project Manager as in effect on the date thereof is attached thereto, (iii) resolutions authorizing the execution, delivery and performance by Project Manager of the CGO Covenant Agreement and (iv) the names and true signatures of the incumbent officers of Project Manager authorized to sign each Loan Document to which it is a party, including the CGO Covenant Agreement;

(d) Lender shall have received a Certificate as to Guarantor, certifying (i) that a true and correct copy of the trust agreement of Guarantor as in effect on the date thereof is attached thereto, (ii) resolutions authorizing the execution, delivery and performance by Guarantor of each Guaranty and (iii) the names and true signatures of the trustee of Guarantor authorized to sign each Guaranty;

(e) [reserved];

(f) Lender shall have received satisfactory evidence that Borrower is the fee simple owner of the Premises; and

(g) Such other documents or items as Lender or its counsel may require.

Lender's execution of this Agreement shall constitute Lender's acknowledgment of the satisfaction of the foregoing conditions.

3.2 Conditions to Initial Advance. The obligation of Lender to make the Initial Advance hereunder shall be subject to Lender's receipt, review, approval and/or confirmation of the following, at Borrower's cost and expense, each in form and content satisfactory to Lender in its reasonable discretion (it being agreed that the submission by Borrower of a Borrowing Request for the Initial Advance of the Loan shall constitute a certification by Borrower that the following conditions are satisfied):

(a) Lender shall have received each of the following documents, in each case, fully executed by the applicable parties thereto:

(i) the Deed of Trust;

(ii) the Assignment of Leases;

(iii) the Assignment of Project Documents;

(iv) the Assignment of Development Agreement;

(v) the Assignment of A&R Option Agreement; and

(vi) the Construction Escrow Agreement;

(vii) the CGO Covenant Agreement;

(b) Lender shall have received and approved a pro forma Title Policy;

(c) Lender shall have received and approved a survey regarding the Land;

(d) Lender shall have received and approved copies of all Project Documents then in effect;

(e) Lender shall have received a fully executed copy of the Construction Contract;

(f) Lender shall have received the completed detailed Plans and Specifications;

(g) Lender shall have completed the plan and cost review as well as receipt, review and approval by Lender of the Borrower's Project Budget and Schedule (it being acknowledged that there may later be updated or supplemental plans, such as a second set of plans for Cell 5);

(h) Lender shall have received evidence of insurance conforming in all respects to the requirements of Lender, for which the premiums have been fully prepaid with endorsements satisfactory to Lender;

(i) Counsel to Borrower and Guarantor shall have each provided a customary opinion of counsel, in form and substance reasonably acceptable to Lender;

(j) Lender shall have received a fully executed copy of the A&R Option Agreement;

(k) Lender shall have received (i) a fully executed copy of the Development Agreement (as defined in the Assignment of Development Agreement) and any amendments thereto, and (ii) the City of Carson's written consent to the assignment of the Development Agreement to Lender, in form and substance reasonably satisfactory to Lender;

(l) All entitlements, plan approvals and permits necessary for the commencement of the Environmental Remediation Work shall have been received from the applicable Governmental Authorities having jurisdiction, in each case on terms acceptable to Project Manager, Borrower and Lender, with all applicable administrative and judicial challenge periods having expired or all challenges having been favorably resolved;

(m) Lender shall have received a fully executed Economic Development Benefit Agreement, approved by the City of Carson and Borrower on terms acceptable to Project Manager, Guarantor and Lender, with all applicable challenge periods having expired or all challenges having been favorably resolved;

(n) The Amended and Restated Land Use Covenant shall have been approved by the DTSC and Lender (in its reasonable discretion) and recorded against the applicable portion(s) of the 157 Acre Site;

(o) Lender shall have received reasonably satisfactory evidence of utility availability and commitment to bring electrical power to the Property for the ultimate proposed industrial use;

(p) Lender shall have received a fully executed copy of the Environmental Access Agreement, in form and substance approved by Lender;

(q) Lender shall have received confirmation from its insurance consultant that the Environmental Insurance Policies are in proper form and are otherwise acceptable to Lender in its reasonable discretion;

(r) Borrower has received commitments for capital contributions in the aggregate amount, which when added to the Commitment Amount and the Municipal Financing, is sufficient to complete the Project in accordance with the Project Budget and Schedule; and

(s) Such other documents or items as Lender or its counsel may reasonably require that are in Borrower's possession or reasonably obtainable.

Notwithstanding anything to the contrary in this Section 3.2, if (x) Borrower has not submitted a Borrowing Request and (y) the Funding Conditions have not been satisfied or waived by Lender within twelve (12) months following the Closing Date (the "**Funding Outside Date**"), either Lender or Borrower may, each in their sole discretion, upon written notice to the other, terminate this Agreement, whereupon Lender shall have no further obligation to fund any portion of the Loan, and this Agreement, the Note, and the Guaranty shall terminate, except for those provisions which by their terms expressly survive termination. It is acknowledged that Borrower's and Project Manager's agreement on and execution of the Loan Support Agreement, Project Reimbursement Agreement, Cell 1 Option Agreement and Cell 2 Option Agreement shall be conditions to Borrower's issuance of the initial Borrower Request. Notwithstanding anything to the contrary in this Agreement or any other Loan Document, the above conditions are conditions precedent to funding and neither Borrower, nor Project Manager, nor Guarantor shall be deemed to be in default under this Agreement or any other Loan Document for failure to satisfy a condition precedent or otherwise have liability under this Agreement prior to the Initial Advance (provided that the foregoing shall not be deemed to limit Project Manager's expense reimbursement obligations under the Guaranty). In the event of any termination of this Agreement pursuant to this Section 3.2, Lender on behalf of itself and its Affiliates hereby fully, unconditionally and irrevocably releases Borrower, Project Manager and Guarantor from any and all claims, liabilities, damages or other causes of action arising from or in connection with this Agreement and the other Loan Documents (provided that the foregoing shall not be deemed to limit Project Manager's expense reimbursement obligations under the Guaranty).

3.3 Conditions to Each Advance. Lender's obligation to make any advance of the Loan shall be subject to the satisfaction of the following conditions precedent; provided that Lender's obligation to make the Initial Advance shall additionally be subject to the satisfaction of the conditions set forth in Section 3.2 hereof (it being agreed that the submission by Borrower of a Borrowing Request for an advance of the Loan shall constitute a certification by Borrower that the conditions in clauses (b) through (i) are satisfied):

(a) The amount requested for any advance shall be available to be disbursed to Lender pursuant to Lender's escrow arrangements, which require, in relevant part, I-526E Petition filing receipts for Investors to have been issued by USCIS;

(b) Borrower shall have submitted a written borrowing request substantially in the form attached hereto as Exhibit C ("**Borrowing Request**") together with reasonable evidence of Qualifying Expenditures made, or a reasonable plan for Qualifying Expenditures to be made or reimbursed within the one-month period immediately following the date of such request (the "**Expenditure Period**"), in an amount sufficient to support each advance as determined by Lender in its reasonable discretion. Within forty-five (45) days (or such later date as Lender may agree in its sole discretion) following the end of each month to occur during an Expenditure Period, Borrower shall provide Lender with a report of all Qualifying Expenditures incurred and paid for with Loan proceeds during such month;

(c) The representations and warranties made by Borrower in Article IV hereof and in any other Loan Document shall be true and correct in all material respects as of the date of such advance with the same effect as if made on such date, except in cases where any such representations and warranties (i) were expressly made as of and applicable only to a prior date, in which case such representation or warranty shall be true and correct in all material respects as of such earlier date, (ii) are matters that by their nature can no longer be true and correct as a result of (x) the passage of time and/or (y) progress of the development and construction of the Project, or (iii) became untrue since last being made and prior to the date of such advance because of a change in facts or circumstances, which change of facts or circumstances does not independently create an Event of Default or would not be reasonably expected to constitute or result in a Material Adverse Effect;

(d) At the time of any such advance, Borrower shall have paid to Lender the portion of the Origination Fee associated with such advance;

(e) At the time of any such advance, Borrower shall have obtained and provided to Lender construction monitoring reports, which reports shall include the status of the in-place environmental remediation plan for the Project;

(f) Lender shall have received all requisite permits that are required for the then-current construction phase of the Project for which Qualifying Expenditures are being incurred;

(g) Lender shall have received evidence reasonably satisfactory to Lender that all utility services necessary for the stage of construction for which the applicable advance is requested are available at the Property, or will be available when required for such stage in accordance with the Plans and Specifications and the Project Budget and Schedule; and

(h) At the time of any such advance there shall not have occurred and be continuing any Event of Default.

Conditions to Subsequent Advances. Lender's obligation to make any Subsequent Advance, shall be subject to the satisfaction of the following conditions precedent:

(a) Each advance shall be made through the Escrowee pursuant to the Construction Escrow Agreement. Borrower agrees to pay all fees and expenses of the Escrowee charged in connection with the performance of its duties under such Construction Escrow Agreement. Disbursements/advances deposited by Lender into the escrow account established by the Construction Escrow Agreement shall be deemed fully made to Borrower on the date of such deposit. Other than disbursements to pay interest on the Loan, disbursements will not be made more frequently than monthly.

(b) As of the time of requesting any such advance and at the time said advance is made, Borrower shall be deemed to have certified that the construction and completion of all the work to be paid for out of the advance has been completed in substantial accordance with the approved Plans and Specifications, this Agreement, and all other Loan Documents and in accordance with all applicable codes, laws, ordinances, and statutes;

(c) there are no outstanding claims of nonpayment or liens by any contractor or subcontractor (other than those that are being contested in accordance with this Agreement) and Borrower has caused the Title Company to issue a date down endorsement to the Title Policy issued to Lender covering the date of disbursement and showing the Deed of Trust as a first, prior and paramount lien on the Project and providing for IMLA Coverage subject only to the Permitted Encumbrances and real estate taxes that have accrued but are not yet delinquent; if the Title Policy is subject to a pending disbursement endorsement, the amount of such endorsement must be increased to the full amount funded for such advance/disbursement; and

(d) Reserved.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES

Borrower hereby represents and warrants to Lender, as of the Closing Date (except as otherwise specified herein), that:

4.1 Organization; Authority; Purpose. Borrower is a joint powers authority duly organized, validly existing under the laws of the State of California, including the California Joint Exercise of Powers Act (California Government Code Section 6500 *et seq.*), and has all requisite power and authority to own its assets and to conduct its business and affairs as presently conducted.

4.2 Reserved.

4.3 Proceedings. Borrower has taken or will take all necessary actions to authorize the execution, delivery and performance of this Agreement by Borrower and performance of Borrower's obligations under this Agreement and the other Loan Documents (each as of the date executed and delivered to Lender). This Agreement and the Loan Documents to be executed and delivered on the Closing Date have been duly executed and delivered by, or on behalf of, Borrower and constitute legal, valid and binding obligations of Borrower, enforceable against Borrower in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer or other similar laws or judicial action affecting the enforcement of creditors' rights generally and the application of general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law). Upon their execution and delivery on the Security Date, each of the Collateral Documents to be executed by Borrower will constitute legal, valid and binding obligations of Borrower, enforceable against Borrower in accordance with their respective terms, subject to the same limitations.

4.4 Authorization; No Conflict. Borrower is duly authorized to execute and deliver each Loan Document to which it is a party (as of the date executed by Borrower), Borrower is duly authorized to borrow monies hereunder and to perform its Obligations under each Loan Document to which it is a party. The execution, delivery and performance by Borrower of each Loan Document to which it is a party, and the borrowings by Borrower hereunder, do not and will not, to Borrower's knowledge (a) require any consent or approval of any governmental agency or authority (other than any consent or approval which has been obtained or will be obtained prior to execution of the applicable Loan Document), (b) violate (i) any provision of Law, regulation or ordinance, or order of any court or tribunal, the violation of which could reasonably be expected to have a Material Adverse Effect, (ii) the charter, by-laws or other organizational documents of Borrower or (iii) any agreement, indenture, instrument or other document, or any judgment, order or decree, which is binding upon Borrower or the Premises, the violation of which could reasonably be expected to have a Material Adverse Effect, or (c) require, or result in, the creation or imposition of any Lien on any asset of Borrower (other than Liens in favor of the Lender). Borrower has complied with any and all laws and regulations concerning its organization, existence and the transaction of its business (except as would not reasonably be expected to result in a Material Adverse Effect).

4.5 Reserved.

4.6 Other Financing. As of the Closing Date, except for the Loan, any Permitted Indebtedness currently in place, contributions from the Borrower and Project Manager, and funds available to Borrower pursuant to allocations of county sales tax revenues and municipal bond financing, Borrower has not (i) received any other financing for the acquisition of the Land, if any, existing as of the date hereof, or (ii) received any other third party institutional financing for the construction of the Project.

4.7 Litigation and Contingent Liabilities. As of the Closing Date, no litigation (including derivative actions), arbitration proceeding or governmental investigation or proceeding is pending or, to the Borrower's knowledge, threatened in writing against Borrower, the Project, or any Collateral which, in any such case, could reasonably be expected to have a Material Adverse Effect.

4.8 Agreements. Except as otherwise disclosed in the Environmental Disclosures, as of the Closing Date, Borrower is not subject to any restriction or in default with respect to any order or decree of any court or any order, regulation or demand of any Governmental Authority which could reasonably be expected to result in a Material Adverse Effect. As of the Closing Date, Borrower is not in default in any material respect in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any Material Project Contract, the effect of which could reasonably be expected to result in a Material Adverse Effect.

4.9 Condemnation. As of the Closing Date, no Condemnation or other proceeding has been commenced or, to Borrower's knowledge, threatened in writing with respect to all or any portion of the Premises or for the relocation of roadways providing access to the Premises or Project.

4.10 Title; Liens. As of the Closing Date, Borrower is the fee simple owner of, and has good title to, the Premises. As of the Security Date, the Premises will be free and clear of all Liens (other than Permitted Encumbrances). On and as of the Security Date, Borrower is the owner of, and has good title to, the Collateral under the Collateral Documents executed by Borrower, free and clear of all Liens (other than Permitted Encumbrances). The Deed of Trust, together with the UCC Financing Statement relating to the Collateral when properly filed in the appropriate records, will create valid and perfected first-priority security interests in and to such portions of the Collateral for which a lien can be perfected by recording a Deed of Trust and by filing a UCC-1 financing statement, subject only to Permitted Encumbrances. Except as otherwise provided for in the Loan Documents or as otherwise disclosed to Lender in writing, as of the date hereof, Borrower has not made any contract or arrangement of any kind the performance of which by the other party thereto would give rise to a Lien on the Collateral or the Project (other than Permitted Encumbrances).

4.11 Physical and Environmental Condition. Except as disclosed in the Environmental Disclosures, as of the date hereof: (a) the Project is, and all remediation, response, monitoring and operation and maintenance activities at the Project are being conducted, in compliance in all material respects with all applicable Legal Requirements, Environmental Laws, permits, orders and the Environmental Regulatory Documents; (b) Borrower has delivered to Lender or made available all material environmental reports, assessments, sampling results, work plans, agency correspondence, notices, permits, orders and other environmental documents in Borrower's possession or control relating to the Project; (c) intentionally omitted; (d) to Borrower's knowledge, the Project is not subject to any pending or threatened (in writing) environmental claim, notice, investigation, action, suit, order or proceeding; and (e) [reserved].

4.12 Reserved.

4.13 Reserved.

4.14 Full and Accurate Disclosure. No statement of fact made by Borrower in this Agreement or in any of the other Loan Documents, taken as a whole, contains any material untrue statement of a fact and no such statement omits to state any material fact necessary to make statements contained herein or therein, in light of the circumstances under which they were made, not misleading (when taken as a whole), in each case, as of the date stated herein or therein.

4.15 No Plan Assets. As of the date hereof and throughout the term of this Agreement (i) Borrower is not and will not be an "**employee benefit plan**," as defined in Section 3(3) of ERISA, (ii) none of the assets of Borrower constitutes or will constitute "**plan assets**" of one or more such plans within the meaning of 29 C.F.R. Section 2510.3-101, (iii) Borrower is not and will not be a "**governmental plan**" within the meaning of Section 3(32) of ERISA and (iv) transactions by or with Borrower are not and will not be subject to state statutes regulating investment of, and fiduciary obligations with respect to, governmental plans. As of the date hereof, neither Borrower nor any member of a "**controlled group of corporations**" (within the meaning of Section 414 of the Code) maintains, sponsors or contributes to a "**defined benefit plan**" (within the meaning of Section 3(35) of ERISA) or a "**multiemployer pension plan**" (within the meaning of Section 3(37)(A) of ERISA). Borrower's representations in this Section 4.12 above are based on the assumption that no portion of the assets used by Lender in connection with the transactions contemplated under this Agreement and the other Loan Documents constitutes assets of a (i) "**benefit plan investor**" within the meaning of 29 C.F.R. Section 2510-3.101, as amended from time to time, unless the Lender relied on an available prohibited transaction exemption, all of the conditions of which are satisfied or (ii) governmental plan which is subject to any provision which is similar to the prohibited transaction provisions of Title I of ERISA or Section 4975 of the Code, unless the acquisition and holding of the Loan or any interest therein does not give rise to a violation of any such applicable similar law.

4.16 Reserved.

4.17 Reserved.

4.18 Federal Reserve Regulations. No part of the proceeds of the Loan will be used for the purpose of purchasing or acquiring any "margin stock" within the meaning of Regulation U of the Board of Governors of the Federal Reserve System or for any other purpose which would be inconsistent with such Regulation U or any other Regulations of such Board of Governors, or for any purposes prohibited by Legal Requirements or by the terms and conditions of this Agreement or the other Loan Documents.

4.19 Bank Holding Company. Borrower is not a "bank holding company" or a direct or indirect subsidiary of a "bank holding company" as defined in the Bank Holding Company Act of 1956, as amended, and Regulation Y thereunder of the Board of Governors of the Federal Reserve System.

4.20 Not a Foreign Person. Borrower is not a foreign person within the meaning of § 1445(f)(3) of the Code.

4.21 Patriot Act Compliance. Neither Borrower nor any of its Affiliates is an individual or entity that is (a) is listed on the Specially Designated Nationals and Blocked Persons Lists maintained by the Office of Foreign Assets Control ("**OFAC**"), (b) is a Person who has been determined by competent authority to be subject to the prohibitions contained in Presidential Executive Order No. 13224 (September 23, 2001) or any other similar prohibitions contained in the rules and regulations of OFAC or in any enabling legislation or other Presidential Executive Orders in respect thereof or (c) has been previously indicted for or convicted of any offense under the Patriot Act.

4.22 Enforceability. As of the Closing Date (and, with respect to the Collateral Documents executed by Borrower, as of the Security Date), the Loan Documents are not subject to any existing right of rescission, set off, counterclaim or defense by Borrower, including the defense of usury, nor would the operation of any of the terms of the Loan Documents, or the exercise of any right thereunder, render the Loan Documents unenforceable, and Borrower has not asserted any right of rescission, set off, counterclaim or defense with respect thereto.

4.23 Reserved.

4.24 Investment Company Act. Borrower is not an "investment company," or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended.

4.25 Insurance. As of the Security Date, all Insurance policies required under the terms of Section 5.4 to be obtained prior to the Initial Advance have been obtained.

4.26 Project Separateness. Until all amounts due hereunder have been paid in full, Borrower shall maintain books, records and accounts for the Project separate from those of its other properties, assets and operations, shall not commingle Project revenues or reserves with funds not relating to the Project except as required by applicable law or governmental accounting practices, shall use Loan proceeds solely for the purposes expressly permitted under this Agreement, and shall not incur or permit any Lien on the Project other than Permitted Encumbrances.

4.27 Illegal Activity. No portion of the Project has been or will be purchased by Borrower with proceeds of any illegal activity.

4.28 Reserved.

4.29 No Other Debt. As of the Closing Date, other than the Loan and other Permitted Indebtedness, there is no Indebtedness to which Borrower is a party or by which Borrower is bound, whether secured or unsecured, relating to the Premises.

4.30 Leases. As of the date of this Agreement, Borrower has not entered into any leases, subleases or other arrangements for occupancy of space at the Premises other than those disclosed to Lender in writing. Borrower shall not enter into, modify, amend, terminate or surrender any lease affecting the Premises without the prior written consent of Lender, except for leases entered into in the ordinary course of business on commercially reasonable terms.

4.31 Hazardous Materials. Except as disclosed to Lender in the Environmental Disclosure, to Borrower's knowledge, the Hazardous Materials located at, on, under or affecting the Premises and the Project are being (or will be as part of the Project) managed, monitored, remediated or otherwise addressed in compliance with applicable Environmental Laws and the Environmental Regulatory Documents, except where any failure to do so would not reasonably be expected to have a Material Adverse Effect.

4.32 Reserved.

4.33 Reserved.

4.34 Construction and Compliance with Laws. To Borrower's knowledge, Borrower is in compliance with all laws, regulations, ordinances and orders of all Governmental Authorities with respect to the Project, in each case other than those that would not cause a Material Adverse Effect. Borrower possesses, or as of the Effective Date, reasonably anticipates obtaining as when required, all material rights, licenses, permits, authorizations and approvals, governmental or otherwise, necessary to complete the Project.

4.35 Reserved.

4.36 Reserved.

4.37 Consents. As of the Security Date, all material consents, approvals, licenses, permits, orders or authorizations of, or registrations, declarations or filings with, any Governmental Authorities that are required in connection with the execution, delivery and performance by the Borrower of the construction documents for the Project and all other agreements and instruments which have been or will be executed by the Borrower in connection therewith and the construction and operation of the Project have been obtained or are reasonably expected to be obtained when required for the then applicable stage of construction of the Project, in each case other than those that would not cause a Material Adverse Effect.

4.38 Condition of Project. To Borrower's knowledge as of the Closing Date, no defect or condition of the land or the soil or geology thereof exists which will prevent the construction of the Project.

4.39 Separate Tax Lots. As of the Security Date, the Premises are comprised of one (1) or more parcels which constitute separate tax lots and do not constitute a portion of any other tax lot not a part of the Premises.

4.40 Plans and Specifications. As of the Security Date, the Plans and Specifications applicable up to and including the current stage of construction of the Project have been approved, to the extent required by applicable Legal Requirements, by all applicable Governmental Authorities. Except as otherwise disclosed to Lender, as of the Security Date, the

Project complies in all material respects with all restrictive covenants affecting the property and all Legal Requirements, including all applicable zoning ordinances and regulations and Environmental Law.

4.41 Reserved.

4.42 Flood Zone. Except as may be disclosed in the survey of the Premises delivered to Lender on or about the Security Date, none of the Improvements are, or when constructed will be, located in an area identified by the Federal Emergency Management Agency as an area having special flood hazards, or, if any portion of the Improvements is, or will be, located within such area, Borrower has obtained or will obtain flood hazard insurance in form and amount acceptable to Lender.

4.43 Project Financing. As of the Security Date, the Loan, together with the Permitted Indebtedness and other funds and financing commitments of and available to Borrower, are reasonably anticipated to be sufficient to complete the Project substantially in accordance with the budget amounts and timing set forth in the Project Budget and Schedule (as defined in Section 1.1).

4.44 Budget Adequacy. As of the Security Date, the Project Budget and Schedule presents a full and complete itemization of all costs, expenses and fees reasonably expected to be paid by Borrower and the Project Manager (as applicable) or required to complete the construction and development of the Project in accordance with the Plans and Specifications. As of the Security Date, Borrower is not aware of any material cost, expense or fee required to be paid, or reasonably expected to be paid, by Borrower for the completion of the Project that is not covered by the Project Budget and Schedule.

4.45 Construction Schedule. As of the Security Date, to Borrower's knowledge, the Project Budget and Schedule for the Project is complete and accurate in all material respects and sets forth a reasonable timetable for completion of the Project (subject to Force Majeure Events and Force Majeure Events – Acts of God). As of the Security Date, based on information available to Borrower as of the Security Date, Borrower has no knowledge of any fact or circumstance that would prevent Substantial Completion of the Project on or before the Completion Date (subject to Force Majeure Events and Force Majeure Events – Acts of God).

4.46 Reserved.

4.47 Reserved.

4.48 Reserved.

4.49 A&R Option Agreement. As of the Security Date, the A&R Option Agreement is in full force and effect and has not been terminated, cancelled, rescinded, or otherwise modified. As of the Security Date, no default or event of default exists under the A&R Option Agreement on the part of the Borrower or, to the Borrower's knowledge, on the part of any other party thereto. The Borrower has not assigned, pledged, hypothecated, or otherwise transferred its rights under the A&R Option Agreement to any person other than the Lender, except as expressly permitted under the Loan Documents. True, correct, and complete copies of the A&R Option Agreement (including all amendments, modifications, and supplements thereto) shall be delivered to the Lender on or prior to the Security Date, and there are no oral or written side agreements, understandings, or arrangements relating to the A&R Option Agreement that have not been disclosed to the Lender in writing.

4.50 Reliance Upon Representations. The representations and warranties of Borrower set forth herein, in the other Loan Documents or in certificates of Borrower delivered in connection therewith as of the date made are true and correct in all material respects, except to the extent that such representations or warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date. Borrower understands that all such representations and warranties have been and will be relied upon as an inducement by Lender to make the Loan. Notwithstanding anything herein to the contrary, as to any representation or warranty of Borrower that is made as of the Security Date, if Borrower is unable to make such representation or warranty on the Security Date due to circumstances outside of Borrower's reasonable control and Borrower delivers written notice of the same to Lender on or prior to the Security Date, such inability shall not constitute a default under this Agreement but Lender shall have the right to treat such inability as the failure of a Funding Condition and may terminate this Agreement and Lender's commitment to fund.

ARTICLE V
COVENANTS

From the Closing Date and until payment in full of the Obligations (other than contingent obligations to the extent such obligations have not accrued), Borrower hereby covenants and agrees with Lender as follows:

5.1 Completion of the Project. The Borrower shall use commercially reasonable efforts to administer, oversee, and pursue the completion of the construction of the Project on or prior to the Completion Date. The Borrower shall not permit (to the extent of its contractual rights to do so) any Development Counterparty to abandon the Project after commencement of construction activities, which abandonment shall only be deemed to have occurred solely if the Borrower or any Development Counterparty, without reasonable cause, (a) expressly declares in writing that it will not resume work on the Project or (b) fails to pursue the construction of the Project or fails to operate the Project for a period of ninety (90) consecutive days, which period shall be in addition to any period during which a Force Majeure Event or Force Majeure Event – Acts of God shall have occurred and be continuing. Notwithstanding anything to the contrary herein, the existence of Hazardous Materials on, at, under or migrating from the Premises shall not constitute a default under this Agreement if Borrower is actively and in good faith addressing such condition pursuant to the Environmental Remediation Work.

5.2 Maintenance of Existence. Throughout the term of this Agreement, other than in connection with a transaction permitted pursuant to this Agreement, Borrower shall maintain (a) its legal existence as a joint powers authority, (b) its good standing and qualification to do business in the State of California and in every jurisdiction where such qualification is required by applicable law, except where the failure to so qualify would not reasonably be expected to have a

Material Adverse Effect, and (c) all material rights, franchises, privileges and consents necessary for the maintenance of its existence and for the development, operation and maintenance of the Project, except to the extent Borrower reasonably determines that the failure to maintain any such rights, franchises, privileges and consents would not reasonably be expected to result in a Material Adverse Effect.

5.3 Operation and Maintenance of Project. Borrower shall administer, oversee, operate and maintain the Project (or cause the same to be operated and maintained) in good working order and condition with respect to those portions of the Project that have been completed (ordinary wear and tear excepted) and otherwise in accordance with the Loan Documents and make all necessary repairs, renewals and replacements with respect thereto that are reasonably necessary, in each case, to permit the Project to operate in accordance in all material respects with the Loan Documents and in compliance in all material respects with applicable laws and Governmental Approvals material to the conduct of its business and the terms of the Insurance required under Section 5.4 hereof, except to the extent that the failure to do any of the foregoing would not reasonably be expected to have a Material Adverse Effect.

5.4 Insurance. From and after the Security Date, Borrower shall maintain and shall require its respective Development Counterparties to maintain, with financially sound and reputable insurance companies, (i) Insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business of such types and in such amounts as are customarily carried under similar circumstances by such other Persons and (ii) those certain Environmental Insurance Policies. At Borrower's own cost and expense, Borrower shall furnish Lender with appropriate loss payable endorsements in form and substance reasonably satisfactory to Lender, naming Lender as a co-insured and loss payee as its interests may appear with respect to all Insurance coverage herein, and mortgagee/loss payee on casualty and builder's risk policies, and providing (A) no such Insurance shall be affected by any act or neglect of the insured or owner of the property described in such policy, (B) that such policy and lender's loss payee clauses may not be cancelled, amended or terminated unless at least thirty (30) days prior written notice is given to Lender, and (C) such coverage includes an agreed amount endorsement waiving all co-insurance provisions, if applicable; provided, however, that Lender will be included as an additional insured on the Environmental Insurance Policies and not a loss payee. Borrower shall deliver to Lender evidence of Insurance renewal and certificates of Insurance not less than fifteen (15) days prior to the expiration date of any Insurance policy required hereunder. Notwithstanding anything in any Loan Document to the contrary, so long as no Event of Default has occurred and is continuing, all proceeds of Insurance shall be promptly paid to Borrower to be used by Borrower to acquire, replace, rebuild, maintain, develop, construct, improve, upgrade or repair real property, equipment or other tangible assets to be used in the business of Borrower and/or to reimburse the cost of any of the foregoing.

5.5 Construction / Environmental Consultant. Lender may retain a construction and environmental consultant with the reasonable cost thereof paid by or on behalf of Borrower for the purposes of: (i) reviewing all construction contracts, (ii) making periodic inspections of the Project, (iii) advising Lender generally concerning construction, development, and remediation related activities at the Project, and (iv) attending monthly draw meetings with General Contractor. From and after the Security Date, Borrower shall pay the reasonable fees and expenses of the construction consultant within thirty (30) days after billing therefor.

5.6 Reserved.

5.7 Change in Name, Place of Business or Fiscal Year. Borrower shall not, at any time: change its name, jurisdiction of formation, or principal place of business without giving the Lender written notice within thirty (30) days following the date of such change.

5.8 Costs. Borrower shall pay when due all costs relating to Borrower's ownership, development, construction, maintenance, management, and operation of the Project, including without limitation, any repair and restoration of the improvements and any costs related to the performance of the Project (subject to Lender's obligations to make advances hereunder to the extent Borrower has satisfied all conditions precedent to the Initial Advance and each Subsequent Advance).

5.9 Payment for Construction Work. Borrower agrees to timely pay and discharge when due and payable all claims for labor done and material and services furnished in connection with the construction of the Project and to take all other steps to forestall the assertion of claims or Liens against the Project or the Loan, subject to Lender's obligations to make advances hereunder (to the extent Borrower has satisfied all conditions precedent to the Initial Advance and each Subsequent Advance) and Borrower's right to contest liens in accordance with the terms of this Agreement.

5.10 Litigation. Borrower shall give, or shall cause to be given, prompt written notice to Lender of any litigation, mediation, arbitration or governmental proceedings that is pending or threatened in writing against Borrower or otherwise relates to the Project and, in each case, could reasonably be expected to have a Material Adverse Effect.

5.11 Access to Project. Borrower shall permit Lender and its representatives (including the construction consultant), upon reasonable prior written notice, to enter upon the Project during normal business hours, to inspect the Project, and, subject to the Disclosure Exceptions, to examine any contracts, Governmental Approvals, books, records, accounting data or other documentation relating to the Project reasonably requested by Lender, in each case at such times and locations as mutually agreed between Borrower and Lender, as applicable; provided Lender and its representatives comply with all safety and access related requirements, including but not limited to insurance requirements, prior to site visits. Borrower will reasonably cooperate with Lender and its officers, agents, consultants and employees, and Borrower shall make available to Lender all documents in Borrower's possession or control and reasonably requested by Lender to verify compliance with this Agreement and all other Loan Documents.

5.12 Reserved.

5.13 Cooperate in Legal Proceedings. Borrower shall reasonably cooperate with Lender with respect to any proceedings before any court, board or other Governmental Authority which could reasonably be expected to adversely affect the rights of Lender hereunder or under any of the other Loan Documents and, in connection therewith, permit Lender, at its election, to attend (at Lender's sole cost or at Borrower's cost if an Event of Default exists) any such proceedings which could reasonably be expected to have a Material Adverse Effect.

5.14 Correction of Defects. Within thirty (30) days after Borrower acquires actual knowledge of or receives written notice of any material deviation from the Plans and Specifications or the Remedial Action Plan, Borrower shall disclose same to Lender and will thereafter proceed with commercially reasonable diligence to correct all such defects and departures.

5.15 Perform Loan Obligations. Borrower shall observe, perform and satisfy all the terms, provisions, covenants and conditions of, and shall pay when due all costs, fees and expenses to the extent required, under the Loan Documents executed and delivered by, or applicable to, Borrower.

5.16 Further Assurances.

(a) Borrower shall execute and acknowledge and deliver to Lender all documents, and take all actions, reasonably required by Lender from time to time to confirm the rights created or now or hereafter intended to be created under this Agreement and the other Loan Documents and any security interest created or purported to be created thereunder, to protect and further the validity, priority and enforceability of this Agreement and the other Loan Documents, to subject to the Loan Documents any property of Borrower intended by the terms of any one or more of the Loan Documents to be encumbered by the Loan Documents, or otherwise carry out the purposes of the Loan Documents and the transactions contemplated thereunder.

(b) In addition, from and after the Security Date, Borrower shall, at Borrower's sole cost and expense, but subject to the limitations set forth in this Agreement:

(i) execute and deliver, from time to time, such further instruments as may be reasonably requested by Lender to confirm the lien under the Deed of Trust;

(ii) execute and deliver to Lender such documents, instruments, certificates, assignments and other writings, and do such other acts reasonably necessary to evidence, preserve and/or protect the Collateral at any time securing or intended to secure the Obligations of Borrower under the Loan Documents, in each case as Lender may reasonably require; and

(iii) do and execute all and such further lawful and reasonable acts, conveyances and assurances for the carrying out of the terms and conditions of this Agreement and the other Loan Documents, as Lender shall reasonably require from time to time; in any of the foregoing cases, to the extent such acts do not materially increase Borrower's obligations or liabilities beyond those expressly contemplated herein.

(c) If the Note is mutilated, destroyed, lost or stolen, upon Lender's furnishing to Borrower a lost note affidavit to such effect from Lender reasonably satisfactory to Borrower, Borrower shall deliver to Lender for the benefit of Lender, in substitution therefor, a new promissory note containing the same terms and conditions as the mutilated, destroyed, lost or stolen Note with a notation thereon (i) of the unpaid principal and accrued and unpaid interest, and (ii) stating that such promissory note is a duplicate original of the mutilated, destroyed, lost or stolen Note, intended to replace the mutilated, destroyed, lost or stolen Note.

5.17 Reserved.

5.18 Protection of Liens. From and after the Security Date, Borrower shall maintain the Liens granted under the Deed of Trust as a valid first-priority lien on the Collateral under the Collateral Documents executed by Borrower (subject only to Permitted Encumbrances), and take all actions, and execute and deliver to Lender all documents, reasonably required by Lender from time to time in connection therewith; and maintain such lien on the Collateral described in the Collateral Documents executed by Borrower and take all commercially reasonable actions, and execute and deliver to Lender all documents reasonably required by Lender from time to time in connection therewith, including supplemental security agreements, financing statements and other documents necessary to perfect Lender's security interests in such Collateral as they exist from time to time; in any of the foregoing cases, to the extent such acts do not materially increase Borrower's obligations or liabilities beyond those expressly contemplated herein. Borrower shall reimburse Lender for any losses, costs, damages or expenses (including reasonable, necessary and documented out-of-pocket attorneys' fees and court costs) actually incurred by Lender if an interest in the Collateral, other than as permitted hereunder (including in respect of Permitted Encumbrances), is claimed by another Person.

5.19 Costs of Enforcement. In the event (a) that the lien encumbering the Collateral is foreclosed in whole or in part or that any of the Loan Documents are put into the hands of an attorney for collection, suit, action or foreclosure, (b) of the foreclosure of any pledge encumbering the Collateral prior to or subsequent to the Loan Documents in which proceeding Lender is made a party or (c) of the bankruptcy, insolvency, rehabilitation or other similar proceeding in respect of Borrower, or a general assignment by Borrower for the benefit of its creditors, Borrower shall pay all actual out of pocket costs of collection and defense, including reasonable, necessary and documented out-of-pocket attorneys' fees and costs actually incurred by Lender in connection therewith and in connection with any appellate proceeding or post-judgment action involved therein, together with all required service or use taxes.

5.20 Estoppel Statement. Borrower shall, from time to time, upon ten (10) Business Days' prior written request from Lender, but no more often than annually, execute, acknowledge and deliver to Lender, a certificate of a responsible officer of Borrower stating that (a) this Agreement and the other Loan Documents to which Borrower is a party are in full force and effect (other than, in each case, the termination or expiration of any Loan Documents in accordance with their terms) and (b) to Borrower's knowledge, the principal amounts outstanding under the Loan and accrued and unpaid interest thereon. The estoppel certificate shall also state that no Event of Default exists or, if any Event of Default shall exist, specifying such Event of Default and the steps being taken to cure such Event of Default.

5.21 Patriot Act. Lender hereby notifies Borrower that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies Borrower, which information includes the name and address of Borrower and other information that will allow Lender to identify Borrower in accordance with the Patriot Act. Borrower shall not (i) conduct any business or engage in any transaction or dealing with any transaction relating to, any property blocked pursuant to Executive Order No. 13224; or (ii) engage in or conspire to engage in any transaction that evades or avoids, or attempts to violate, any of the prohibitions set forth in

Executive Order No. 13224, the Patriot Act or any other Anti-Terrorism Law. Borrower shall deliver, or cause to be delivered, to Lender any certification or other evidence reasonably requested by Lender, confirming Borrower's compliance with this Section.

5.22 Licenses. Borrower shall keep and maintain all licenses necessary for the operation of the Project for its then-current use, except where the failure to do so would not reasonably be expected to result in a Material Adverse Effect. Borrower shall not transfer any licenses required for the current operation of the Project in violation of this Agreement.

5.23 Appraisals. Lender shall have the right to obtain a new or updated appraisal of the Project from time to time. Borrower shall cooperate with Lender in this regard and shall pay the reasonable out of pocket costs for any such appraisal upon Lender's request; provided that Borrower shall not be required to pay for more than one (1) appraisal per calendar year unless an Event of Default exists beyond the expiration of any applicable notice and cure period, and Lender reasonably believes that there has occurred a Material Adverse Effect upon the appraised value of the Project.

5.24 Hold Loan Proceeds in Trust. Borrower shall receive and hold in trust for the sole benefit of Lender all advances made hereunder directly to Borrower for the purpose of paying costs of the construction of the Project in accordance with the Project Budget and Schedule. Borrower shall use the proceeds of the Loan solely for the payment of costs as specified in the Project Budget and Schedule and for Qualifying Expenditures relating to the Project.

5.25 Job Creation Requirement.

(a) Borrower will create a minimum of ten (10) new full-time direct and/or indirect jobs for each Eight Hundred Thousand Dollars ($800,000) advanced under the Loan (the "**Job Creation Requirement**") during the Job Creation Period, it being understood and agreed by Lender and Borrower that a Loan of $180,000,000 would require the creation of 2,250 jobs which satisfy the eligibility requirements of the Program. Borrower shall use the proceeds of each advance under the Loan for Qualifying Expenditures incurred for the Project, including to reimburse for amounts previously spent as part of the Project during the Job Creation Period. Lender agrees that the Job Creation Requirement will be deemed fully satisfied by the funding of Qualifying Expenditures for the Project, materially as described in the Economic Impact Study (or other expenses that USCIS has announced constitute eligible inputs into an accepted economic model or methodology) and the completion and operation of the Project.

(b) To evidence the substantial completion of the Project and the operation thereof substantially as described in Borrower's business plan, Borrower will provide to Lender (or cause to be provided to Lender) the following as soon as commercially practicable in each case and no later than the date that is the end of the Completion Date:

(i) a certificate of Borrower confirming the Substantial Completion Requirements have been satisfied;

(ii) certified applications for payment, paid invoices or cancelled checks for Qualifying Expenditures as referenced in the Economic Impact Study, including but not limited to construction costs, professional fees, and machinery and equipment purchases for the Project;

(iii) if available, detailed operating expenditures for each year of the Project's operation with a representation letter form Borrower certifying such expenditures; and

(iv) any supplementary documentation reasonably requested by Lender and/or the USCIS.

5.27 Changes to Plans and Specifications, Project Budget and Schedule.

(a) Except as otherwise provided in this Agreement, Borrower shall not make any changes in the Plans and Specifications for construction of the Project or the Project Budget and Schedule without Lender's prior written consent (not to be unreasonably withheld, conditioned or delayed) if such changes (i) would cause the Project or the Loan to fail to comply with the requirements of the Program or any other written guidance provided by the USCIS to the extent applicable to Lender or the Project, (ii) would reasonably be expected to impair the ability of Borrower to satisfy the Job Creation Requirement, (iii) would reasonably be expected cause Investors to have their I-829 Petitions denied by the USCIS or (iv) could reasonably be expected to have a Material Adverse Effect.

(b) Borrower shall submit, or cause to be submitted, to Lender any material proposed change in the Plans and Specifications, budget or construction schedule requiring Lender's approval pursuant to clause (a) above (such approval not to be unreasonably withheld, conditioned or delayed) to Lender at least five (5) days prior to the commencement of construction relating to such proposed change and Lender shall promptly inform Borrower whether Lender is willing to grant such approval.

5.28 Construction Schedule. From and after the Initial Advance, Borrower shall diligently pursue construction of the Project in accordance with the Project Budget and Schedule and shall promptly notify Lender in writing of any material delay or anticipated material delay in the completion of the Project as compared to the then-current Project Budget and Schedule, together with a reasonably detailed explanation of the cause thereof and Borrower's proposed remedial measures.

5.29 Remedial Action Plan. Without Lender's prior written consent, not to be unreasonably withheld, conditioned, or delayed, Borrower shall not alter or change the Remedial Action Plan or any other applicable remediation action plan in any manner that would reasonably be expected to result in a Material Adverse Effect or result in non-compliance with the other Environmental Regulatory Documents or would otherwise jeopardize the close out of the Remedial Action Plan. Whether or not Lender's consent is required, Borrower shall provide evidence reasonably satisfactory to Lender that such change has been approved by, or is otherwise acceptable to, the applicable Governmental Authority, or that Borrower has applied for and is diligently pursuing such approval.

5.30 Material Project Contracts. Borrower shall perform all of its obligations and enforce all of its rights under each Material Project Contract, except to the extent that failure to perform its obligations or enforce such rights would not reasonably be expected to have a Material Adverse Effect. Borrower shall not amend or waive in any material respect or terminate or assign any Material Project Contract without the prior written consent of Lender (such consent not to be unreasonably withheld, conditioned, or delayed); provided that, without such consent (a) Borrower may enter into change orders under any Material Project Contract if either (i) such change will not require the additional payment (net of any decreases resulting from such change order) by Borrower in excess of $500,000 individually or, together with all prior change orders, $5,000,000 in the aggregate, or (ii) such change order will be funded from any combination of additional equity contributions or Permitted Indebtedness; and (b) Borrower may amend, modify, waive terminate or assign any Material Project Contract if such amendment, modification, waiver, termination or assignment would not reasonably be expected to have a Material Adverse Effect; provided, further, that such consent shall not be required in respect of any termination of a Material Project Contract if (x) Borrower provides written notice to Lender of such termination no later than ten (10) days following such termination, and (y) such Material Project Contract is replaced within 120 days of termination by a contract on terms substantially similar or more favorable to Borrower. If Lender fails to respond to Borrower's written request for consent to a change order, plan modification, easement relocation, or new construction contract within five (5) Business Days after Lender's receipt of such request together with all information reasonably necessary for Lender to evaluate the request, such request shall be deemed rejected.

5.31 Compliance with Laws. Except as otherwise disclosed to Lender, Borrower shall comply with, and shall ensure that the Project is operated in compliance with, all applicable laws and Governmental Approvals, including Environmental Law, as and when required, except, in each case, for any failure to comply which would not reasonably be expected to have a Material Adverse Effect.

5.32 Reserved.

5.33 Reserved.

5.34 Approvals; Governmental Authorizations. At all times, the Borrower shall obtain, or shall cause to be obtained, on a timely basis and thereafter maintain in full force and effect, or in the case of such permits as are required to be obtained by third parties, use reasonable efforts to cause such third parties to obtain and thereafter maintain in full force and effect, all Governmental Approvals necessary as and when necessary for the construction, use or operation of the Project, as applicable, or as and when required from and after the Closing Date to comply with its obligations under the Loan Documents, except where the failure to obtain or maintain any such Governmental Approval would not reasonably be expected to have a Material Adverse Effect.

5.35 Liens and Encumbrances. Borrower shall not create or permit or suffer to exist any Lien on any Collateral (whether now owned or hereafter acquired), except Permitted Encumbrances.

5.36 Limitation on Indebtedness. Borrower shall not create, incur or assume any Indebtedness relating to the Premises other than Permitted Indebtedness without Lender's prior written consent, which consent may be granted or withheld in Lender's sole discretion.

5.37 Reserved.

5.38 Reserved.

5.39 Limitation on Fundamental Changes; Sale of Assets, Etc.

(a) Reserved.

(b) Reserved.

(c) Except as otherwise specifically permitted in the Loan Documents (including in connection with exercise of the option under the A&R Option Agreement and the Loan Assumption), Borrower shall not permit the sale, assignment or other disposition of any material assets of the Project (a "**Disposition**").

5.40 Zoning. Borrower shall not initiate or consent to any zoning reclassification of any portion of the Premises or seek any variance under any existing zoning ordinance or use or permit the use of any portion of the Premises, in each case, in any manner that would result in such use becoming a non-conforming use under any zoning ordinance or any other applicable land use law, rule or regulation, without the prior written consent of Lender.

5.41 No Joint Assessment. Borrower shall not suffer, permit or initiate the joint assessment of the Premises (i) with any other real property constituting a tax lot separate from the Premises, or (ii) with any portion of the Premises which may be deemed to constitute personal property, or any other procedure whereby the lien of any taxes which may be levied against such personal property shall be assessed or levied or charged to the Premises.

5.42 ERISA. Borrower shall not engage in any activity that would subject it to regulation under ERISA or qualify as an "employee benefit plan" (within the meaning of Section 3(3) of ERISA) subject to ERISA (each, a "**Plan**") and Borrower's assets do not and will not constitute Plan assets.

5.43 Reserved.

5.44 Hazardous Materials; Remediation Compliance. Borrower shall not cause, permit or suffer any Release of Hazardous Materials at, on, under, from or affecting the Project not otherwise disclosed to Lender prior to the date hereof except to the extent occurring in connection with investigation, handling, excavation, removal, transport, treatment, containment, remediation, monitoring or other response actions conducted in accordance with the Remedial Action Plan and applicable Environmental Laws. Borrower shall not intentionally cause or permit any action or omission that would materially exacerbate any existing environmental condition at the Project Site or materially increase the scope, cost or duration of any required investigation, monitoring, cleanup or other remediation at the Project Site; provided, however, that implementation of the Project in accordance with applicable Environmental Laws shall not constitute an exacerbation of existing environmental conditions. Borrower shall perform the Project in compliance in all material respects with all Environmental Regulatory Documents, operation and maintenance obligations, environmental permits, governmental orders and applicable Environmental Laws, including all worker health and safety measures required thereunder, including any construction worker caution requirements. For the avoidance of doubt, the existence of any existence of Hazardous Materials on, at, under or migrating from the Premises shall not constitute a default under this Section 5.41 if Borrower is actively and in good faith addressing such condition pursuant to the Environmental Remediation Work.

5.45 Mechanic's Liens. Except to the extent Borrower is contesting the same in accordance with Section 5.46, if any mechanic's, materialman's or other lien (other than a Permitted Encumbrance) shall be filed against the Premises on or after the Security Date, Borrower shall (or shall cause) within thirty (30) days of such filing discharge or bond over the same in a manner reasonably satisfactory to Lender. During the existence of an Event of Default, if Borrower shall fail (or fail to cause) to promptly discharge or bond over any such lien, Lender may, at its election (but shall not be required to), procure the release and discharge of any such lien and any judgment or decree thereon, and any amounts so expended by Lender shall be deemed to constitute a Protective Advance under the Deed of Trust and shall bear interest at the Default Rate.

5.46 Alterations. Without the prior written consent of Lender, Borrower shall not (i) prior to satisfaction of the Substantial Completion Requirements, subject to Section 5.22 (Changes to Plans and Specifications), make any material alterations to the Project other than completion of the construction in accordance with the Plans and Specifications, and (ii) after satisfaction of the Substantial Completion Requirements, remove, demolish or make any material or structural alteration to the Project.

5.47 Accounts and Reporting.

(a) Borrower shall cause and require Project Manager to keep, proper records and books of accounts in which entries shall be made of its transactions in accordance with an Acceptable Accounting Standard. Such records and books shall be subject to the inspection of Lender or its representatives upon reasonable notice and at reasonable times during business hours, provided that absent an Event of Default, Borrower shall not be responsible for the cost of any such inspection. Subject to applicable law, Borrower will permit Lender, upon prior reasonable notice and at reasonable times, to take copies and extracts from such books, and records, and will from time to time furnish, or cause to be furnished, to Lender such information and statements as Lender may reasonably request, all as may be reasonably necessary for the purpose of determining performance or observance by Borrower of its obligations under this Agreement. Notwithstanding anything to the contrary herein or in any other Loan Document, Borrower shall not be required to disclose trade secrets, violate confidentiality or non-disclosure agreements, violate applicable law or waive attorney-client privilege (the "**Disclosure Exceptions**").

(b) Reserved.

(c) Within forty-five (45) days after the end of each month (or more frequently as requested by USCIS or as mutually agreed by Lender and Borrower) prior to satisfaction of the Substantial Completion Requirements, Borrower will provide, or cause to be provided to, Lender with reports in respect of the Project describing the construction progress, costs incurred to date, use of proceeds of each advance and percentage of work completed (and, upon Lender's reasonable request or as may be reasonably requested by USCIS, other information necessary and sufficient and in Borrower's possession to fairly represent the financial position and results of operation of the Project and Borrower).

(d) Reserved.

(e) In addition to the aforesaid, Borrower shall deliver (or cause to be delivered) to Lender such other information reasonably requested by the USCIS and, to the extent readily available, reasonably requested by Lender, in each case, concerning its business, property and financial affairs, in each case to the extent relating to the Project.

5.48 Taxes.

(a) The Borrower shall pay, as the same respectively become due, (i) all taxes, assessments, levies, claims and charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Project and Borrower, (ii) all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Project, and (iii) all assessments and charges lawfully made by any governmental body for public improvements that may be secured by the Project, except, in the case of each of (i), (ii) and (iii) above, to the extent that any such taxes, assessments, levies, claims or other charges are being contested pursuant to Section 5.41(b) below or the failure to pay any such tax, assessment, levy, claim or other charge would not reasonably be expected to have a Material Adverse Effect.

(b) The Borrower may, at its expense, contest in good faith any such levy, tax, assessment, claim or other charge, but Borrower may permit the items otherwise required to be paid under Section 5.42(a) to remain undischarged and unsatisfied during the period of such contest related to such items and any appeal therefrom only if Borrower shall diligently prosecute such contest and maintain adequate reserves in accordance with an Acceptable Accounting Standard; but provided further, that any tax, assessment, charge, levy or claim shall be paid forthwith upon the commencement of proceedings to foreclose any lien securing the same. Lender, at the expense of Borrower, will cooperate fully in any such permitted contest.

(c) If Borrower shall fail to pay, or cause to be paid, any of the items required to be paid by it pursuant to (a) above, unless such items are being contested in good faith and for which adequate reserves have been established in accordance with an Acceptable Accounting Standard, Lender may (but shall be under no obligation to) during the existence of an Event of Default pay the same, and any amounts so advanced therefor by Lender shall become an additional Obligation of Borrower hereunder, together with interest thereon at the Default Rate from the date of such payment. Borrower agrees to promptly reimburse any such amounts following Lender's written demand therefor.

(d) Borrower shall furnish (or cause to be furnished) to Lender, upon reasonable written request, with proof of payment of any taxes, governmental charges, utility charges, Insurance premiums or other charges required to be paid by Borrower under this Agreement or any other Loan Document.

5.49 Transfers. Without the prior written consent of Lender, not to be unreasonably withheld, conditioned, or delayed, Borrower shall not, and shall not permit to occur any Transfer of the Collateral under the Collateral Documents executed by Borrower, any part thereof, or any legal or beneficial interest therein, other than Permitted Encumbrances, the disposal of worn or obsolete personal property in the ordinary course of Borrower's business and/or as otherwise permitted under this Agreement, including, without limitation, Section 5.52 and Section 8.21. Lender shall not be required to demonstrate any actual impairment of its security or any increased risk of default hereunder in order to declare the Obligations immediately due and payable upon a Transfer without Lender's consent in violation of this Section 5.49 that constitutes an Event of Default.

5.50 Equity and Financing. As of the Term Commencement Date, the Borrower shall have received financing and equity commitments which, when received in full, shall be an aggregate amount, which when added to the Loan Commitment and the Municipal Financing is sufficient to complete the Project in accordance with the Project and Schedule.

5.51 Reports of Qualifying Expenditures. Within thirty (30) days (or such later date as Lender may agree in its sole discretion) following the end of any applicable Expenditure Period, Borrower shall provide (or cause to be provided) to Lender with a report of all Qualifying Expenditures incurred and paid for with Loan proceeds during such period.

5.52 Publicity. Lender reserves the right to publicize the making of the Loan, and Borrower hereby authorizes Lender to use Borrower's name and general information concerning the Project in any press release, marketing materials or other promotional materials, subject to Borrower's prior approval of such materials, which approval shall not be unreasonably withheld, conditioned or delayed.

5.53 A&R Option Agreement. From and after the Security Date:

(a) Borrower shall use commercially reasonable efforts to cause the A&R Option Agreement to remain in full force and effect at all times until the earlier of (i) the exercise of the option thereunder in accordance with the terms thereof and the requirements of this Section, or (ii) payment in full of the Obligations. Borrower shall not voluntarily permit or suffer the A&R Option Agreement to be terminated, cancelled, rescinded, or otherwise rendered ineffective without the prior written consent of Lender.

(b) Borrower and Project Manager shall not exercise, or permit the exercise of, the option set forth in the A&R Option Agreement prior to the date on which (i) the Substantial Completion Requirements have been satisfied in accordance with the terms of this Agreement, and (ii) the Job Creation Requirement has been satisfied in accordance with Section 5.26 of this Agreement.

(c) In the event the option set forth in the A&R Option Agreement is exercised in accordance with the terms thereof and in compliance with Section (b) above, Borrower shall promptly execute, deliver, and perform all documents, instruments, and agreements necessary to effectuate the conveyance of the Premises and the assumption by Project Manager of all of Borrower's obligations under the Loan Documents (the "**Loan Assumption**"), in each case in form and substance required by and satisfactory to Lender in its reasonable discretion, which shall include but not be limited to an amendment to the Deed of Trust and other Loan Documents to reflect the titleholder.

(d) Without the prior written consent of Lender in its sole discretion, Borrower shall not amend, modify, supplement, waive, or otherwise alter any provision of the A&R Option Agreement relating to (i) the easements granted or to be granted thereunder (including, without limitation, the Subjacent Support Easement, the Utility Easements, the Subsidence Easements, and the Embankment Easement, as such terms are defined in the A&R Option Agreement), or (ii) the ability of Project Manager or Borrower to exercise the option thereunder or the terms and conditions governing such exercise.

(e) Simultaneously with the consummation of the Loan Assumption that satisfies the foregoing requirements and assumption of all obligations by Project Manager, Borrower shall be released from all liability under this Agreement, the Note, the Deed of Trust and the other Loan Documents arising from events that first occur after the date of such Loan Assumption and Lender agrees to provide written confirmation of such release if the same is reasonably requested by Borrower. Borrower's release as contemplated hereby shall in no way release Guarantor or be a basis for Guarantor to raise any defense to its obligations under the Guaranty.

5.54 Satisfaction of Funding Conditions. Borrower shall use commercially reasonable efforts, and shall diligently pursue all actions within its control, to satisfy each of the conditions precedent set forth in Section 3.2 (the "**Funding Conditions**") as promptly as practicable following the Closing Date, and shall provide Lender with written status updates not less than every fifteen (15) days regarding the status of any outstanding Funding Condition, including specifically: (i) the City of Carson's written consent to the assignment of the Development Agreement pursuant to Section 3.2(k); (ii) execution and delivery of the Deed of Trust and the other Collateral Documents required pursuant to Section 3.2(a); (iii) delivery of the fully executed Environmental Access Agreement pursuant to Section 3.2; (iv) the status of the selection of any replacement Development Manager and General Contractor; (v) execution of the general contract, work order(s) and similar agreements for the Environmental Remediation Work; (vi) the status of entitlements, plan approvals and permits required pursuant to Section 3.2; (vii) the status of the Economic Development Benefit Agreement approval process; (viii) the status of DTSC approval and recording of the Amended and Restated Land Use Covenant; and (ix) the status of the California Department of Housing and Community Development challenge period.

ARTICLE VI
ASSIGNMENT; INDEMNIFICATION; LOAN IN BALANCE; CASH MANAGEMENT

6.1 Assignment. Except as otherwise expressly permitted hereunder, neither Borrower nor Lender may assign its interest in this Agreement without the written consent of the other party, which consent shall not be unreasonably withheld or delayed by either party. In the event of any permitted assignment of its interest in this Agreement by the Lender, the Lender (solely for this purpose as a non-fiduciary agent on behalf of Borrower) shall maintain or cause to be maintained a register for interests in this Agreement in which it shall register the issuance and transfer of such interests. All transfers of such interests shall be recorded on the register maintained by Lender or its agent, the register shall be conclusive absent manifest error, and the parties hereto shall regard the registered holder of such interests as the actual owner thereof for all purposes.

6.2 Release and Indemnification Covenants.

(a) From and after the Security Date, Borrower shall indemnify, defend and hold harmless Lender and its Affiliates and each of their respective successors, permitted assigns, employees, agents, officers, directors, shareholders and members (each, an "**Indemnified Party**" and together, the "**Indemnified Parties**") from and against any and all other liabilities, obligations, actual losses, actual damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (including, without limitation, the reasonable fees and disbursements of counsel for Lender in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not such Indemnified Party shall be designated a party thereto but expressly excluding special, punitive or consequential damages), that may be imposed on, incurred by, or asserted against such Indemnified Party in any manner relating to or arising out of (i) any breach by Borrower of its Obligations under, or any misrepresentation by Borrower contained in, this Agreement or the other Loan Documents; (ii) the use or intended use of the proceeds of the Loan; (iii) any information provided by or on behalf of Borrower; (iv) ownership of the Collateral or any interest therein; (v) any accident, injury to or death of persons or loss of or damage to property occurring in, on or about the Project site or on the adjoining sidewalks, curbs, adjacent property or adjacent parking areas, streets or ways; (vi) any use, nonuse or condition in, on or about the Project site or on adjoining sidewalks, curbs, adjacent property or adjacent parking areas, streets or ways; (vii) performance of any labor or services or the furnishing of any materials or other property in respect of the Project, including without limitation, the construction of the Project; (viii) any failure of the Project to comply with any Legal Requirement; (ix) any claim by brokers, finders or similar persons claiming to be entitled to a commission in connection with any lease or other transaction involving the Project or any part thereof, or any liability asserted against Lender with respect thereto; (x) the claims of any lessee of any portion of the Project or any Person acting through or under any lessee or otherwise arising under or as a consequence of any lease; and (xi) any failure to pay any permit and application fees, violations, fines and/or any other penalty incurred in connection with ownership, use, leasing and/or development of the Project (collectively, the "**Indemnified Liabilities**"); provided, however, that Borrower shall not have any obligation to any such Indemnified Party hereunder to the extent that such Indemnified Liabilities (w) arise from the illegal acts, fraud, gross negligence or willful misconduct of such Indemnified Party or any Affiliate thereof, (x) arise from Lender's failure to fund the Loan notwithstanding the terms and conditions of the Loan Documents having been fully met, (y) have resulted from any dispute exclusively among Indemnified Parties (not arising as a result of any act or omission by any Loan Party), or (z) arise from acts or omissions of

Lender or its representatives or consultants that result in actual delays in completion of the Project. To the extent that the undertaking to indemnify, defend and hold harmless set forth in the preceding sentence may be unenforceable because it violates any law or public policy, Borrower shall pay the maximum portion that it is permitted to pay and satisfy under applicable law to the payment and satisfaction of all Indemnified Liabilities incurred by each Indemnified Party. For the avoidance of doubt, the acknowledgments of Lender in Recital E of this Agreement shall not release Borrower from its obligations under this Section 6.2(a).

(b) Reserved.

(c) Lender separately agrees that, upon the receipt of notice of the commencement of any action against Lender or its members, servants, officers, counsel to the Lender, employees, advisors and other agents, now or hereafter, as applicable, or any Person controlling it as aforesaid, in respect of which indemnity, costs, expenses or defense may be sought on account of any agreement contained herein, Lender will promptly give written notice of the commencement thereof to Borrower, but the failure so to notify Borrower of any such action shall not relieve Borrower from any liability hereunder to the extent it is not materially prejudiced as a result of such failure to notify and in any event shall not relieve it from any liability which it may have to the Indemnified Party otherwise than on account of such indemnity agreement. In case such notice of any such action shall be so given, Borrower shall be entitled to participate at its own expense in the defense or, if it so elects, to assume the defense of such action, in which event such defense shall be conducted by counsel chosen by Borrower and reasonably satisfactory to the Indemnified Party or Indemnified Parties who shall be defendant or defendants in such action, and such defendant or defendants shall bear the fees and expenses of any additional counsel retained by them; but if Borrower shall elect not to assume the defense of such action, Borrower will reimburse such Indemnified Party or Indemnified Parties for the reasonable fees and expenses of any counsel retained by them; provided, however, if the defendants in any such action (including impleaded parties) include both the Indemnified Party and Borrower and counsel for Borrower shall have reasonably concluded that there may be a conflict of interest involved in the representation by a single counsel of both Borrower and the Indemnified Parties, the Indemnified Party or Indemnified Parties shall have the right to select separate counsel, at Borrower's expense and satisfactory to Borrower, to participate in the defense of such action on behalf of such Indemnified Party or Indemnified Parties it being understood, however, that Borrower shall not be liable for the expenses of more than one separate counsel (in addition to local counsel) representing the Indemnified Parties at any time who are parties to such action.

(d) Without the consent of Borrower, Lender shall not settle, compromise or consent to the entry of any judgment in any claim in respect of which indemnification may be sought under the indemnification provision of this Agreement, unless such settlement, compromise or consent (1) includes an unconditional release of such other applicable party from all liability arising out of such claim and (2) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of such other applicable party.

(e) Lender and the Regional Center shall, jointly and severally, indemnify, defend and hold harmless Borrower, Project Manager, Guarantor, and their respective owners, partners, members, managers, directors, officers, employees, consultants and agents (collectively, "**Borrower Indemnified Parties**") from and against any and all claims, liabilities, losses, damages, costs and expenses (including reasonable attorneys' fees and disbursements) brought by any Investor or potential Investor concerning (a) the offering documents prepared and distributed by or on behalf of Lender in connection with the offering of Units to Investors (the "**Offering**" and such documentation, the "**Offering Documents**"), or (b) the efforts of Lender and its managers, promoters, agents and consultants, and their respective employees, consultants and subcontractors regarding the Offering Documents or the Offering; provided, however, that the foregoing indemnification shall not apply to the extent any such claim arises out of or relates to certain factual provisions contained in the Offering Documents describing Borrower, Project Manager, Guarantor, the Project and other sources of financing that (i) Lender requests, in writing, Borrower, Project Manager and/or Guarantor to review and approve within a reasonable time period prior to distribution, (ii) Borrower, Project Manager and/or Guarantor actually receives for review reasonably in advance of the distribution of such Offering Documents, and (iii) are approved by Borrower, Project Manager and/or Guarantor; provided, that the factual provisions deemed approved by Borrower, Project Manager and/or Guarantor pursuant to the foregoing shall be deemed modified by any contrary information contained in this Agreement.

The indemnification obligations of Borrower, Lender and the Regional Center, respectively, under this Section 6.2 shall survive the termination of this Agreement. The indemnification obligations of Borrower under this Section 6.2 shall be secured by the Deed of Trust and the other Collateral Documents.

6.3 Loan Out of Balance. Notwithstanding anything to the contrary contained in this Agreement, it is expressly understood and agreed that the Loan at all times shall be In Balance from and after the Initial Advance. The Loan shall be deemed to be "**In Balance**" only if the total of the Available Funds (as hereinafter defined), in Lender's sole, but reasonable judgment (based upon independent and verifiable facts), shall equal or exceed the aggregate of: (i) the amount required to pay interest on the Loan to the Maturity Date; (ii) the amounts to be paid as retainage to persons who have supplied labor, services or materials to the Project including, without limitation, the General Contractor, the Development Manager, the Architect and all subcontractors; (iii) the amount required, in Lender's sole, but reasonable judgment, for a contingency reserve; and (iv) the amount necessary to pay for all unpaid costs incurred or to be incurred in the completion of the construction of the Project and operation of the Project until the Maturity Date. Solely for the purposes of this Section 6.3, the term "Project" shall exclude the Public Roadway Work. As used herein, the term "**Available Funds**" shall mean:

(a) the undisbursed proceeds of the Loan the demonstrated equity commitments of Project Manager; plus

(b) any other amounts deposited by Borrower or contributed by Project Manager pursuant to this Section 6.3 and then held by Lender; plus

(c) the value of any portion of the capital contributions as may be then held in cash by Lender; for the purposes hereof, letters of credit shall not be treated as cash or a cash equivalent.

Borrower agrees if for any reason the Loan is not In Balance, Borrower, within thirty (30) days after request by the Lender, will deposit with Lender cash in an amount which will place the Loan In Balance, which deposit shall first be exhausted before any further disbursement of the proceeds of the Loan shall be made. No interest shall be payable on such amounts. The amounts deposited hereunder shall be additional capital contributions and must satisfy the requirements of this Agreement.

ARTICLE VII
EVENTS OF DEFAULT AND REMEDIES

7.1. Events of Default Defined. The occurrence of any one or more of the following, whatever the reason therefor from and after the Initial Advance, shall constitute an "**Event of Default**" hereunder:

(a) Any failure by Borrower (and Project Manager or Guarantor on Borrower's behalf) to pay (i) any accrued interest on the Loan or any portion of the principal amount of the Loan within five (5) days following the date when and as the same shall become due and payable, or (ii) any other amount payable by Borrower under this Agreement or the other Loan Documents when and as the same shall become due and payable by Borrower under this Agreement or the other Loan Documents and such failure continues for a period of ten (10) days following written notice from Lender to Borrower.

(b) Any Loan Party attempts to transfer or transfers its rights under this Agreement or any of the other Loan Documents to which it is a party or any interest herein or therein in contravention of the Loan Documents to which it is a party;

(c) Any of the representations, warranties or certifications of any Loan Party made in or delivered pursuant to any Loan Document to which it is a party, including this Agreement, shall prove to have been incorrect when made and a Material Adverse Effect would reasonably be expected to result therefrom, unless such misrepresentation is capable of being cured and is cured within thirty (30) days after the applicable Loan Party's receipt of written notice from Lender of such misrepresentation;

(d) Any Loan Party shall make a general assignment for the benefit of creditors;

(e) A receiver, liquidator or trustee shall be appointed for any Loan Party, or if any Loan Party shall be adjudicated a bankrupt or insolvent, or if any petition for bankruptcy, reorganization or arrangement pursuant to federal bankruptcy law, or any similar federal or state law, shall be filed by or against, consented to, or acquiesced in by, any Loan Party, or if any proceeding for the dissolution or liquidation of any Loan Party shall be instituted (each, a "**Bankruptcy Event**"), unless such appointment, adjudication, petition or proceeding was involuntary and not consented to or acquiesced in by any Loan Party, as applicable, and the same is discharged, stayed or dismissed within ninety (90) days;

(f) Except for any other subsection of this Section 7.1, any Loan Party shall fail to perform any other covenant or agreement to be performed by it under this Agreement or the other Loan Documents which it is a party, and such failure shall continue for more than thirty

(30) days after written notice thereof is given to Borrower and/or Guarantor, as applicable, by Lender (provided, however, that such 30 day cure period shall not apply to any of the occurrences set forth in any other clause of this Section 7.1); provided, however, that if default is susceptible of cure but cannot reasonably be cured within such 30-day period, and provided further that such Loan Party shall have commenced to cure such default within such 30-day period shall and thereafter diligently and expeditiously proceed to cure the same, such 30-day period shall be extended for such time as is reasonably necessary for such Loan Party in the exercise of due diligence to cure such default, such additional period of time not to exceed sixty (60) days; notwithstanding the foregoing, the cure periods set forth in this Section 7.1 are provided without duplication of any other cure periods set forth in the Loan Documents, and in the event that multiple cure periods apply under the Loan Documents such cure periods shall run concurrently and not consecutively;

(g) The failure by Borrower or the Project Manager (as applicable) to pay final non-appealable judgments aggregating in excess of $1,000,000 (in each case to the extent not covered by insurance as to which the insurer has been notified of such judgment or order and has not denied its obligation), which final non-appealable judgments remain unpaid, undischarged and unstayed for a period of more than (ninety) 90 days after such judgment becomes final and non-appealable, and, in the event such judgment is covered by insurance, an enforcement proceeding has been commenced by any creditor upon such judgment or decree which is not promptly stayed;

(h) Borrower shall fail to comply with the provisions of Section 5.42 (ERISA);

(i) From and after the Security Date, the failure at any time of the Lien under the Deed of Trust to be a valid first-priority Lien (subject to Permitted Encumbrances) upon any material portion of the "Premises" (as defined in the Deed of Trust), other than (i) in accordance with the terms of the Deed of Trust or (ii) any loss of perfection that results from the failure of Lender to file Uniform Commercial Code continuation statements, (iii) in connection with any Transfer permitted hereunder, and such failure shall continue for more than thirty (30) days after written notice thereof is given to Borrower by Lender; provided, however, that if such default is susceptible of cure but cannot reasonably be cured within such 30-day period, and provided further that Borrower shall have commenced to cure such default within such 30-day period shall and thereafter diligently and expeditiously proceed to cure the same, such 30-day period shall be extended for such time as is reasonably necessary for Borrower in the exercise of due diligence to cure such default, such additional period of time not to exceed sixty (60) days;

(j) Any Loan Party shall assert in writing that any Loan Document to which it is a party is not in full force and effect (other than the termination or expiration of such Loan Document in accordance with its terms), or fails to give Lender the rights, powers and privileges (to the extent necessary for Lender to adequately obtain the practical realization of the principal benefits intended to be provided) and/or the Liens purported to be created thereby;

(k) Any permit, license, entitlement or other approval required for the completion of the Project is withdrawn, suspended or cancelled, terminated or modified to the detriment of Borrower or the construction of the Project and such withdrawal, suspension, cancellation, termination or modification results in or would reasonably be expected to have a Material Adverse Effect, or any stop work order being issued, unless the Borrower reinstates and confirms (or causes the reinstatement and confirmation of) in all respects such permit, license, entitlement or other approval or terminates such stop work order within a period of thirty (30) days thereafter (provided such 30-day period shall be extended for an additional period not to exceed sixty (60) days so long as the Borrower commences (or causes the commencement) to cure such default in the initial 30-day period and diligently continues to cure same); provided it shall not constitute an Event of Default under this clause (k) if (A) Borrower is able to proceed with substantially all of the construction activities contemplated by this Agreement with respect to the Project, and (B) such stop work order is terminated within one hundred twenty (120) days;

(l) The Loan is not In Balance, and the Borrower, the Project Manager or Guarantor (as the case may be) fails to cure such default as provided for in Section 6.3 herein;

(m) (i) The disapproval by Lender of any construction work and failure of Borrower to diligently pursue correction of the satisfaction of Lender after written notice thereof from Lender; (ii) a discontinuance in the construction of the Project for a period of ninety (90) consecutive days (other than Force Majeure Events or Force Majure Events – Acts of God); (iii) [reserved]; or (iv) if for any reason the Construction Contract is terminated, and Borrower fails to enter into a replacement contract reasonably acceptable to Lender with a new contractor reasonably acceptable to Lender within thirty (30) days of such event; provided, however, if the replacement contract is required to go through a formal bidding process, the aforementioned thirty (30) days shall apply only to Borrower's failure to commence the formal bidding process within thirty (30) days of such event;

(n) (i) Guarantor ceases to comply with any financial covenants set forth in the Guaranty; (ii) Guarantor fails to comply with the financial reporting requirements set forth in the Guaranty and such failure continues for five (5) Business Days after notice from Lender; or (iii) any event described in Section 7.1(d) or 7.1(e) occurs with respect to Guarantor; or

(o) Any breach by CGO of the CGO Covenant Agreement that continues beyond any applicable cure period set forth therein.

7.2. Remedies on Event of Default. Notwithstanding anything herein to the contrary, all of Lender's rights and remedies in connection with any Event of Default shall be subject to the limitations set forth in Section 7.6.

(a) Upon the occurrence and during the continuance of an Event of Default, all or any one or more of the rights, powers, privileges and other remedies available to Lender against Borrower under this Agreement or any of the other Loan Documents executed and delivered by, or applicable to, Borrower, the Project Manager or Guarantor or at law or in equity may be exercised by Lender at any time and from time to time, whether or not all or any of the Obligations shall be declared due and payable, and whether or not Lender shall have commenced any foreclosure proceeding or other action for the enforcement of its rights and remedies under any of the Loan Documents with respect to the Collateral, including, without limitation, acceleration of the Obligations. Any such actions taken by Lender shall be cumulative and concurrent and may be pursued independently, singly, successively, together or otherwise, at such time and in such order as Lender may determine in its sole discretion, to the fullest extent permitted by law, without impairing or otherwise affecting the other rights and remedies of Lender permitted by law, equity or contract or as set forth herein or in the other Loan Documents. Without limiting the generality of the foregoing, Borrower agrees that if an Event of Default is continuing (i) except to the extent prohibited by California Code of Civil Procedure Section 726 or any other applicable non-waivable law, Lender may exercise any rights and remedies available to it under the Loan Documents, at law, or in equity, (ii) all liens and other rights, remedies or privileges provided to Lender shall remain in full force and effect until Lender has exhausted all of its remedies against the Collateral and the Deed of Trust has been foreclosed, sold and/or otherwise realized upon in satisfaction of the Obligations and the Obligations have been paid in full (other than contingent obligations to the extent such obligations have not accrued), (iii) Lender may, in its sole discretion, without impairing or otherwise affecting any other rights and remedies of Lender hereunder, at law or in equity, apply, *ex parte*, for the appointment of a custodian, trustee, receiver, keeper, liquidator or conservator of the Collateral or any part thereof, irrespective of the adequacy of the security for the Obligations and without regard to the solvency of Borrower or of any Person liable for the payment of the Obligations, to which appointment Borrower does hereby consent and such receiver or other official shall have all rights and powers permitted by applicable law and such other rights and powers as the court making such appointment may confer, but the appointment of such receiver or other official shall not impair or in any manner prejudice the rights of Lender with respect to the Collateral pursuant to this Agreement or any other Loan Document, and (iv) Lender may use, set-off and apply against the Obligations, to the extent thereof and as permitted by applicable Law, all deposits, funds, letters of credit or other assets in which Lender has been granted a security interest pursuant to any Loan Document.

(b) With respect to Borrower and the Collateral, nothing contained herein or in any other Loan Document shall be construed as requiring Lender to resort to the Collateral for the satisfaction of any of the Obligations, and Lender may seek satisfaction out of the Collateral or any part thereof, in its absolute discretion in respect of the Obligations. In addition, upon the occurrence and during the continuance of an Event of Default, Lender shall have the right from time to time to partially foreclose this Agreement and the Deed of Trust in any manner and for any amounts secured by this Agreement or the Deed of Trust then due and payable as determined by Lender in its sole discretion, including the following circumstances: (i) in the event Borrower defaults beyond any applicable grace period in the payment of one or more scheduled payments of principal or interest and such default constitutes an Event of Default, Lender may foreclose this Agreement and the Deed of Trust to recover such delinquent payments, or (ii) in the event Lender elects to accelerate less than the entire Outstanding Principal Balance of the Loan, Lender may foreclose this Agreement and the Deed of Trust to recover so much of the principal balance of the Loan as Lender may accelerate and such other sums secured by this Agreement or the Deed of Trust as Lender may elect. Notwithstanding one or more partial foreclosures, the Collateral shall remain subject to this Agreement and the Deed of Trust to secure payment of sums secured by this Agreement and the Deed of Trust and not previously recovered. The exercise of any partial foreclosure right shall be subject to, and shall not be deemed to violate, the requirements of California Code of Civil Procedure Section 726, and Lender's exercise of such right shall not constitute an election of remedies or waiver of any remaining Obligations.

(c) Any amounts recovered from the Collateral or any other collateral for the Loan after and during the continuance of an Event of Default may be applied by Lender toward the payment of any interest and/or principal of the Loan and/or any other Obligations due under the Loan Documents.

(d) In case proceedings shall be pending for the bankruptcy or for the reorganization of Borrower under the federal bankruptcy laws or any other applicable law, or in case a receiver or trustee shall have been appointed for the property of Borrower, or in the case of any other similar judicial proceedings relative to Borrower, or the creditors or property of Borrower, then Lender shall be entitled and empowered, by intervention in such proceedings or otherwise, to file and prove a claim or claims for the whole amount owing and unpaid pursuant to this Agreement and, in case of any judicial proceedings, to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of Lender allowed in such judicial proceedings relative to Borrower, its creditors or its property, and to collect and receive any moneys or other property payable or deliverable on any such claims. Any receiver, assignee or trustee in bankruptcy or reorganization is hereby authorized to make such payments to Lender, and to pay to Lender any amount due it for reasonable compensation and expenses, including reasonable expenses and fees of counsel incurred by it up to the date of such distribution.

7.3. Remedies Cumulative; Waivers. The rights, powers and remedies of Lender under this Agreement shall be cumulative and not exclusive of any other right, power or remedy which Lender may have against Borrower pursuant to this Agreement or the other Loan Documents, or existing at law or in equity or otherwise. Lender's rights, powers and remedies may be pursued singularly, concurrently or otherwise, at such time and in such order as Lender may determine in its sole discretion. No delay or omission to exercise any remedy, right or power accruing upon an Event of Default shall impair any such remedy, right or power or shall be construed as a waiver thereof, but any such remedy, right or power may be exercised from time to time and as often as may be deemed expedient. A waiver of one Potential Event of Default or Event of Default with respect to Borrower shall not be construed to be a waiver of any subsequent Potential Event of Default or Event of Default by Borrower or to impair any remedy, right or power consequent thereon. Nothing in this Agreement shall be construed to waive, limit, or impair Borrower's rights under California Code of Civil Procedure Section 2924c.

7.4. Right to Cure Defaults. During the existence of an Event of Default, Lender may, but without any obligation to do so and without notice to or demand on Borrower and without releasing Borrower from any obligation hereunder or being deemed to have cured any Event of Default hereunder, make, do or perform any obligation of Borrower hereunder in such manner and to such extent as Lender may deem necessary to protect the security hereof. Borrower agrees to pay to Lender immediately and without demand, all sums expended or expenses or other liabilities incurred by Lender pursuant to this Section, with interest thereon at the Default Rate until paid, and the same shall be a part of the Obligations secured by the Collateral Documents. Lender shall not be deemed to have waived any default by performing the obligations of Borrower.

7.5. Agreement to Pay Attorneys' Fees and Expenses.

(a) Following the occurrence and during the continuance of an Event of Default, if Lender shall employ attorneys or financial advisors or incur other expenses for the collection of payments required hereunder or the enforcement of performance or observance of any obligation or agreement on the part of Borrower herein contained, Borrower agrees that it will within thirty (30) days of request therefor pay to Lender the reasonable fees of such attorneys and such other reasonable and documented expenses so incurred by Lender in connection with the same. This Section shall continue in full force and effect, notwithstanding the full payment of all obligations under this Agreement or the termination of this Agreement for any reason.

(b) Following the occurrence and during the continuance of an Event of Default, Lender may, at Borrower's reasonable and documented costs and expense, employ or retain such counsel, accountants, appraisers or other experts or advisers as it may reasonably require for the purpose of determining and discharging its rights and duties hereunder and, in the absence of Lender's gross negligence, bad faith or willful misconduct in employing or retaining any such counsel, accountants, appraisers, experts or advisors, may act and rely and shall be protected in acting and relying in good faith on the opinion or advice of or information obtained from any counsel, accountant, appraiser or other expert or advisor, whether retained or employed by Borrower or by Lender, in relation to any matter arising in the administration hereof, and shall not be responsible for any act or omission on the part of any of them. In addition, Lender shall not be liable for any acts or omissions of its nominees, correspondents, designees, agents, subagents or subcustodians appointed with due care.

7.6 No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

7.7 Borrower Exculpation. Notwithstanding anything herein to the contrary, Lender acknowledges and agrees that the obligations and liabilities of the Borrower in connection with the Loan (including all indemnification obligations and liabilities) shall be payable solely from, and secured exclusively by, the Collateral pursuant to the terms of the Collateral Documents. With respect to Borrower only, Lender's sole and exclusive remedies for any default or Event of Default shall be limited to the exercise of rights and remedies against the Collateral only, in accordance with the Loan Documents. Lender expressly waives any right to enforce the Loan against any assets of Borrower other than the Collateral, provided, however, that nothing herein shall be construed to limit Lender's rights and remedies against any other obligor or liable party under the Loan Documents. Lender expressly agrees not to file any *lis pendens* or other similar instrument against the Premises in connection with attempting any enforcement of this Agreement or the other Loan Documents prior to the Security Date.

Without limiting the generality of the foregoing, Lender shall not enforce the liability and obligation of Borrower to perform and observe the obligations contained in the Loan Documents by any action or proceeding wherein a money judgment shall be sought against Borrower or any principal, director, officer, employee, beneficiary, shareholder, partner, member, trustee, agent, or Affiliate of Borrower or any legal representatives, successors or assigns of any of the foregoing (collectively, the "Exculpated Parties"), except that Lender may, from and after the Security Date, bring a foreclosure action or other appropriate action or proceeding to enable Lender to enforce and realize upon its interest and rights under the Loan Documents to the Collateral; provided, however, that, except as specifically provided herein, any judgment in any such action or proceeding shall be enforceable against Borrower only to the extent of Borrower's interest in the Collateral and Lender shall not sue for, seek or demand any deficiency judgment against Borrower or any of the Exculpated Parties in any such action or proceeding under or by reason of or under or in connection with any Loan Document.

ARTICLE VIII
MISCELLANEOUS

8.1. Waiver of Offsets, Counterclaims and Defenses. Borrower hereby waives the right to assert a counterclaim, other than a compulsory counterclaim, in any action or proceeding brought against it by Lender or its agents, or otherwise to offset any Obligations against any obligations of Lender to Borrower. No failure by Lender to perform any of its obligations hereunder shall be a valid defense to, or result in any offset against, any payments which Borrower is obligated to make under any of the Loan Documents.

8.2. Term of Agreement. Except to the extent otherwise provided herein, this Agreement shall be effective upon its execution and delivery and shall expire at such time as the Loan and all other Obligations shall have been fully paid or provision made for such payments, whichever is later; provided, however, that the indemnity obligation of Borrower under Section 6.2 and the payment obligations of the Borrower under Article II hereof shall survive the termination of this Agreement.

8.3. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by registered or certified mail, postage prepaid, addressed as follows:

If to Lender:

CanAm California Regional Center, LP IX
c/o CanAm Enterprises, LP
48 Wall Street, 24th Floor
New York, New York 10005
Attn: Tom Rosenfeld
Telephone: (212) 668-0693
Email: trosenfeld@canamenterprises.com

with a copy to:

CanAm California Regional Center, LP IX
c/o CanAm Enterprises, LP
48 Wall Street, 24th Floor
New York, New York 10005
Attn: Walter Gindin, Esq., General Counsel
Telephone: (646) 825-8716
Email: wgindin@canamenterprises.com

If to Borrower:

Carson Reclamation Authority
701 E. Carson Street
Carson, California 90745
Attn: John Raymond
Telephone: (310) 952-1773
Email: jraymond@carsonca.gov

with a copy to:

Aleshire & Wynder, LLP

1 Park Plaza, Suite 1000
Irvine, California 92614
Attn: Danny Aleshire, Esq. & Sunny Soltani
Telephone: (310) 527-6679; (949) 250-5407
Email: danny.aleshire@awattorneys.com;
ssoltani@awattorneys.com

Lender and Borrower may, by written notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall each be sent.

8.4. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon Lender and Borrower, and their respective successors and permitted assigns, subject, however, to the limitations contained herein.

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

8.6. Amendments, Changes and Modifications. Except as otherwise herein expressly provided, this Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of Lender and the Borrower. As a condition to the effectiveness of any amendment, restatement, or modification of the Loan Documents entered into after the Closing Date, Borrower shall deliver to Lender: (a) a certificate of a duly authorized officer of Borrower confirming that Borrower's organizational documents have not been amended or modified since the Closing Date, or, if they have been amended or modified, a copy of such amendment or modification together with a resolution authorizing the same, and (b) such other evidence of Borrower's continuing authority to enter into such amendment as Lender may reasonably request.

8.7. Execution in Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. Delivery of an executed signature page of this Agreement by facsimile or other electronic transmission shall be effective as delivery of a manually executed counterpart hereof. For the avoidance of doubt, the words "execution," "signed," "signature," and words of like import in this Agreement shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the California Uniform Electronic Transactions Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

8.8. No Pecuniary Liability of the Lender. No provision, covenant or agreement contained in this Agreement, or any obligations herein imposed upon Lender, or the breach thereof, shall constitute an indebtedness or liability of Lender within the meaning of any state constitutional provision or statutory limitation or shall constitute or give rise to a pecuniary liability of Lender or any member, officer, director, employee or agent of Lender or a charge against Lender's general credit. In making the Loan, Lender has not obligated itself except and solely to the extent provided in this Agreement and the other Loan Documents.

8.9. Governing Law; Consent to Jurisdiction; Waiver of Venue; Service of Process.

(a) This Agreement shall be governed by and construed in accordance with the substantive laws of the State of California. Each of the parties hereto hereby irrevocably consents and submits to the non-exclusive jurisdiction of any California state court sitting in Los Angeles County, California or any federal court of the U.S. sitting in the Central District of California, as any party may elect, in any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document. For the avoidance of all doubt, nothing herein shall be construed as requiring any obligations, rights and duties of Lender to be subject to the laws of any jurisdiction other than the State of California or as requiring Lender to submit to jurisdiction in any state or federal court not located within the State of California.

(b) The parties hereto hereby irrevocably and unconditionally waive, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in paragraph (a) of this Section 8.8. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 8.2. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

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

8.11. Limitation of Liability.

(a) No covenant, agreement or obligation contained herein shall be deemed to be a covenant, agreement or obligation of any present or future director, officer, employee, member or agent of Lender or Borrower in his or her individual capacity, and no such director, officer, employee, member or agent thereof shall be subject to any liability under this Agreement or with respect to any other action taken by such person.

(b) Subject to the terms of Section 7.6 of this Agreement, Lender will have full recourse to Borrower and all of its assets and properties for the liabilities and obligations of Borrower under the Loan Documents, but in no event will any Affiliates of Borrower, or any officer, director, member or holder of any interest in Borrower or any Affiliates of the Borrower, be liable or obligated for such liabilities and obligations of Borrower other than to the extent arising directly as a result of any pledge of an ownership interest in Borrower by any owner of such interest.

(c) Notwithstanding anything in subsection (b) of this Section, nothing in said subsection (b) shall limit or affect or be construed to limit or affect the obligations and liabilities of any Affiliate of Borrower (1) arising under any Loan Document to which such Affiliate of Borrower is a party, or (2) arising from any liability pursuant to any applicable law for such Affiliate of Borrower's fraudulent actions, bad faith or willful misconduct.

(d) Except for such claims or actions arising directly from the gross negligence, bad faith or willful misconduct of Lender, Lender shall not be liable to any Person for any environmental claims or contribution actions under any federal, state or local law, rule or regulation by reason of such Person's actions and conduct as authorized, empowered and directed hereunder or relating to the discharge, release or threatened release of hazardous materials into the environment.

8.12. Parties Interested Herein. Except as otherwise expressly provided in this Agreement, this Agreement shall be for the sole and exclusive benefit of Lender and Borrower, and their respective successors and permitted assigns. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon, or to give to, any Person other than Lender and Borrower, any right, remedy or claim, legal or equitable, under or by reason of this Agreement or any terms hereof. To the extent that this Agreement confers upon or gives or grants to any party other than Lender and Borrower any right, remedy or claim under or by reason of this Agreement, such parties are hereby explicitly recognized as being third-party beneficiaries hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder.

8.13. No Joint Venture or Partnership. Borrower and Lender intend that the relationships created hereunder and under the other Loan Documents be solely that of borrower and lender. Nothing herein or therein is intended to create a joint venture, partnership, tenancy in common, joint tenancy or fiduciary relationship between Borrower and Lender, or to grant Lender any interest in the Premises other than that of mortgagee, beneficiary or lender. Without limiting the generality of the foregoing: (a) Lender shall have no liability, obligation or responsibility whatsoever with respect to the construction of the Project; (b) any inspections of the construction made by or through Lender are for purposes of administration of the Loan only, and neither Borrower nor any third party is entitled to rely upon the same with respect to the quality, adequacy or suitability of materials or workmanship, conformity to the Plans and Specifications, state of completion or otherwise; and (c) Lender shall not be liable to any contractors, subcontractors, supplier, architect, engineer, tenant or other party for labor or services performed or materials supplied in connection with the construction of the Project.

8.14. Mutual Further Assurances. Each party hereto shall use commercially reasonable efforts to take such further actions and execute such further documents necessary to effectuate the Program requirements.

8.15. RECORDS. THE UNPAID AMOUNT OF THE LOAN AND THE AMOUNT OF ANY OTHER CREDIT EXTENDED BY LENDER TO OR FOR THE ACCOUNT OF BORROWER SET FORTH ON THE BOOKS AND RECORDS OF LENDER SHALL BE PRESUMPTIVE EVIDENCE OF THE AMOUNT THEREOF OWING AND UNPAID, BUT FAILURE TO RECORD ANY SUCH AMOUNT ON LENDER'S BOOKS AND

RECORDS SHALL NOT LIMIT OR AFFECT THE OBLIGATIONS OF BORROWER UNDER THE LOAN DOCUMENTS TO MAKE PAYMENTS ON THE LOAN WHEN DUE.

8.16. PREFERENCES. LENDER SHALL HAVE THE CONTINUING AND EXCLUSIVE RIGHT TO APPLY OR REVERSE AND REAPPLY ANY AND ALL PAYMENTS BY BORROWER TO ANY PORTION OF THE OBLIGATIONS. TO THE EXTENT BORROWER MAKES A PAYMENT OR PAYMENTS TO LENDER, WHICH PAYMENT OR PROCEEDS OR ANY PART THEREOF ARE SUBSEQUENTLY INVALIDATED, DECLARED TO BE FRAUDULENT OR PREFERENTIAL, SET ASIDE OR REQUIRED TO BE REPAID TO A TRUSTEE, RECEIVER OR ANY OTHER PARTY UNDER ANY BANKRUPTCY LAW, STATE OR FEDERAL LAW, COMMON LAW OR EQUITABLE CAUSE, THEN, TO THE EXTENT OF SUCH PAYMENT OR PROCEEDS RECEIVED, THE OBLIGATIONS HEREUNDER OR PART THEREOF INTENDED TO BE SATISFIED SHALL BE REVIVED AND CONTINUE IN FULL FORCE AND EFFECT, AS IF SUCH PAYMENT OR PROCEEDS HAD NOT BEEN RECEIVED BY LENDER.

8.17. WAIVER OF NOTICE. BORROWER HEREBY EXPRESSLY WAIVES THE RIGHT TO RECEIVE ANY NOTICE FROM LENDER WITH RESPECT TO ANY MATTER FOR WHICH THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS DO NOT SPECIFICALLY AND EXPRESSLY PROVIDE FOR THE GIVING OF NOTICE BY LENDER TO BORROWER.

8.18. CONFLICT; CONSTRUCTION OF DOCUMENTS; RELIANCE. IN THE EVENT OF ANY CONFLICT BETWEEN THE PROVISIONS OF THIS AGREEMENT AND ANY OF THE OTHER LOAN DOCUMENTS, THE PROVISIONS OF THIS AGREEMENT SHALL CONTROL. THE PARTIES HERETO ACKNOWLEDGE THAT THEY WERE REPRESENTED BY COMPETENT COUNSEL IN CONNECTION WITH THE NEGOTIATION, DRAFTING AND EXECUTION OF THE LOAN DOCUMENTS AND THAT SUCH LOAN DOCUMENTS SHALL NOT BE SUBJECT TO THE PRINCIPLE OF CONSTRUING THEIR MEANING AGAINST THE PARTY WHICH DRAFTED SAME. BORROWER ACKNOWLEDGES THAT, WITH RESPECT TO THE LOAN, BORROWER SHALL RELY SOLELY ON ITS OWN JUDGMENT AND ADVISORS IN ENTERING INTO THE LOAN WITHOUT RELYING IN ANY MANNER ON ANY STATEMENTS, REPRESENTATIONS OR RECOMMENDATIONS OF LENDER OR ANY AFFILIATE OF LENDER. BROKERS AND FINANCIAL ADVISORS. BORROWER HEREBY REPRESENTS THAT IT HAS DEALT WITH NO FINANCIAL ADVISORS, BROKERS, UNDERWRITERS, PLACEMENT AGENTS, AGENTS OR FINDERS IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. BORROWER SHALL INDEMNIFY, DEFEND AND HOLD LENDER HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, LIABILITIES, COSTS AND EXPENSES OF ANY KIND (INCLUDING LENDER'S ATTORNEYS' FEES AND EXPENSES) IN ANY WAY RELATING TO OR ARISING FROM A CLAIM BY ANY PERSON THAT SUCH PERSON ACTED ON BEHALF OF BORROWER OR LENDER IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED HEREIN. THE PROVISIONS OF THIS SECTION SHALL SURVIVE THE EXPIRATION AND TERMINATION OF THIS AGREEMENT AND THE PAYMENT OF THE OBLIGATIONS.

8.19. Shortfall in EB-5 Loan Proceeds; Senior Debt/Liens; Intercreditor Issues. Notwithstanding anything herein to the contrary, solely in the event the Lender is unable, for any reason, to advance the full principal amount of the Loan in accordance with the Project Budget and Schedule, Project Manager or Borrower shall be permitted to incur senior indebtedness (the "**Senior Debt**") from a senior lender ("**Senior Lender**") to fund the balance of the Project Budget and Schedule. The principal amount of any such Senior Debt shall not exceed an amount equal to the difference between (i) the total Project Budget and Schedule, and (ii) the amount of Loan proceeds actually advanced and made available to Borrower.

In connection with any Senior Debt incurred by the Project Manager or Borrower as described above, Lender shall subordinate its Liens on the Collateral (the "**Common Collateral**") to permit Senior Lender to hold first-priority Liens on such Common Collateral. Lender and Senior Lender shall enter into a customary junior/senior intercreditor agreement (the "**Intercreditor Agreement**") in form and substance reasonably acceptable to each party.

The Intercreditor Agreement shall include, without limitation, the following provisions:

(a) a customary standstill period during which Senior Lender may not exercise remedies, and cure rights in favor of Senior Lender, prior to the exercise of any such remedies by Lender;

(b) express permission (so long as no event of default exists under the Senior Loan documents) for payment of regularly scheduled interest, fees, costs, and expenses under the Loan, as well as mandatory prepayments required to facilitate (a) replacement of Investors and/or (b) actions following Project Denial;

(c) express permission for repayment in full of the Loan on the Maturity Date, whether at scheduled maturity, upon acceleration, or otherwise; and

(d) express permission to repay any portion of the Senior Debt used to fund Qualifying Expenditures with the proceeds of the Loan (once raised), provided that such repayment complies with USCIS policy on bridge financing.

8.20. Vertical Construction Financing. Notwithstanding anything herein to the contrary, the parties acknowledge that the Project Manager may pursue vertical construction financing to perform vertical improvements on the Premises following the completion of the Project and during the term of the Loan. Lender agrees to work cooperatively with Borrower and/or the Project Manager to facilitate any such vertical construction financing.

8.21. Partial Release. Lender agrees to release the portion of the Premises described as "Cell 3", as shown on the Site Plan (the "**Released Parcel**"), from the lien of the Deed of Trust (the "**Partial Release**") provided the following conditions are satisfied: (i) there are no Events of Default under the Loan Documents which have occurred and are continuing, and no Event of Default would be triggered as a result of such release; (ii) Borrower has made written request to Lender for such Partial Release at least thirty (30) days prior to the date upon which the Partial Release is requested to be effectuated (the "**Release Notice**") and (iii) Borrower has delivered to Lender a commitment from a construction lender for the vertical construction of improvements on Cell 3, (iv) Borrower pays Lender's actual out of pocket costs and expenses of document review and preparation, release fees, and recording fees incurred in connection with such Partial Release.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their duly authorized representatives, as of the day and year first above written.

BORROWER:

CARSON RECLAMATION AUTHORITY,
a joint powers authority established pursuant to California Government Code Sections 6500, *et. seq*.

By:____________________________________
Name: John S. Raymond
Title: Executive Director

ATTEST:

By:______________________________
Dr. Khaleah K. Bradshaw
Carson Reclamation Authority Secretary

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By:_________________________
Sunny Soltani
Carson Reclamation Authority Counsel

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

LENDER:

CANAM CALIFORNIA REGIONAL CENTER, LP IX, a Delaware limited partnership

By: CanAm CA GP IX, LLC, its general partner

By: ______________________________________
Name: Tom Rosenfeld
Title: Manager

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

Solely with respect to its obligations under Section 6.2 of this Agreement:

REGIONAL CENTER:

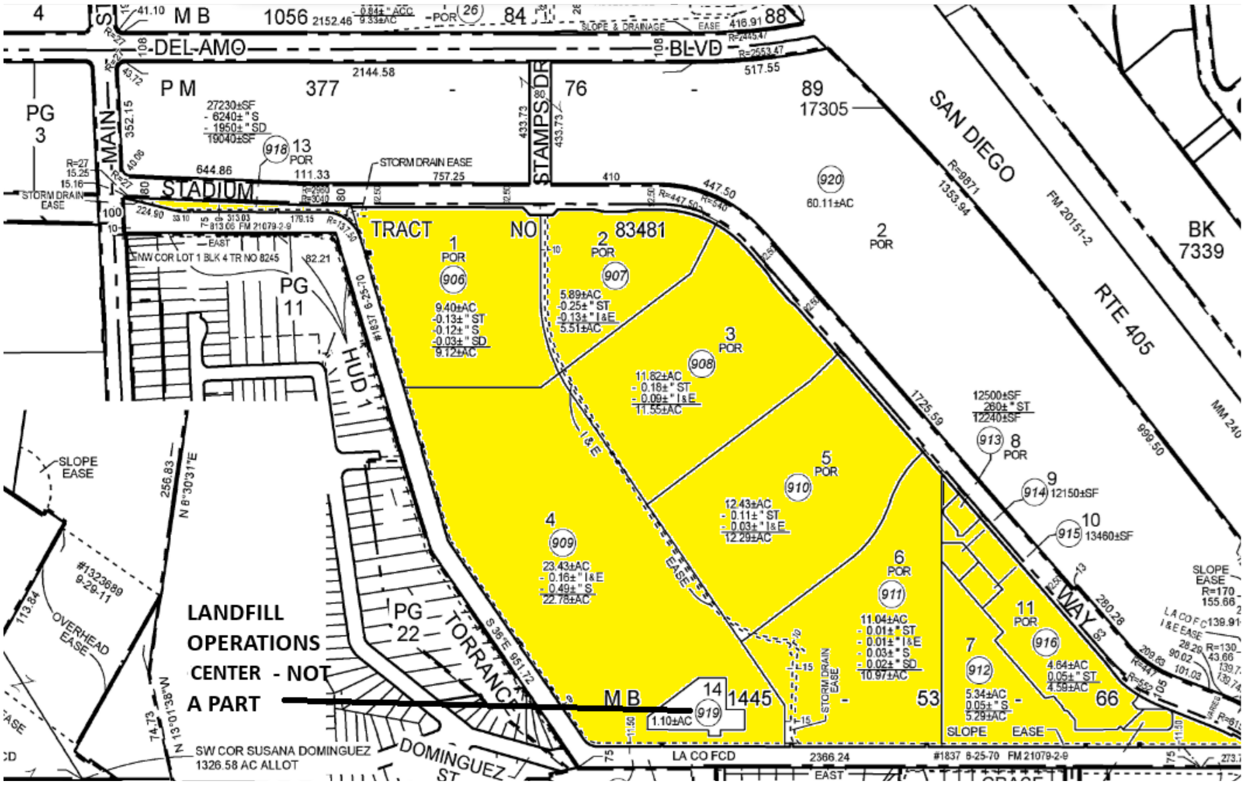
CANAM CALIFORNIA REGIONAL CENTER, LLC

By: ____________________________________
Name: Tom Rosenfeld
Title: Manager

[END OF SIGNATURES]

EXHIBIT A

SITE PLAN



Note this diagram shows the approximate location of the Property. This description of the property is subject final approval of the legal description, tax parcel numbers and final survey.

As noted in the diagram, the approximate 1.10 acre landfill operations center <u>is not part</u> of the loan collateral.

ASSESSOR PARCEL NUMBERS:
7336-010-905, 7336-010-906, 7336-010-907, 7336-010-908, 7336-010-909, 7336-010-910, 7336-010-911, 7336-010-912, 7336-010-913, 7336-010-914, 7336-010-915, 7336-010-916, 7336-010-917 and 7336-010-918

EXHIBIT B

ECONOMIC IMPACT STUDY

Attached

The Economic Impact of the EB-5 Infrastructure Project

February 9, 2026

PREPARED BY:

ECONOMIC & POLICY RESOURCES

400 Cornerstone Drive, Suite 310 | P.O. Box 1660 | Williston, VT 05495-1660
(802) 878-0346 | (800) 765-1377 | info@epreconomics.com | www.epreconomics.com

ECONOMIC, POLICY, AND FINANCIAL ANALYSTS

Table of Contents

ECONOMIC & POLICY RESOURCES

List of Tables and Figures

Section 1: Introduction

1.1 Purpose of the Study

This study is intended to assist the United States Citizenship and Immigration Services ("USCIS") in its evaluation of the proposed EB-5 Infrastructure Project under the EB-5 Immigrant Investor Regional Center Program (the "EB-5 Program").[1] In compliance with guidance issued by the USCIS and the EB-5 Reform and Integrity Act of 2022 ("RIA"), this study sets forth the likely new economic impacts, including job creation, associated with EB-5 Infrastructure Project.

The EB-5 Infrastructure Project involves the construction, installation, and financing of necessary structural piles, utilities, remedial systems, road access and associated horizontal infrastructure on or in the surface lot and subsurface lot portions of "Cells" 3, 4, and 5, which comprise approximately 86 net acres of an approximately 157-acre site, known as the former Cal-Compact Landfill, located at 20400 South Main Street, Carson, California 90745. Changes in the number of jobs, output, labor income, and household earnings that EB-5 Infrastructure Project is expected to generate are identified for the following regions: 1) within the geographic scope of the CanAm California Regional Center (the "Regional Center"); 2) the remainder of the United States outside the geography of the Regional Center; and 3) the United States as a whole.[2] This study therefore demonstrates how the EB-5 Infrastructure Project will promote economic growth within the geography of the Regional Center through job creation and increased capital investment consistent with *8 C.F.R. §204.6*—with the assumption that the USCIS approves EB-5 Infrastructure Project as proposed.[3]

1.2 Study Highlights

- The impact analysis for the EB-5 Infrastructure Project was performed utilizing the REDYN model. Please refer to *Section 2.1 Input-Output Modeling* for further discussion on input-output methodologies for modeling the economic impacts of the EB-5 Infrastructure Project.

- The EB-5 Infrastructure Project is an actual EB-5 project that is being developed within the geographic area of the sponsoring Regional Center. Please refer to *Section 3.1 CanAm California Regional Center* for more detail on the Regional Center, including a map of its geographic scope.

- The EB-5 Infrastructure Project is located in Carson (Los Angeles County), California. The EB-5 Infrastructure Project includes the construction, installation, and financing of necessary structural piles, utilities, remedial systems, road access and associated horizontal infrastructure on or in approximately 86 acres of an approximately 157-acre site, known as the former Cal-Compact Landfill. Please refer to *Section 3.2 EB-5 Infrastructure Project* for additional information.

---

[1] This economic impact report is drafted consistent with current USCIS regulations, articulated guidelines, past decision precedents, and the EB-5 Reform and Integrity Act of 2022-signed into law on March 15, 2022.

[2] As stated in *8 C.F.R. §204.6(e)*, a regional center is an "*economic unit, public or private, which is involved with the promotion of economic growth…*" Such an entity must further conform to the rule laid out in *8 C.F.R. §204.6(m)(3)(i)*, which requires that a regional center focus on promoting growth within a geographical region of the United States. Accordingly, when referring to the economic entity, CanAm California Regional Center, this report uses the term "Regional Center" and when referring to the geographic focus area of that entity uses terms such as "geographic scope," "geographic boundaries," and "geography."

[3] This economic impact study, taken together with EB-5 Infrastructure Project Business Plan, presents the specific details of how this EB-5 project will result in new economic growth within the geographic scope of the Regional Center, the remainder of the United States outside the geographic scope of the Regional Center, and correspondingly, the United States as a whole.

- Three (3) geographic regions were defined in the impact study for the EB-5 Infrastructure Project. These three (3) geographic regions allow for the reporting of new economic impacts (i) within the geographic boundaries of the Regional Center (which includes the entire states of California, Oregon, and Washington), (ii) in the remainder of the United States outside the Regional Center, and (iii) consequently, for the United States as a whole. Please refer to *Section 4.1.1 Geographic Scope* for more detail on how the geographic regions defined in the impact study were determined.

- Impact study inputs were derived from updated information provided by the project developers, checked for internal consistency, and adjusted to exclude those expenditures which do not impact the regional economy. These excluded expenditures include items such as property acquisition, contingencies, certain fees and expenses, insurance expenditures, and financing costs, as well as other items that were expected to have relatively minor economic impacts. Please refer to *Section 4.1.2 Impact Study Inputs* for more detail on the inputs used in the economic impact study.

- Please refer to *Section 4.2 Overview of EB-5 Infrastructure Project Impacts* for detail on the total economic impacts of the EB-5 Infrastructure Project, including detail on the number of direct and indirect jobs.

- The total job creation resulting from the EB-5 Infrastructure Project over a 2+ year construction period that could be used to satisfy EB-5 investor job creation requirements in accordance with the RIA is estimated to sum to **2,956 jobs**, as summarized in *Table 1 Summary of Impact Study Specifications and Job Creation* below.[4]

- All references herein to "direct jobs" and "indirect jobs" shall mean economically direct jobs and economically indirect jobs, respectively, as determined using the REDYN input-output tool, consistent with the parameters set forth in the RIA.[5]

---

[4] Some USCIS adjudications under the RIA have interpreted the articulated indirect job counting limitations under INA §§ 203(b)(5)(E)(iv)(I) and (II) as applying specifically to the minimum number of jobs required for the anticipated number of EB-5 investors. Here, the minimum number of jobs required for the anticipated 225 EB-5 investors is 2,250. Even assuming that the number of economically indirect jobs resulting from the development and construction of the EB-5 Infrastructure Project is limited to 2,025 jobs (90% of 2,250), when added to the total number of allowable economically direct jobs resulting from development/construction activities (674) the resulting total (2,699) EB-5 qualifying jobs still exceeds the combined minimum job creation requirement of all 225 EB-5 investors (2,250 jobs) expected in the new commercial enterprise.

[5] For EB-5 Program purposes, economically direct jobs are defined as those that are created as a direct result of the incremental change in final demand for a given project (e.g., the developer hires a construction management firm). Economically indirect jobs are created as materials and other inputs to production are supplied to the project (e.g., the supplier of steel to the construction firm hires additional staff). It should be noted that induced jobs, which are a subset of economically indirect jobs, are created when the new workers occupying the economically direct and economically indirect jobs spend their household incomes on consumer goods and services. For this economic impact study, when the terms direct jobs and indirect jobs are used, they refer to economically direct jobs and economically indirect jobs that are generated as impact study outputs from economic models—in contrast to the immigration definitions of direct and indirect jobs where the term "direct jobs" corresponds to full-time, payroll employees of the new commercial enterprise per EB-5 Program regulations and have nothing to do with estimates from economic impact models. See the prepared remarks of Nicholas Colucci, then Chief of the Immigrant Investor Program, to the Invest in the USA EB-5 Regional Economic Development Advocacy Conference, May 8, 2014 held in Washington, DC where the former Chief delineates the differences between those definitions. This study hereafter uses the term "direct jobs" as shorthand for "economically direct jobs," and "indirect jobs" as shorthand for the term "economically indirect jobs."

Table 1: Summary of Impact Study Specifications and Job Creation

Industry Activity	Impact Study Inputs ($ Millions)	Total Direct Jobs in the Regional Center	Total Indirect Jobs in the United States	Total United States Job Creation	Job Creation Attributable to the Regional Center
CONSTRUCTION					
Industrial Building Construction (NAICS 23621)	**Year 1: $11.77** Year 2: $7.68 Year 3: $0.32	**Year 1: 61** Year 2:38 Year 3: 2	**Year 1: 190** Year 2: 119 Year 3: 4	**Year 1: 251** Year 2: 157 Year 3: 6	**251** *Year 1, Total U.S. Direct + Indirect*
Other Heavy & Civil Engineering Construction (NAICS 23799)	Year 1: $8.67 **Year 2: $35.85** Year 3: $0.91	Year 1: 45 **Year 2: 178** Year 3: 4	Year 1: 140 **Year 2: 555** Year 3: 13	Year 1: 185 **Year 2: 733** Year 3: 17	**733** *Year 2, Total U.S. Direct + Indirect*
Foundations, Structure, & Building Esterior Contractors (NAICS 2381)	Year 1: $15.57 **Year 2: $60.68** Year 3: $0.94	Year 1: 81 **Year 2: 302** Year 3: 5	Year 1: 251 **Year 2: 940** Year 3: 13	Year 1: 332 **Year 2: 1,242** Year 3: 18	**1,242** *Year 2, Total U.S. Direct + Indirect*
Site Preparation Contractors (NAICS 23891)	**Year 1: $14.37** Year 2: $7.26 Year 3: $0.25	**Year 1: 75** Year 2: 36 Year 3: 1	**Year 1: 231** Year 2: 112 Year 3: 3	**Year 1: 306** Year 2: 148 Year 3: 4	**306** *Year 1, Total U.S. Direct + Indirect*
Architecture, Engineering & Related Services (NAICS 5413)	**Year 1: $12.87** Year 2: $4.89 Year 3: $0.14	**Year 1: 30** Year 2: 11 Year 3:0	**Year 1: 260** Year 2: 94 Year 3: 2	**Year 1: 290** Year 2: 105 Year 3: 2	**290** *Year 1, Total U.S. Direct + Indirect*
Remediation Services (NAICS 56291)	**Year 1: $8.79** Year 2: $4.51 Year 3: $0.19	**Year 1: 28** Year 2: 14 Year 3: 1	**Year 1: 106** Year 2: 52 Year 3: 1	**Year 1: 134** Year 2: 66 Year 3: 2	**134** *Year 1, Total U.S. Direct + Indirect*
				Total Job Creation from Construction	**2,956**
					Prepared by Economic & Policy Resources, Inc.

- These jobs are therefore only a subset of the total job creation that is estimated to result from the construction activities associated with the EB-5 Infrastructure Project.
  - The subset of jobs being requested as new jobs for potential allocation to EB-5 investors was determined from the total expected job creation based upon the following EB-5 Program rules and regulations:
    - The EB-5 Program allows construction-related indirect jobs created outside the geographic scope of the Regional Center to be attributed to the Regional Center.[6]
    - The EB-5 Program requires that the requested jobs occur within a reasonable time, which is generally considered to be within two years and six months of the adjudication of the immigrant investors' Form I-526E Petitions.[7]
  - The requested 2,956 jobs arising from construction activities include economically direct and economically indirect jobs,[8] subject to the following conditions:
    - As the construction is expected to take place over an approximately 25-month period, the requested direct jobs resulting from construction activities are <u>not</u> adjusted by the ratio of the anticipated duration of construction activity divided by 24;
    - The requested indirect jobs resulting from construction activities include those that are estimated to be created both inside and outside the geographic scope of the Regional Center (i.e., throughout the entire United States); and
    - The total number of requested indirect jobs resulting from construction activities represent only "up to 90 percent" of the total construction activity jobs forecasted to be generated by the EB-5 Infrastructure Project, as the construction timeline is approximately 25 months.
  - All requested jobs arising from construction activities are expected to be created within two years and six months of the adjudication of immigrant investors' Form I-526E Petitions.

[6] USCIS Policy Manual Volume 6, Part G, Chapter 2, Section D.4.
[7] USCIS Policy Manual Volume 6, Part G, Chapter 2, Section D.5.
[8] Please refer to *Section 4.2.2 Direct and Indirect Jobs* for information pertaining to the method in which the REDYN model calculates direct and indirect jobs.

Section 2. Methods of Analysis

2.1 Input-Output Modeling

In contrast to proving the direct job count evidenced through payroll records to of a new commercial enterprise, regional centers can provide evidence based on "reasonable methodologies" to demonstrate that investors in a new commercial enterprise will satisfy the job creation requirements of the EB-5 Program.[9] Regional centers have some latitude under the "reasonable methodologies" requirement. The most common of the reasonable methodologies is to provide economic impact estimates developed through the use of regional input-output ("I-O") tools or models.

Even though the approaches used in various I-O tools and models differ in complexity and structure, the general approach to the estimating process is essentially the same for all of those tools and models that have been previously recognized as reasonable by the USCIS. All of the I-O tools and models use calculated coefficients based on detailed federal data, including data from the United States Bureau of Economic Analysis ("BEA"), the United States Bureau of Labor Statistics ("BLS"), and the United States Census Bureau. Compilation of these data series, which are updated each year to varying degrees, involves assembling and updating data regarding how much input is used for producing a given amount of output.

Input-Output tools with dynamic features, such as Regional Dynamics ("REDYN") and Regional Economic Models, Inc. ("REMI"), simulate the economic relationships between sectors of an economy on several geographic levels through time. Linkages exist between sectors and regions because their economies use outputs from other sectors and regions. Input-Output models are founded on these linkages and allow analysts to see how changes in final demand in individual or multiple sectors in a regional economy ripple throughout the system and geography simultaneously. For example, effects of a new investment are felt in linked sectors and regions as increased employment, output, labor income, and household earnings. IMPLAN Group, LLC, the owner of the Impact Analysis for Planning ("IMPLAN") tool, describes Input-Output analysis in another way as "*…a means of examining relationships within an economy, both between businesses and between businesses and final customers. It captures all monetary market transactions for consumption in a given time period. The result mathematical formulae allow examination of the effects of a change in one or several economic activities on an entire economy.*"[10]

In that way, the Input-Output process depicts the so called "ripple effect" of the impacts caused by an economic change in a region. In the long run, a capital investment project is shown to materially alter the regional and national economies through a significant amount of new investment and related business development activities. In the present case, it is expected that the regional economy of the area included in the geographic scope of the CanAm California Regional Center ("the Regional Center") (consisting of the entire states of California, Oregon, and Washington), the economy of the remainder of the United States outside the geographic scope of the Regional Center, and, consequently, the economy of the United States as a whole will all have a correspondingly higher level of investment, employment, output, labor income, and household earnings as a result of the development and construction of the EB-5 Infrastructure Project.

This economic impact study utilizes REDYN for the purpose of determining the likely new economic impacts associated with the EB-5 Infrastructure Project. REDYN incorporates a computable

[9] USCIS Policy Manual Volume 6, Part G, Chapter 2, Section D.4
[10] IMPLAN Professional: Version 2.0: Social Accounting & Impact Analysis Software, MIG, Inc., page 95.

general/geographic equilibrium ("CGGE") model for the U.S. economy (and all states and sub-regions such as metro areas), enabling REDYN to accurately measure the interregional economic impacts (including job impacts) of a specific development project for various geographies.[11] These geographies include the counties in which the project is sited, the broader linked regional economy (such as a regional center, a metro region, a state, and/or a group of states or metro regions); by explicitly incorporating trade flows, and transportation costs and geographic agglomeration effects.

REDYN has been used to assess the economic impacts associated with economic development projects, new businesses, certain types of public policy changes, the effectiveness of government and private sector programs, and utility power projects in various states throughout the country in a variety of analytical settings. Economic & Policy Resources, Inc. ("EPR") has used REDYN in more than 230 studies overall, including more than 200 economic impact studies submitted for consideration under the EB-5 Program. REDYN has been previously used in numerous adjudications that have been approved by the USCIS under the EB-5 Program.

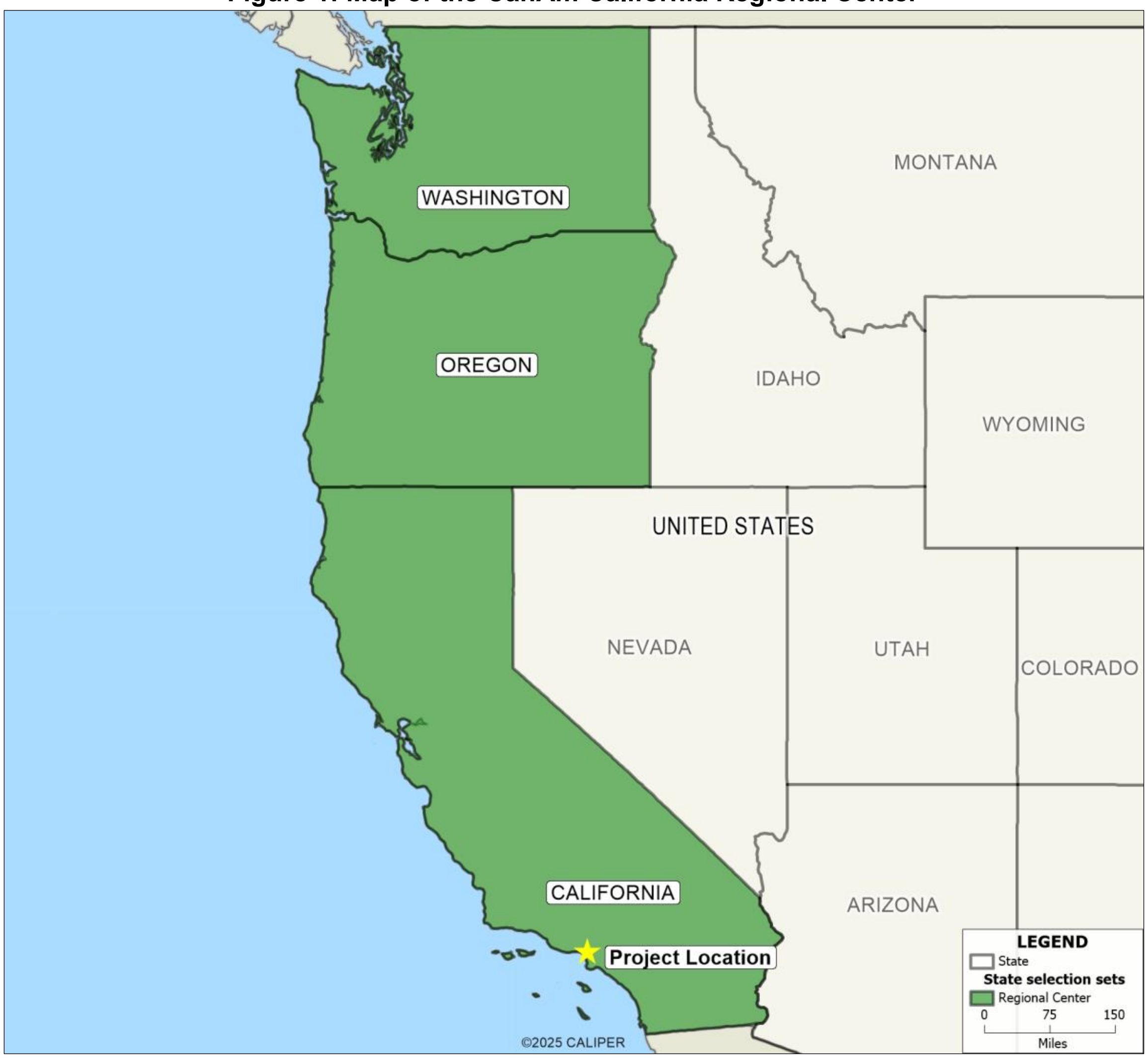
[11] Economic impact analysis is conducted to quantify the economic effects of a proposed project or policy. Models utilized in undertaking these economic evaluations include input-output (I-O) and computable general equilibrium (CGE). I-O models are relatively easy to use and transparent but are limited by a number of unrealistic assumptions, particularly its lack of supply side constraints. Consequently, use of I-O methods often results in a significant overstatement of economic effects. CGE models incorporate the industrial structure embedded within an I-O analysis; and model the entire economy, allowing for the reality of supply-constraints, existence of other markets, and the feedback effects from them. Computable general geographic equilibrium or regional CGE models bring spatial linkages more formally into CGE models, especially capturing trade flows, supply chain effects, and commuting patterns. For further information on CGE modeling: Vargas, E.E., D.F. Schreiner, G. Tembo, and D.W. Marcouiller. *Computable General Equilibrium Modeling for Regional Analysis*. Web Book of Regional Science. Regional Research Institute, West Virginia University (nd). http://www.rri.wvu.edu/WebBook/Schreiner/contents.htm ; Partridge, M.D. and D.S. Rickman. "Computable General Equilibrium (CGE) Modelling for Regional Economic Development Analysis," *Regional Studies* (44.10) December 2010; Dwyer, L. *Computable General Equilibrium Modeling for Tourism Policy: Inputs and Outputs*. United Nations World Tourism Organization. August 2015; Burfisher, M.E. *Introduction to Computable General Equilibrium Models*. Cambridge University Press, 2011; and Dixon, P.E. and D.W. Jorgenson (eds). *Handbook of Computable General Equilibrium Modeling*. Elsevier, 2013.

Section 3. Description of the Regional Center and EB-5 Project

3.1 CanAm California Regional Center

CanAm California Regional Center (the "Regional Center") received its initial designation as a regional center under the legacy EB-5 Program on March 24, 2008. On or about May 16, 2022, the Regional Center filed a Form I-956 to establish its eligibility as a regional center pursuant to and in compliance with the 2022 EB-5 Reform Act. USCIS approved the Regional Center's Form I-956 (INF2200000080 / RC2200000080) by letter dated April 20, 2023. The geographic scope of the Regional Center's economic development activities is composed of the entire states of California, Oregon and Washington (*Table 2*). Please refer to *Figure 1 Map of the CanAm California Regional Center* below.

Figure 1: Map of the CanAm California Regional Center



ECONOMIC & POLICY RESOURCES

Table 2: County Composition of the CanAm California Regional Center

State of California							
Alameda	Alpine	Amador	Butte	Calaveras	Colusa	Contra Costa	Del Norte
El Dorado	Fresno	Glenn	Humboldt	Imperial	Inyo	Kern	Kings
Lake	Lassen	**Los Angeles**	Madera	Marin	Mariposa	Mendocino	Merced
Modoc	Mono	Monterey	Napa	Nevada	Orange	Placer	Plumas
Riverside	Sacramento	San Benito	San Bernardino	San Diego	San Francisco	San Joaquin	San Luis Obispo
San Mateo	Santa Barbara	Santa Clara	Santa Cruz	Shasta	Sierra	Siskiyou	Solano
Sonoma	Stanislaus	Sutter	Tehama	Trinity	Tulare	Tuolumne	Ventura
Yolo	Yuba						
State of Oregon							
Baker	Benton	Clackamas	Clatsop	Columbia	Coos	Crook	Curry
Deschutes	Douglas	Gilliam	Grant	Harney	Hood River	Jackson	Jefferson
Josephine	Klamath	Lake	Lane	Lincoln	Linn	Malheur	Marion
Morrow	Multnomah	Polk	Sherman	Tillamook	Umatilla	Union	Wallowa
Wasco	Washington	Wheeler	Yamhill				
State of Washington							
Adams	Asotin	Benton	Chelan	Clallam	Clark	Columbia	Cowlitz
Douglas	Ferry	Franklin	Garfield	Grant	Grays Harbor	Island	Jefferson
King	Kitsap	Kittitas	Klickitat	Lewis	Lincoln	Mason	Okanogan
Pacific	Pend Oreille	Pierce	San Juan	Skagit	Skamania	Snohomish	Spokane
Stevens	Thurston	Wahkiakum	Walla Walla	Whatcom	Whitman	Yakima	

Note: All listings include counties. *Denotes:* **Project County**

Prepared by Economic & Policy Resources, Inc.

3.2 EB-5 Infrastructure Project

3.2.1 Project Overview

The Carson Reclamation Authority (the "Authority") is a joint powers authority established by the City of Carson (the "City") under the provisions of the California Joint Powers Act (Govt. Code Sections 6500 *et seq*.) in order to facilitate, potentially fund and oversee the remediation and reclamation of underutilized properties impacted by hazardous environmental contamination within the City.

The Authority acquired and currently owns an approximately 157-acre site (the "157 Acre Site") located at 20400 South Main Street, Carson, California 90745. The 157 Acre Site, known as the former Cal-Compact Landfill, was operated as a landfill from approximately 1959 until 1965. The 157 Acre Site is divided into five (5) "Cells", numbered Cells 1 through 5 (each, a "Cell").

The Authority will administer and oversee the construction, installation, and financing of necessary structural piles, utilities, remedial systems, road access and associated horizontal infrastructure on or in approximately 86 acres (delineated as Cells 3, 4, and 5 below) of the 157 Acre Site (the "EB-5 Infrastructure Project").


DEL AMO BLVD
CAL COMPACT
LANDFILL (SITE)
110 FREEWAY
CITY OF CARSON
405 FREEWAY
N
GRAPHIC SCALE
0
1000
2000
SCALE IN FEET
CARSON ST


405
Del Amo Blvd
CELL 1
CELL 2
CELL 3
CELL 4
CELL 5
OPS
CENTER
City of Carson
Blvd

3.2.2 Use of Funds

In accordance with the EB-5 Infrastructure Project Business Plan, development and construction activities for the EB-5 Infrastructure Project is expected to span approximately twenty-five (25) months between January 2026 and approximately the end of January 2028.

The total estimated development and construction costs associated with the EB-5 Infrastructure Project are approximately $342.63 million. As shown in *Table 3 Spending Utilized for Economic Impact Analysis - Use of Funds Detail* below, the eligible expenditures for the EB-5 Infrastructure Project are divided into the following components: (1) Land/Site Costs; (2) Industrial Building Construction; and (3) Horizontal (Environmental); (4) Horizontal Construction; (5) Roadwork; and (6) Other. Within these categories are detailed line items, termed specific economic activities (each labeled with its respective NAICS code[12]) for use in this economic impact study; items "not included" in the economic impact study are labeled as NI.

Table 3: Spending Utilized for Economic Impact Analysis - Use of Funds Detail

Expenditure Category	NAICS	Year 1 Jan 2026-Dec 2026	Year 2 Jan 2027-Dec 2027	Year 3 Jan 2028-Dec 2028	Total
Land/Site Costs	NI	***$70,644,318***			***$70,644,318***
Industrial Building Constrcution	23621	***$11,774,070***	***$7,681,054***	***$324,284***	***$19,779,408***
Horizontal (Environmental)					
Remediation Services	56291	$6,188,267	$3,287,517	$193,383	$9,669,167
Other Heavy & Civil Engineering	23799	$56,000	$29,750	$1,750	$87,500
Horizontal Construction					
Other Heavy & Civil Engineering	23799	$8,615,560	$35,822,590	$906,901	$45,345,051
Foundation, Structure & Building Exterior Contractors	2381	$8,946,614	$37,199,078	$941,749	$47,087,441
Site preparation contractors	23891	$8,148,822	$4,329,062	$254,651	$12,732,535
SL Subcontractor Default Insurance	NI	$728,577	$1,332,255	$20,816	$2,081,649
SL Project Specific Insurance (no - OCIP)	NI	$852,990	$1,559,753	$24,371	$2,437,114
SL CPL Insurance $10M Limits (no-OCIP)	NI	$98,422	$179,971	$2,812	$281,205
Pollution Legal Liability Insurance	NI	$0	$0	$0	$0
Builder's Risk (Flood $25M; EQ $10M)	NI	$393,688	$719,886	$11,248	$1,124,822
Performance & Payment Bond (w/ 1year Warranty)	NI	$0	$0	$0	$0
Contractor's Contingency	NI	$2,403,465	$4,394,908	$68,670	$6,867,044
Contractor's Fee	NI	$3,124,505	$5,713,381	$89,272	$8,927,158
Roadwork					
Foundation, Structure & Building Exterior Contractors	2381	$6,622,148	$23,478,524	$0	$30,100,672
Site preparation contractors	23891	$6,224,302	$2,929,083	$0	$9,153,385
Remediation Services	56291	$2,604,526	$1,225,660	$0	$3,830,186
Management Fee	NI	$2,070,206	$690,069	$0	$2,760,274
Buy Out Reserve	NI	-$1,246,507	-$1,142,631	$0	-$2,389,138
Contractor Contingency	NI	$1,005,082	$472,980	$0	$1,478,062
Preconstruction Services -NIC	NI	$0	$0	$0	$0
Builders' Risk Insurance	NI	$1,234	$1,131	$0	$2,365
Sub Default Insurance	NI	$5,957	$5,461	$0	$11,418
General Liability Insurance	NI	$5,428	$4,975	$0	$10,403
Performance & Payment Bond - NIC	NI	$0	$0	$0	$0
Gross Receipts Tax - NIC	NI	$0	$0	$0	$0
Contractor Fee	NI	$1,041,565	$954,768	$0	$1,996,333
Estimated Total Buffer Zone Costs	NI	$116,380	$106,681	$0	$223,061
Estimated Waste Consolidation	NI	$1,548,397	$1,419,363	$0	$2,967,760
RE | Solutions (Expenses)	NI	$113,005	$37,668	$0	$150,673
Other					
Architectural & Engineering Services	5413	$12,894,923	$4,895,965	$137,921	$17,928,808
Development Fee	NI	$3,319,445	$3,621,212	$301,768	$7,242,424
Insurance, Legal & Other	NI	$1,833,333	$2,000,000	$166,667	$4,000,000
Direct Consulting Fees	NI	$229,167	$250,000	$20,833	$500,000
Carry Cost & RE Taxes During Construction	NI	$2,520,833	$2,750,000	$229,167	$5,500,000
Financing Costs	NI	$13,795,833	$15,050,000	$1,254,167	$30,100,000
Total Use of Funds		**$176,680,554**	**$161,000,116**	**$4,950,430**	**$342,631,099**

Notes: NAICS is North American Industrial Classification System; NI is not included in the modeling.

Prepared by Economic & Policy Resources, Inc.

[12] Each economic activity or industry sector has an identifying classification code from the North American Industrial Classification System ("NAICS").

Section 4. Economic Impact Analysis

4.1 Impact Study Assumptions and Inputs

4.1.1 Geographic Scope

As in most regional input-output models, REDYN allows flexibility in examining the impacts of a project by geographic region. REDYN allows this analysis to examine impacts down to the county level, for entire states, for custom regions[13], and for the United States economy overall. Therefore, the first step in the analysis is to determine the regions of importance for conducting the economic impact study. This decision is based on the particulars of the project being assessed. Several key factors must be considered when determining the geographic regions for study, which are as follows: 1) the county in which the project is located; 2) the functional economic region where a significant number of the workers occupying the direct jobs created as a result of the project are expected to live; and 3) the nature of the supply chain which supports the project's activities. These considerations are used to formulate the geographic areas of economic development important to the EB-5 Program.

The first key consideration when specifying the regions of importance for the impact study is the county in which the project is located. I-O models determine impacts based on linkages between sectors and regions. Counties are the smallest geographic unit for which these data are available in most of the I-O tools and I-O models in common usage. Therefore, the most appropriate geographic unit for determining impacts of a particular project is often the county in which the project is located. The EB-5 Infrastructure Project is located in Carson (Los Angeles County), California. Therefore, Los Angeles County, California has been included as one of the regions specified in the impact study.

The second key consideration when specifying regions for the impact study is determining where a significant number of the workers occupying the direct jobs created as a result of the project are expected to live. By definition, all direct jobs are assumed to occur within the county in which a project is located. However, since the region in which the economic activity was analyzed will not typically include the locations where all of the workers occupying those jobs live (i.e., by nature in regional economics, the workers occupying a development project's direct jobs will not all live in the county or census tract where the project is located), it is important that the analyst also specify a region in the analysis that corresponds to the larger functional economy of which the project location is a part. According to the classic text, An Introduction to Regional Economics, a functional region encompasses interdependent relationships in the trade of goods, services, people, and money.[14] The IMPLAN Group publication Principles of Impact Analysis and IMPLAN Applications similarly defines a functional region as follows:

> "*A functional economy encompasses appropriate local inputs, including the primary suppliers and the location where employees are working, living, and spending their income.*"[15]

The geographic scope of the Regional Center (comprised of the entire states of California, Oregon and Washington) has been identified as a functionally related regional economy by the USCIS with the Regional

[13] For example, the New York metropolitan region, composed of several contiguous counties in New York, New Jersey, Connecticut, and Pennsylvania; or a multi-state region.

[14] An Introduction to Regional Economics, Edgar M. Hoover and Frank Giarratani, Third Edition. Chapter 9. Accessible online from the Regional Research Institute at West Virginia University (http://www.rri.wvu.edu/WebBook/Giarratani/main.htm).

[15] Principles of Impact Analysis and IMPLAN Applications, Frances Day, page 25.

Center's designation under the RIA on April 20, 2023. This makes the geography of the Regional Center important for specification in the economic impact study.

The third key consideration when specifying regions for the analysis is the nature of the supply chain supporting project activities. Given the nature of their respective economic linkages, certain activities tend to have more geographically extensive or localized economic impacts as they draw inputs to production from other industries. Some examples of activities that tend to have extensive geographic impacts are those in the Construction (NAICS 23) sector and the Manufacturing (NAICS 31-33) sector. Industries in sectors such as these are typically referred to as goods-producing industries. Examples of activities that tend to have more localized economic impacts are those in the Retail trade (NAICS 44-45) sector and the Accommodation and food services (NAICS 72) sector. Industries in sectors like these are typically referred to as service-providing industries.[16]

Goods-producing industries tend to have more extensive geographic impacts because they require an on-going supply of material inputs to production in order to be carried out. For example, major materials involved in building construction include masonry and concrete, metal and steel, and wood products and lumber. Furthermore, certain geographic areas tend to specialize in the production of the materials used as inputs to production, such as Pittsburgh with steel or Eugene, Oregon with lumber and other wood products. Therefore, projects needing these inputs throughout the country will source the materials from these regions despite the geographic location of the project. This specialization in the production of materials suggests that economic linkages will extend job creation to other regions of the United States.[17]

Another reason why goods-producing industries tend to have more geographically extensive economic impacts is that they and their geographically extensive, goods-producing suppliers tend to have higher average wages than many of the service-providing industries. For example, in the United States in 2023 the weighted average wages in goods-producing industries was $76,680, compared to $71,133 for average wages in service-providing industries.[18] The higher wages in goods-producing industries typically lead to greater induced impacts. Therefore, the induced impacts from a project in a goods-producing industry with higher average wages in its broad supply chain should be more geographically extensive than those from a service-providing industry with lower average wages and fewer material inputs to production.[19]

It should be noted that most of the new construction activity associated with the EB-5 Infrastructure Project included in this economic impact study occurs within the Construction (NAICS 23) sector.[20] Therefore, as the Construction (NAICS 23) sector falls under the categorization of goods-producing, which in turn means that the EB-5 Infrastructure Project is likely to have geographically extensive economic impacts, it is

---

[16] The examples of sectors within the goods-producing and service-providing classifications were taken from the list of those classified as belonging to those groups provided by BLS on their website (http://www.bls.gov/iag/tgs/iag_index_naics.htm).

[17] One way to examine economic specialization is through the use of location quotients. Location quotients are calculated by comparing the industry's share of regional employment with its share of national employment. Examining the location quotient for Allegheny County which is a part of the Pittsburgh, Pennsylvania MSA, the Iron and Steel Mills and Ferroalloy Manufacturing (NAICS 3311) industry group for 2023 results in a location quotient of 5.93; meaning that iron and steel mills and ferroalloy manufacturing are nearly six times more concentrated in Allegheny County than the nation. Similarly, the 2023 location quotient for the Wood Products Manufacturing (NAICS 321) subsector in the Eugene, Oregon Metropolitan Statistical Area (Lane County) was 8.78 or over eight times more concentrated in the Eugene (Lane County) region than the nation. These location quotients indicate that regions do specialize in the production of materials used in goods-producing sectors, as discussed above. Therefore, it stands to reason that other regions would import goods from these specialized areas. [Note: Employment data was obtained from the BLS website.]

[18] The 2023 wage data was obtained from the Quarterly Census of Employment and Wages ("QCEW") data published by BLS.

[19] Additionally, there will be indirect effects associated with the new spending.

[20] Of the $195.68 million in new construction-related activity associated with the EB-5 Infrastructure Project included in the analysis, approximately $164.29 million (or 84 percent) occurs within the Construction (NAICS 23) sector.

important that the analyst specify a region in the analysis that includes the remainder of the United States outside the geographic scope of the Regional Center.

These key factors underlie the assessment of the economic impacts of a project for consideration under the EB-5 Program. As such, regions of importance in the EB-5 Program should be specified in the analysis for the reporting of economic impacts. In the Policy Manual (Volume 6, Part G, Chapter 3), the USCIS identifies the regions of importance to the EB-5 Program by stating that a regional center must "*…include a detailed prediction how the regional center will have a positive impact on the regional or national economy based on factors such as increased household earnings, greater demand for business services, utilities, maintenance and repair, and construction both within and without the regional center.*" Therefore, the two regions of importance for the reporting of economic impacts under the EB-5 Program are the geographic scope of the Regional Center and the United States as a whole.

The importance of the United States as a region for specification in this analysis is further demonstrated by the following quote from the Policy Manual issued by the USCIS (Volume 6, Part G, Chapter 2, Section A):

> "*Congress created the immigrant investor category so the U.S. economy can benefit from an immigrant's contribution of capital. This benefit is greatest when capital is at risk and invested in a new commercial enterprise that, because of the investment, creates at least 10 full-time jobs for U.S. workers.*"

Based on these two quotes from the Policy Manual issued by the USCIS, it is important that the analyst specify the regions for the analysis such that economic impacts can be reported for the geographic scope of the Regional Center and the United States as a whole.

Given the considerations discussed above, the analyst specified a three-region analysis in order to complete this economic impact study for the EB-5 Infrastructure Project. The three specified regions were as follows: 1) Los Angeles County, California; 2) the remainder of the geographic scope of the Regional Center; and 3) the remainder of the United States. Region 1 is specified as it represents Los Angeles County, California where the EB-5 Infrastructure Project is located. Region 2 is specified, because it represents the remainder of the Regional Center which includes the entire states of California, Oregon and Washington (see *Figure 1: Map of the Regional Center*). Measuring the EB-5 Infrastructure Project's impacts for Region 1 and Region 2 enables the impact study to report the impact results of the proposed project for the geographic scope of the Regional Center, which is a region of importance for examining impacts relative to the EB-5 Program. Region 3 is specified in order to examine the effects of the EB-5 Infrastructure Project outside of the Regional Center, or for the rest of the United States economy, given that the construction activities of the EB-5 Infrastructure Project are in a more geographically diverse goods-producing sector and given the focus of the EB-5 Program on the creation of jobs in the entire United States. In this way, the REDYN input-output tool uses the EB-5 Infrastructure Project's inputs by each economic activity and for each year to complete a multi-regional economic impact analysis, featuring economic impacts for each defined region for each year in the impact study (including estimates of job creation). Here, three—separate yet interdependent—regions comprise the geography over which economic impacts associated with construction of the EB-5 Infrastructure Project are estimated.

More specifically, the sum of the impacts in Los Angeles County, California (Region 1) and the remainder of the geographic scope of the Regional Center (Region 2) represent the EB-5 Infrastructure Project's new economic impacts within the geographic scope of the Regional Center. The impacts within the geographic boundaries of the Regional Center plus the impacts outside of the Regional Center or for the remainder of the United States (Region 3) sum to the total expected new economic impacts associated with the EB-5 Infrastructure Project for the United States economy as a whole. This analytical structure, when employed with the assumptions listed below and using the specific data inputs specified in *Table 5 Economic Impact Study Inputs* in *Section 4.1.2 Impact Study Inputs*, would enable an analyst to replicate the I-O model simulations employed in this study.

4.1.2 Impact Study Inputs

The relevant information and data used to develop the economic impact study inputs for the EB-5 Infrastructure Expansion Project includes the amount and timing of the construction-related expenditures on a calendar year timeline. The data from the project developer is laid out in a comprehensive and detailed business plan that will be filed along with the other materials in the petition. These specific inputs were then employed in the REDYN model after the proper adjustment for inflation to the proper base year[21] and after any required additional research to properly quantify and specify each input for use in the I-O model. Using these for the EB-5 Infrastructure Project parameters, new business activities associated with the EB-5 Infrastructure Project are allocated to specific economic activities (and assigned to its proper NAICS category) by year, as shown in *Table 4 Economic Impact Study Input--Constructions*.[22]

Beyond the discussion above, key impact study details and assumptions for the EB-5 Infrastructure Project are described below:

- In accordance with the EB-5 Infrastructure Project Business Plan, the impact study was carried out on a calendar year basis. Hence, Project Year 1 (2026) is from January 2026 to December 2026; Project Year 2 (2027) is from January 2027 to December 2027; etc.
  - The development and construction expenditures timeline spans approximately 25 months over Project Years 2026 and 2028, beginning in approximately January 2026 and ending in approximately late January 2028 (*Table 4*); and
- The detailed use of funds information contained in the EB-5 Infrastructure Project Business Plan is the source of the economic impact study inputs associated with the construction-related activities for the EB-5 Infrastructure Project.

[21] Using the historical (see www.bea.gov) and prospective inflation forecast (see IPD, GDP - Forecast - National Forecast Produced by IHS Economics, December 2025, Table A4 page 43 at the site: (https://www.oregon.gov/das/oea/Documents/OEA-Forecast-1225.pdf) for the Implicit Price Deflator for Gross Domestic Product (IPD-GSP).

[22] The inputs used in this impact analysis assume that all of the listed North American Industry Classification System (or "NAICS) categories for expenditure inputs are NAICS categories that are eligible for EB-5 Infrastructure EB-5 Project investment expenditures within the Regional Center. For any NAICS sector listed that as of the date of this report is not an approved NAICS category for the Regional Center, approval of that NACIS sector and any other NAICS sector is herein requested for approval by the USCIS based on the impact data submitted by the petitioner in this filing.

Table 4: Economic Impact Study Inputs—Construction

EB-5 Infrastructure Project	Year 1 2026	Year 2 2027	Year 3 2028
Construction Spending ($ Millions)			
Industrial Building Construction (NAICS 23621)	$11.77	$7.68	$0.32
Other Heavy & Civil Engineering Construction (NAICS 23799)	$8.67	$35.85	$0.91
Foundation, Structure & Building Exterior Contractors (NAICS 2381)	$15.57	$60.68	$0.94
Site preparation contractors (NAICS 23891)	$14.37	$7.26	$0.25
Architecture, Engineering & Related Services (NAICS 5413)	$12.87	$4.89	$0.14
Remediation Services (NAICS 56291)	$8.79	$4.51	$0.19

Notes: All dollar values are in millions of 2026 dollars. NAICS is North America Industrial Classification System.

Prepared by Economic & Policy Resources, Inc.

4.2 Overview of the EB-5 Infrastructure Project Impacts

4.2.1 Job Creation and Other Economic Impacts

REDYN is capable of estimating all measurable linkages associated with the incremental economic activity (as assigned to various NAICS categories analyzed) to describe the EB-5 Infrastructure Project.[23] This incremental activity will create and sustain employment. the EB-5 Infrastructure Project is expected to add new jobs within the geographic scope of the Regional Center due to the expended business activity related to the EB-5 Infrastructure Project, an increase which has a ripple effect throughout the economy of the United States.

As shown in *Table 5 Summary of the Total Project Impacts*, this study finds that, as a result of this new business activity and the subsequent ripple effects stemming from it, the EB-5 Infrastructure Project will have significant economic impacts on the economy within the geographic boundaries of the Regional Center, the remainder of the United States outside the Regional Center geography, and, consequently, the United States as a whole.[24]

[23] USCIS Policy Manual Volume 6, Part G, Chapter 2, Section D.4: "Due to the nature of accepted job creation modeling practices, USCIS relies upon reasonable economic models to determine that it is more likely than not that the indirect jobs are created. USCIS may request additional evidence that the indirect jobs created, or to be created, are full time."
[24] All values are reported in constant 2026 dollars.

Table 5: Summary of the Total Project Impacts

EB-5 Infrastructure Project	Year 1 2026	Year 2 2027	Year 3 2028
Regional Center Economy			
Total Jobs	1,135	1,865	39
Output ($ Millions)	$315.38	$495.05	$10.78
Labor Income ($ Millions)	$128.97	$211.85	$4.60
Household Earnings ($ Millions)	$94.47	$149.03	$3.06
Outside the Regional Center Economy			
Total Jobs	363	586	10
Output ($ Millions)	$103.92	$171.31	$2.93
Labor Income ($ Millions)	$37.15	$60.96	$1.03
Household Earnings ($ Millions)	$5.51	$3.45	$0.10
Total United States Economy			
Total Jobs	1,498	2,451	49
Output ($ Millions)	$419.30	$666.36	$13.71
Labor Income ($ Millions)	$166.12	$272.80	$5.63
Household Earnings ($ Millions)	$99.98	$152.49	$3.15

Notes : All dollar values are presented in millions of 2026 dollars.

Prepared by Economic & Policy Resources, Inc.

This economic impact study finds that the EB-5 Infrastructure Project, through planned construction activity, will result in new and significant economic impacts for the economy within the geographic scope of the **Regional Center** as follows:

- The new job totals in each year are as follows:
  - Year 1: 1,135 new jobs.
  - Year 2: 1,865 new jobs.
  - Year 3: 39 new jobs.
- A 3-year cumulative increase of $821.21 million in output.
- A 3-year cumulative increase of $340.81 million in labor income.
- A 3-year cumulative increase of $243.50 million in household earnings.

This economic impact study finds that the EB-5 Infrastructure Project, through planned construction activity, is expected to generate new and significant economic impacts for the United States economy, or **outside the geographic scope of the Regional Center,** as follows:

- The new job totals in each year are as follows:
  - Year 1: 363 new jobs.
  - Year 2: 586 new jobs.
  - Year 3: 10 new jobs.
- A 3-year cumulative increase of $275.23 million in output.
- A 3-year cumulative increase of $98.11 million in labor income.
- A 3-year cumulative increase of $8.96 million in household earnings.

This economic impact study finds that the EB-5 Infrastructure Project, through planned construction activity, will generate new and significant economic impacts for the **United States economy** as a whole (or **both inside and outside of the geographic scope of the Regional Center**) as follows:

- The new job totals in each year are as follows:
  - Year 1: 1,498 new jobs.
  - Year 2: 2,451 new jobs.
  - Year 3: 49 new jobs.
- A 3-year cumulative increase of $1,085.66 million in output.
- A 3-year cumulative increase of $438.93 million in labor income.
- A 3-year cumulative increase of $252.47 million in household earnings.

4.2.2 Economically Direct and Economically Indirect Jobs

Table 6 Economically Direct and Economically Indirect Jobs on the next page presents the United States job creation associated with the EB-5 Infrastructure Project separated into those jobs that are direct and those that are indirect.[25] By definition, all direct development and construction jobs are assumed to occur in Los Angeles County, California where the EB-5 Infrastructure Project is located. The number of direct jobs and indirect jobs created as a result of the EB-5 Infrastructure Project is determined using the REDYN model. Direct jobs estimated to be created by construction-related activities during the most intensive year of activity are presented in *Table 6*. The numbers highlighted in **red** correspond to the total job impact numbers.

[25] Direct jobs are defined here as those jobs generated as a direct result of the incremental change in final demand for a given project (e.g., the developer hires a construction management firm). Indirect jobs are generated as materials and other inputs to production are supplied to the project (e.g., the supplier of steel to the construction firm hires additional staff). It should be noted that induced jobs, which are a subset of indirect jobs, are generated when these new workers occupying the direct and indirect jobs spend their new disposable incomes for consumer goods and services.

Table 6: Economically Direct and Economically Indirect Jobs

EB-5 Infrastructure Project	Year 1 2026	Year 2 2027	Year 3 2028
Construction			
Industrial building construction (NAICS 23621)			
Direct Jobs	**61**	38	2
Indirect Jobs	**190**	119	4
Total Jobs	251	157	6
Other Heavy & Civil Engineering Construction (NAICS 23799)			
Direct Jobs	45	**178**	4
Indirect Jobs	140	**555**	13
Total Jobs	185	733	17
Foundation, Structure & Building Exterior Contractors (NAICS 2381)			
Direct Jobs	81	**302**	5
Indirect Jobs	251	**940**	13
Total Jobs	332	1,242	18
Site preparation contractors (NAICS 23891)			
Direct Jobs	**75**	36	1
Indirect Jobs	**231**	112	3
Total Jobs	306	148	4
Architecture, Engineering & Related Services (NAICS 5413)			
Direct Jobs	**30**	11	0
Indirect Jobs	**260**	94	2
Total Jobs	290	105	2
Remediation Services (NAICS 56291)			
Direct Jobs	**28**	14	1
Indirect Jobs	**106**	52	1
Total Jobs	134	66	2

Notes: Direct jobs are associated with the above economic activity and situated in Project county (here, Los Angeles County, California). Indirect jobs for construction-related activities are located both within and outside of the Regional Center geography

Prepared by Economic & Policy Resources, Inc.

Direct jobs estimated to be created by construction-related activities during the most intensive year of activity, are presented in *Table 6*. The construction time period for the EB-5 Infrastructure Project is approximately 25 months (approximately January 2026 – January 2028). Since the construction period exceeds 24 months, there is no proportionate reduction in the number of direct jobs and the overall indirect jobs is subject to an "up to 90 percent" requirement of total jobs consistent with the RIA.[26] Since indirect jobs represent only 77 percent of the total jobs, the threshold requirement has been satisfied. In sum, the number of requested direct and indirect jobs from construction-related activities total **2,956 direct and indirect jobs** (comprising **674 direct jobs** and **2,282 indirect jobs**), as presented in *Table 7*.

[26] *See* INA § 203(b)(5)(E)(iv)(I).

Table 7: Allowable Jobs from Construction-Related Activities

EB-5 Infrastructure Project Project	Year 1 2026	Year 2 2027	Year 3 2028	Summary	Allowable Jobs
Summary of Construction-related Activities					
Direct Jobs	194	480	0	674	674
Indirect Jobs	787	1,495	0	2,282	2,282
Total Jobs	981	1,975	0	2,956	2,956

Notes: Direct jobs are located in the project county. All indirect jobs and total jobs are located both within and outside of the regional center. Compiled summary of three separate economic activities over a 25-month period. Summary is Year 1 Jobs through Year 3 jobs. Under the EB-5 Reform and Intregrity Act of 2022, an adjustment to direct jobs is made if construction activities last for less than two-years (or 24 months), Allowable Jobs represents an adjustment if indirect jobs exceeds a maximum of 90 percent of the total jobs. Here, no adjustment was made since indirect jobs were 77 percent of total jobs.

Prepared by Economic & Policy Resources, Inc.

Table 8: Model Simulation Direct and Indirect Jobs Calculations below is included to demonstrate how the REDYN model determines which jobs are direct and which are indirect. *Table 8* shows the REDYN calculations for the simulation of the industrial building construction expenditures in Los Angeles County, California in Year 1. The REDYN model calculates direct jobs based on a productivity concept (i.e., based on the average output per employee). As such, the REDYN model divides the change in final demand the industrial building construction (NAICS 23621) (Item D) by the average output per employee (Item C) for industrial building construction activity in the region in which the inputs were analyzed in order to determine the number of new direct jobs that will be created (Item E). The number of indirect jobs (Item G) is calculated by subtracting the number of direct jobs (Item E) from the total number of new jobs (Item F). This same method was used for each economic activity of each the EB-5 Infrastructure Project component included in the impact study.

Table 8: Model Simulation Direct and Indirect Jobs Calculations

Industrial building construction (NAICS 23621) -- Year 1

NAICS 23621 Baseline Output ($ Millions):	$484.36	[A]	NAICS 23621 Input Expenditures ($ Millions):	$12.12	[D]
NAICS 23621 Baseline Employment:	2,448	÷ [B]	NAICS 23621 Baseline Output/Employee ($ Millions):	$0.20	÷ [C]
NAICS 23621 Baseline Output/Employee ($ Millions):	$0.20	= [C]	NAICS 23621 Direct Jobs	61	= [E]
			NAICS 23621 Total U.S. Jobs:	251	[F]
			NAICS 23621 Direct Jobs:	61	- [E]
			NAICS 23621 Indirect Jobs:	190	= [G]

Notes:
1. All output and expenditure figures are presented in millions of nominal dollars.
2. The REDYN model baseline output and employment figures are those for industrial building construction (NAICS 23621) listed as calculated by the REDYN model for Los Angeles County, California
3. By definition, all direct jobs are assumed to occur within the county in which the project activity is located. The economic activity for the EB-5 Infrastructure Project was modeled in Los Angeles County, California, where the EB-5 project is located. Thus, all direct jobs are assumed to occur within Los Angeles County, California.
4. Output per employee is a productivity concept. It measures the average output per employee in industrial building construction.

Prepared by Economic & Policy Resources, Inc.

4.3 Request for Jobs Allocable to EB-5 Investors

4.3.1 Jobs Arising from Construction Activities

It is requested that a subset of the total jobs estimated to be created by the construction activities of the EB-5 Infrastructure Project be allocable to EB-5 investors. These jobs include:

- Total direct and indirect jobs (61 + 190, respectively) arising from Industrial Building Construction (NAICS 23621) activities in Project Year 1.
- Total direct and indirect jobs (178 + 555, respectively) arising from Other Heavy and Civil Engineering (NAICS 23799) activities in Project Year 2.
- Total direct and indirect jobs (302 + 940, respectively) arising from Foundations, Structure, and Building Exterior Contractors (NAICS 2381) activities in Project Year 2.
- Total direct and indirect jobs (75 + 231, respectively) arising from Site Preparation Contractors (NAICS 23891) activities in Project Year 1.
- Total direct and indirect jobs (30 + 260, respectively) arising from Architecture, Engineering & Related Services (NAICS 5413) activities in Project Year 1.
- Total direct and indirect jobs (28 + 106, respectively) arising from Remediation Services (NAICS 56291) activities in Project Year 1.

The rationale behind attributing the requested jobs being potentially allocable to EB-5 investors was based on the following: 1) the EB-5 Program requirement that for construction activities lasting not less than two (2) years, estimated direct jobs need not be adjusted; 2) the admissibility of a request to attribute jobs, including jobs both inside and outside the geographic scope of the Regional Center, to the Regional Center; and 3) the EB-5 Program requirement that the requested indirect jobs represent only up to 90 percent of the total estimated jobs.

First, EPR would like to emphasize that since the construction period for the EB-5 Infrastructure Project extends approximately 25 months, no fractional adjustment by twenty-four months is required under the RIA.

Next, EPR would like to address the admissibility of the request that jobs allocable to EB-5 investors include jobs both inside and outside the geographic scope of the Regional Center. The following quote from the Policy Manual (Volume 6, Part G, Chapter 2, Section D.4) issued by the USCIS provides guidance:

> "*Indirect jobs can qualify and be counted as jobs attributable to a new commercial enterprise associated with a regional center, based on reasonable methodologies, even if the jobs are located outside of the geographic boundaries of a regional center.*"

As previously mentioned in *Section 4.1.1 Geographic Scope*, based on the definition of direct jobs and the fact that the Regional Center encompasses a significant portion of the locations where the workers occupying the new jobs created as a result of the EB-5 Infrastructure EB-5 Project are expected to live, all economically direct jobs are assumed to be located within the geographic scope of the Regional Center. As such, all of the jobs outside the geographic boundaries of the Regional Center are economically indirect jobs and have been shown to be admissible under the EB-5 Program. Furthermore, it is expected that a EB-5 Infrastructure EB-5 Project is comprised primarily of goods-producing activities would create jobs for workers throughout the economy of the United States.

Finally, EPR would like to address the EB-5 Program requirement that indirect jobs from construction-related activities represent only up to 90 percent of total job creation associated with the EB-5 Infrastructure EB-5 Project consistent with the requirement under INA section 203(b)(5)(E)(iv)(I), which states as follows:

> *IN GENERAL—The Secretary of Homeland Security shall permit aliens seeking admission under this subparagraph to satisfy only up to 90 percent of the requirement under subparagraph (A)(ii) with jobs that are estimated to be created indirectly through investment under this paragraph in accordance with this subparagraph. An employee of the new commercial enterprise or job-creating entity may be considered to hold a job that has been directly created.."*[27]

Here, indirect jobs resulting from construction activities represent only 77 percent of total jobs (2,282/2,956); thus, the "90 percent" threshold has not been exceeded. Hence, the total number of requested jobs associated with construction-related activities is 2,956 jobs (or 674 direct jobs + 2,282 indirect jobs).

4.3.2 Summary of Request for Jobs Attributable to the Regional Center and Allocable to EB-5 Investors

For each economic activity included in the economic impact study, *Table 9: Summary of Impact Study Specifications and Job Creation* below summarizes the following for construction activities: 1) the impact study inputs specifications by Project Year; 2) the total number of direct jobs created by Project Year; 3) the total number of indirect jobs created in the United States by Project Year; 4) the total number of direct and indirect jobs created in the United States by Project Year; and 5) total job creation attributable to the Regional Center.

Table 9: Summary of Impact Study Specifications and Job Creation

Industry Activity	Impact Study Inputs ($ Millions)	Total Direct Jobs in the Regional Center	Total Indirect Jobs in the United States	Total United States Job Creation	Job Creation Attributable to the Regional Center
CONSTRUCTION					
Industrial Building Construction (NAICS 23621)	**Year 1: $11.77** Year 2: $7.68 Year 3: $0.32	**Year 1: 61** Year 2:38 Year 3: 2	**Year 1: 190** Year 2: 119 Year 3: 4	**Year 1: 251** Year 2: 157 Year 3: 6	**251** *Year 1, Total U.S. Direct + Indirect*
Other Heavy & Civil Engineering Construction (NAICS 23799)	Year 1: $8.67 **Year 2: $35.85** Year 3: $0.91	Year 1: 45 **Year 2: 178** Year 3: 4	Year 1: 140 **Year 2: 555** Year 3: 13	Year 1: 185 **Year 2: 733** Year 3: 17	**733** *Year 2, Total U.S. Direct + Indirect*
Foundations, Structure, & Building Exterior Contractors (NAICS 2381)	Year 1: $15.57 **Year 2: $60.68** Year 3: $0.94	Year 1: 81 **Year 2: 302** Year 3: 5	Year 1: 251 **Year 2: 940** Year 3: 13	Year 1: 332 **Year 2: 1,242** Year 3: 18	**1,242** *Year 2, Total U.S. Direct + Indirect*
Site Preparation Contractors (NAICS 23891)	**Year 1: $14.37** Year 2: $7.26 Year 3: $0.25	**Year 1: 75** Year 2: 36 Year 3: 1	**Year 1: 231** Year 2: 112 Year 3: 3	**Year 1: 306** Year 2: 148 Year 3: 4	**306** *Year 1, Total U.S. Direct + Indirect*
Architecture, Engineering & Related Services (NAICS 5413)	**Year 1: $12.87** Year 2: $4.89 Year 3: $0.14	**Year 1: 30** Year 2: 11 Year 3:0	**Year 1: 260** Year 2: 94 Year 3: 2	**Year 1: 290** Year 2: 105 Year 3: 2	**290** *Year 1, Total U.S. Direct + Indirect*
Remediation Services (NAICS 56291)	**Year 1: $8.79** Year 2: $4.51 Year 3: $0.19	**Year 1: 28** Year 2: 14 Year 3: 1	**Year 1: 106** Year 2: 52 Year 3: 1	**Year 1: 134** Year 2: 66 Year 3: 2	**134** *Year 1, Total U.S. Direct + Indirect*
				Total Job Creation from Construction	**2,956**

Prepared by Economic & Policy Resources, Inc.

[27] *See* INA § 203(b)(5)(E)(iv)(II).

As shown in *Table 9*, the total job creation attributable to the Regional Center resulting from the EB-5 Infrastructure Project is **2,956 new jobs**, consisting of **674 economically direct jobs** and **2,282 economically indirect jobs** associated with construction-related activities.[28]

[28] Some USCIS adjudications under the RIA have interpreted the articulated indirect job counting limitations under INA §§ 203(b)(5)(E)(iv)(I) and (II) as applying specifically to the minimum number of jobs required for the anticipated number of EB-5 investors. Here, the minimum number of jobs required for the anticipated 225 EB-5 investors is 2,250. Since the number of economically indirect jobs resulting from the development and construction of the EB-5 Infrastructure Project is limited to 2,025 jobs (90% of 2,250), when added to the total number of allowable economically direct jobs resulting from development/construction activities (674) the resulting total (2,699) EB-5 qualifying jobs still exceeds the combined minimum job creation requirement of all 225 EB-5 investors (2,250 jobs) expected in the new commercial enterprise.

Section 5. Conclusion

EPR was commissioned to examine the economic impacts, including job creation, of the EB-5 Infrastructure Project to support the CanAm California Regional Center's Form I-956F application for the EB-5 Infrastructure Project and the associated I-526E Petitions to be filed by EB-5 investors under the EB-5 Program. Based on information and data supplied by the project developer, and additional research conducted as necessary by EPR, economic impact study simulations of the EB-5 Infrastructure Project were conducted using the REDYN input-output tool. The results of those simulations showed new and significant economic impacts.

Based on the EB-5 Program rules and regulations, a total of **2,956** new, **economically direct and economically indirect jobs** are estimated to be created as a result of construction-related activities of the EB-5 Infrastructure Project, consistent with INA section 203(b)(5)(E)(iv)(I).

The economic impact estimates presented in this economic impact study demonstrate specifically how a project consistent with the parameters of the EB-5 Infrastructure Project will promote economic growth within the economy of the geography of the Regional Center, in the economy of the remainder of the United States or outside the geography of the Regional Center, and, consequently, in the economy of the United States as a whole. Therefore, EPR has concluded that approval of the Regional Center's Form I-956F application for the EB-5 Infrastructure Project and related I-526E Petitions using the results of this economic impact study by the USCIS under the EB-5 Program will result in the creation of a significant number of new jobs for workers in the United States.

Appendix 1. Required Reporting of Impacts in Select Economic Activities

The new economic impact totals described in *Section 4.2.1 Job Creation and Other Economic Impacts* are comprised of impacts in numerous NAICS categories important to the regional and national economies. The regulations at *8 C.F.R. §204.6(m)(3)(iv)* and past USCIS adjudications precedent require that employment and economic impact estimates generated by reasonable methodologies be reported for certain industry categories. These industries identified in the regulations are as follows: 1) Utilities (NAICS 221) subsector; 2) Construction (NAICS 23) sector; 3) Professional, Scientific and Technical Services[29] (NAICS 541) subsector; and 4) Maintenance and Repair (NAICS 811) subsector.[30] To be in compliance with this reporting requirement, detailed predictions of impacts associated with the EB-5 Infrastructure Project within the specific industry or Subsector category are reported for the economy within the geography of CanAm California Regional Center, the economy of the remainder of the United States outside the geographic scope of the Regional Center, and the United States economy as a whole.[31]

Within the Regional Center Employment and Output Impacts in Required Economic Activities

	Economic Activity	Year 1 2026	Year 2 2027	Year 3 2028
Employment Impacts	Utilities (NAICS 221)	0	2	0
	Construction (NAICS 23)	298	606	12
	Construction of Buildings (NAICS 236)	*69*	*50*	*2*
	Heavy and Civil Engineering Construction (NAICS 237)	*50*	*183*	*4*
	Specialty Trade Contractors (NAICS 238)	*179*	*373*	*6*
	Professional, Scientific, and Technical Services (NAICS 541)	*115*	*137*	*3*
	Repair and Maintenance (NAICS 811)	*17*	*25*	*0*
	Subtotal	**430**	**770**	**15**
Output Impacts ($2026, Millions)	Utilities (NAICS 221)	$2.78	$4.39	$0.05
	Construction (NAICS 23)	$58.64	$122.28	$2.53
	Construction of Buildings (NAICS 236)	$13.60	$10.05	$0.35
	Heavy and Civil Engineering Construction (NAICS 237)	$9.70	$37.08	$0.90
	Specialty Trade Contractors (NAICS 238)	$35.34	$75.15	$1.28
	Professional, Scientific, and Technical Services (NAICS 541)	$45.46	$38.62	$0.91
	Repair and Maintenance (NAICS 811)	$3.00	$4.45	$0.09
	Subtotal	**$109.88**	**$169.74**	**$3.58**

Prepared by Economic & Policy Resources, Inc.

The table above describes the employment and output impacts of the EB-5 Infrastructure Project by required industry activity for the economy within the geography of the Regional Center. These impacts included increased demand as follows:

- A 3-year cumulative impact of $7.22 million for the Utilities (NAICS 221) subsector.
- A 3-year cumulative impact of $183.45 million for the Construction (NAICS 23) sector.
- A 3-year cumulative impact of $84.99 million for the Professional, Scientific, and Technical [Business] Services (NAICS 541) subsector.

[29] Professional, Scientific, and Technical Services are also called Business Services.

[30] The EB-5 Program regulations at 8 C.F.R. §204.6(m)(3)(iv) state that the petitioner shall submit a petition which "*contains a detailed prediction regarding the manner in which the regional center will have a positive impact on the regional or national economy in general as reflected by such factors as increased household earnings, **greater demand for business services, utilities, maintenance and repair, and construction both within and without the regional center.***" [Emphasis added]. For the term "without" in the above citation, the impact study assumes the USCIS means ***"outside"*** of the geographic boundaries of the Regional Center.

[31] All values are reported in constant 2026 dollars.

- A 3-year cumulative impact of $7.54 million for the Repair and Maintenance (NAICS 811) subsector.

These output impacts correspond to job impacts within some of the examined economic activities.

Outside the Regional Center Employment and Output Impacts in Required Economic Activities

	Economic Activity	Year 1 2026	Year 2 2027	Year 3 2028
Employment Impacts	Utilities (NAICS 221)	0	2	0
	Construction (NAICS 23)	18	24	0
	Construction of Buildings (NAICS 236)	*5*	*5*	*0*
	Heavy and Civil Engineering Construction (NAICS 237)	*2*	*3*	*0*
	Specialty Trade Contractors (NAICS 238)	*11*	*16*	*0*
	Professional, Scientific, and Technical Services (NAICS 541)	*30*	*44*	*0*
	Repair and Maintenance (NAICS 811)	*9*	*9*	*0*
	Subtotal	**57**	**79**	**0**
Output Impacts ($2026, Millions)	Utilities (NAICS 221)	$1.79	$2.81	$0.04
	Construction (NAICS 23)	$3.02	$4.44	$0.04
	Construction of Buildings (NAICS 236)	*$0.70*	*$1.05*	*$0.00*
	Heavy and Civil Engineering Construction (NAICS 237)	*$0.46*	*$0.65*	*$0.00*
	Specialty Trade Contractors (NAICS 238)	*$1.86*	*$2.74*	*$0.04*
	Professional, Scientific, and Technical Services (NAICS 541)	*$6.27*	*$9.30*	*$0.18*
	Repair and Maintenance (NAICS 811)	*$1.55*	*$1.81*	*$0.05*
	Subtotal	**$12.63**	**$18.36**	**$0.31**

Prepared by Economic & Policy Resources, Inc.

The EB-5 Infrastructure Project will also have employment and output impacts in the required industry categories in the economy of the remainder of the United States outside the geography of the Regional Center. These impacts included increased demand for the required economic activities as follows:

- A 3-year cumulative impact of $4.64 million for the Utilities (NAICS 221) subsector.
- A 3-year cumulative impact of $7.50 million for the Construction (NAICS 23) sector.
- A 3-year cumulative impact of $15.75 million for the Professional, Scientific, and Technical [Business] Services (NAICS 541) subsector.
- A 3-year cumulative impact of $3.41 million for the Repair and Maintenance (NAICS 811) subsector.

These output impacts correspond to job impacts within some of the examined economic activities.

Total United States Employment and Output Impacts in Required Economic Activities

	Economic Activity	Year 1 2026	Year 2 2027	Year 3 2028
Employment Impacts	Utilities (NAICS 221)	0	4	0
	Construction (NAICS 23)	316	630	12
	Construction of Buildings (NAICS 236)	*74*	*55*	*2*
	Heavy and Civil Engineering Construction (NAICS 237)	*52*	*186*	*4*
	Specialty Trade Contractors (NAICS 238)	*190*	*389*	*6*
	Professional, Scientific, and Technical Services (NAICS 541)	145	181	3
	Repair and Maintenance (NAICS 811)	26	34	0
	Subtotal	**487**	**849**	**15**
Output Impacts ($2026, Millions)	Utilities (NAICS 221)	$4.57	$7.20	$0.09
	Construction (NAICS 23)	$61.66	$126.72	$2.57
	Construction of Buildings (NAICS 236)	*$14.30*	*$11.10*	*$0.35*
	Heavy and Civil Engineering Construction (NAICS 237)	*$10.16*	*$37.73*	*$0.90*
	Specialty Trade Contractors (NAICS 238)	*$37.20*	*$77.89*	*$1.32*
	Professional, Scientific, and Technical Services (NAICS 541)	$51.73	$47.92	$1.09
	Repair and Maintenance (NAICS 811)	$4.55	$6.26	$0.14
	Subtotal	**$122.51**	**$188.10**	**$3.89**

Prepared by Economic & Policy Resources, Inc.

The table above describes the employment and output impacts by required industry activity for the United States economy as a whole. These impacts include increased demand for the required economic activities as follows:

- A 3-year cumulative impact of $11.86 million for the Utilities (NAICS 221) subsector.
- A 3-year cumulative impact of $190.95 million for the Construction (NAICS 23) sector.
- A 3-year cumulative impact of $100.74 million for the Professional, Scientific, and Technical [Business] Services (NAICS 541) subsector.
- A 3-year cumulative impact of $10.95 million for the Repair and Maintenance (NAICS 811) subsector.

These output impacts correspond to job impacts within some of the examined economic activities.

Appendix 2. About Economic & Policy Resources, Inc.

Economic & Policy Resources, Inc. began providing consulting services to public and private clients in 1983. Our staff is comprised of 3 full-time employees. We deliver economic, financial, planning, and public policy services to support our clients' critical decision-making processes. Our staff of economic, financial, planning, and policy analysts uses state-of-the-art analytical tools and methods to inform and address client issues. EPR has developed and has access to extensive data (including proprietary data) and analytical tools to provide credible, fully considered analyses and results. We have a proven record of accomplishment on a wide range of studies involving economic, socioeconomic, community and economic development, and public policy topics. Our completed projects list includes over 200 economic impact studies submitted for consideration under the EB-5 Program over the past 10 years.

Appendix 3. Limitations and Contingent Conditions

The results of this economic impact study should be viewed with certain limitations. This analysis is intended to assist the USCIS and interested parties in estimating the economic impact potential associated with the proposed EB-5 project for the economy within the geographic scope of the Regional Center, the economy for the remainder of the United States outside the geography of the Regional Center, and for the economy of the United States as a whole.

- In undertaking this assignment, we employed accepted practices and assumptions designed to produce conservative estimates for purposes of understanding the potential impacts of the EB-5 project. Actual results could differ.
- It should also be noted that specific estimates of year-to-year impacts are difficult to make with a high degree of accuracy. The expected impacts of the EB-5 Project in any one year could deviate from those presented in this report due to factors that are beyond the scope of this analysis, such as interest rates and business cycles.
- The authors believe the study is a reasonable and conservative estimate of the likely economic impacts of this development activity under the assumptions employed in this study as of the date of this report.

Data and information utilized in the analysis was obtained from the project developers, various industry sources, (e.g., selected trade associations), and other third party publications (e.g., from authoritative federal government departments and agencies) which are commonly used and relied upon by economic analysts. Information supplied by the project developers has been accepted as correct without further verification, although we conducted routine quality control checks for reasonableness and internal consistency. We express no opinion on the accuracy of the information provided to us by the project developers. The report reflects facts and conditions existing and known as of the date of the report. Subsequent events and additional information may require a review and alteration of the opinions and conclusions presented herein.

Possession of this report, or a copy thereof, does not carry with it the right of publication of all or part of it, nor may it be used for any purpose by anyone but the client without the prior written consent of the client or of EPR and, in any event, not without proper attribution. The opinions expressed herein are valid only for the purposes described herein.

EPR has no present or prospective interest in the entity that is the subject of this report and has no personal interest or bias with respect to the parties involved. EPR is paid an hourly rate for time spent in analyzing and preparing its conclusions and opinions. EPR's fees are not contingent upon the outcome of any event for which this report may be used.

Appendix 4. The REDYN Model

I. Introduction to the REDYN Model

Economic impact modeling to determine the likely economic impacted associated with the EB-5 project was performed using the REDYN model. The REDYN model has been used to assess the new economic benefits associated with economic development projects, new businesses, certain types of policy changes, and utility power projects in various states throughout the country in a variety of analytical settings. EPR has used the REDYN model in more than 200 studies overall, including more than 175 economic impact studies submitted for consideration under the EB-5 Program.

The REDYN model employed for this economic impact study estimates the impact a specific investment will generate throughout a set of regions, in this case the impact of the EB-5 project in the economies of the geographic scope of the Regional Center, the remainder of the United States outside the geography of the Regional Center, and the United States as a whole. The I-O model uses a dynamic (or longitudinal) approach that simulates not only the relationships between activities in an economy (e.g., the Construction (NAICS 23) sector is linked to the Architectural, Engineering, and Related Services (NAICS 5413) industry group), but also the interconnectivity of regions (e.g., that goods and services are exchanged between the New York-Jersey City-White Plains, NY-NJ Metropolitan Division and the Newark, NJ-PA Metropolitan Division). The dynamic element of the model has a well-developed impedance database that is able to account for temporal effects due to competitive differences between either geographic regions and/or different economic activities. Over time, these competitive pressures emerge and then tend to bring the regional economy back to equilibrium. The process, in that way, depicts the so called "ripple effect" impact that economic changes have on a region.

The REDYN model has been used previously in adjudications that were approved by the USCIS under the EB-5 Program. The REDYN model is one of four I-O tools and models that have been recognized as accepted methodologies for estimating indirect job creation in the Adjudicator's Field Manual issued by the USCIS, with the others being the RIMS II tool, the IMPLAN tool, and the REMI model. The following sections explain in detail how the REDYN model software works and why it is a valid and preferred approach for determining the economic impacts of EB-5 Projects. In addition to this explanation, further detail on the REDYN model can be found in the exhibits appended to the end of this report, which are listed below in the schedule of exhibits.

II. Advantages of the REDYN Model

The internet based REDYN model was principally developed by the late Thomas Tanner, Ph.D., a former model manager at REMI of Amherst, Massachusetts. Dr. Tanner was a former member of the faculty at the University of Georgia, and was most recently employed at the Strom Thurmond Institute of Government and Public Affairs at Clemson University at the time of his death in May of 2009. Dr. Tanner's work experience at REMI gave him the expertise to create an alternative to the REMI model. The result is an integrated I-O model of the counties and cities of the United States which has significant advantages over the existing menu of retail I-O models.

The REDYN model employs a concept known as New Economic Geography, a theory first developed by Nobel Laureate Dr. Paul Krugman while he was at the Massachusetts Institute of Technology (please refer to Exhibit 1). This philosophy employs "fully general equilibrium" models that "derive aggregate behavior from individual maximization." This competitive framework is translated into a model that makes the assumption that "commodities produced by an industry are truly joint in the production process, as prescribed by a uniform production function for all firms in each industry based on competitive pressures to diffuse advantages quickly across all firms in an industry."

New Economic Geography also focuses on agglomeration economies and the relationships between them in different levels of geographic space.[32] To illustrate this, consider a tight group of commercial establishments configured as a mall, which is an agglomeration of retail establishments. This is the smallest level of an agglomeration economy. It is related to the regional commercial market which is part of the national and world markets. It is the linkages between these levels of economic agglomeration that New Economic Geography seeks to explain and illustrate.

Like all I-O tools and models, the REDYN model calculates the effects of a new final demand stimulus into three general categories. Category 1 includes the direct effects, which measure the change in the NAICS activities where the final demand change was effectuated. Category 2 effects include the indirect effects, which are those changes in inter-sector purchases as they respond to the new final demand change in the directly affected economic activities. Category 3 effects include induced effects, which are due to changes in spending from affected workers and their households as labor income either increases or decreases due to the change in final demand. The REDYN I-O model software calculates all three of these effects just like any other I-O tool, but as a dynamic I-O model, like the dynamic REMI model, the REDYN model has the capability through its structure to analyze the impacts over time of the entire EB-5 Project and its components as part of a single integrated development scenario.

In its simplest form, the estimation process is comprised of two fundamental steps. These steps are as follows: 1) calculations to determine what are commonly referred to as national coefficients, which are based on production functions;[33] and 2) determinations as to what proportion of those goods and services are purchased within the region. The first calculations estimate how much input is used in any given year to produce a given amount of output in that same year. The second group of calculations referred to above involves calculations of what are referred to as regions purchase coefficients ("RPCs"). These RPCs estimate what proportion of those goods and services are purchased within the region in question.

The REDYN model, like the IMPLAN tool and the REMI model, handles all these calculations within the model software based on the geography and type of stimulus specified by the analyst. The REDYN model is geographically specified so that RPCs are calculated for all involved sectors based on purchases of goods and services from firms within the region. The matrix can be, and usually is, large and complex. RPCs tend to be higher for service-providing sectors and lower for goods-producing sectors. The REDYN model calculates indirect jobs through the I-O simulation process using quantified national relationships from the I-O tables and RPCs as calculated within software algorithms embedded in the REDYN model.

There is a crucial distinction to be made between I-O models, such as the REDYN and REMI models, and tools that use an extracted single number I-O coefficient which measures an impact in a single year, such as the RIMS II tool. The multiplier approach involves simple multiplication where a single number estimate of a change in final demand can be done in a spreadsheet. The REDYN and REMI models do not employ

[32] Agglomeration economies refer to circumstances where economic units, although competing, find it mutually advantageous to co-locate or to locate sufficiently close enough to share production resources and/or customers.

[33] This is a process whereby the amount of input (and the corresponding number of jobs and amount of income) required to produce an amount of output of a final product or service is estimated.

single multiplier calculations, but derive their predictive ability on interconnected matrices of make-and-use tables for specific sectors and specific regions. Therefore, I-O models use a large matrix of multipliers that literally includes hundreds, and sometimes thousands, of multipliers. Impact studies undertaken using the REDYN model can treat a project as a single integrated development scenario and compare the economy under that scenario to a "base case" for the regional economy, with the base case being a scenario in which the project was not undertaken.

III. REDYN Model Data Sources

The REDYN model, like the other recognized I-O tools and models, is based on the concept of a production function, which determines what are called the make-and-use tables. These tables quantify the amount of inputs that are required to produce a unit of output across a number of sectors. The basic data underlying these tables are collected by the United States Department of Commerce, principally through its sub-agency, the BEA. The vast amount of data come from a variety of sources and the data collected are converted into production accounts on a national income basis and I-O accounts basis, called the National Income and Product Accounts ("NIPA"). These accounts are assembled into various tables including transactions tables, which track the economic flows between producers and users of commodities, as well as the commodity taxes, transportation charges, wholesale and retail trade margins between producers and users, and final use tables. These tables are the building blocks for the I-O accounts, from which various multipliers are derived.[34]

Regional I-O models can be constructed using a geographically tailored I-O matrix. Such a matrix takes into account RPCs, which are calculated based on the proportion of goods and services required to produce one unit of output that are produced *within a defined geographical region*. These RPCs for most I-O models are based on subsets of the same national data described above. For the REDYN model, the underlying matrix has all these coefficients embedded in the model, as it is for the REMI model and the IMPLAN tool.

In addition, the REDYN model uses a variety of supplemental data provided by entities of the United States government. The industry structure for the model is the North American Industry Classification System to the five-digit level. This allows the model to provide detail for 713 industries and over 180 commodities for the geographic regions specified in the model (please refer to Exhibit 2). This classification system and level of detail makes the REDYN model's output compatible for comparison to government reported statistics as this is the system used for publishing economic data by the BEA, the BLS, and the Census Bureau.

The REDYN model also employs data from the Census Bureau's County Business Patterns ("CBP"). The Census Bureau's CBP data is the source for wage bill payroll data and employment data used in the REDYN model. The model's developers preferred this approach since it is an annual series that is more complete in its coverage of the workforce than the BLS' Quarterly Census of Employment and Wages ("QCEW") series, as it includes self-employed persons, employees of private households, agricultural production workers, and railroad workers. These workers are not covered by most state unemployment insurance systems and are therefore not reported in the QCEW series.

The CBP data set also is preferred because it provides detail about wages and employment down to the zip code level where concentration of industry is high enough to provide reportable data. The suppression of

---

[34] United States Department of Commerce, Bureau of Economic Analysis. Concepts and Methods of the U.S. Input-Output Accounts. September 2006, Updated April 2009.

data due to confidentiality issues is a common problem for all types of wage and employment data used in specifying I-O models. The REDYN model has developed a method to fill in the blanks called row-and-column sum ("RAS").

After performing the RAS analytics on the CBP data it is reconciled with Regional Economic Information System ("REIS") data from the BEA to confirm consistency. The REIS data are especially helpful for providing data in the agriculture and governmental sectors. The REIS data are also used to allocate national consumption numbers to the roughly 3,100 counties in the United States that are provided on the aggregate level by the NIPA. The levels of consumption of sectors and households are a key building block in the creation of I-O models (please refer to Exhibit 3).

The I-O tables themselves are created using BEA I-O make-and-use tables (described above). The data in these tables are augmented by the biennial 10-year I-O forecast tables from the BLS. A major difference between the REDYN model and other I-O models is its use of a new distance impedance database supplied by the Oak Ridge National Laboratory (please refer to Exhibit 4). This allows the REDYN model to add elements of trade flow and gravity theory based on distance impedance specific to road, rail, water, air, and proxy transport. The combination of these data sources gives the REDYN model the power to predict the economic impacts of a wide range of economic changes with greater accuracy than ever before.

IV. Schedule of Exhibits

- Exhibit 1: The Business of Regional Dynamics, Inc.: Economic Modeling Redefined.
- Exhibit 2: How the Regional Dynamics Economic Model Works: The REDYN Model in a Nutshell.
- Exhibit 3: REDYN Model Data Sources and Baseline Estimation Process: Where the REDYN Model Gets Data.
- Exhibit 4: The Regional Dynamics Economic Analysis Model: What the REDYN Model Does.

Exhibit 1:
The Business of Regional Dynamics, Inc.:
Economic Modeling Redefined – Source: Regional Dynamics, Inc.

RegionalDynamics
Synchronicity. Simplified.

The Business of Regional Dynamics, Inc.
Economic Modeling Redefined

Regional Dynamics is an economic modeling company. We offer the REDYN advanced economic model by web subscription or batch services to consultants, agencies, firms, planners, and analysts (users). REDYN runs on the Internet. Subscriptions include advice to apply and interpret the model. Our model estimates the multi-regional impacts and year-by-year (dynamic) nonlinear effects on industries, consumers, and governments from changes in company sales, jobs, wages, or investments; changes in taxes or personal or government spending; or public policy changes such as energy, environment, school, health, or security measures. The results are called simulation forecasts, or simulations.

Our model is a fundamental re-envisioning of economic theory applied to estimating multi-regional, dynamic effects. It reflects advances in New Economic Geography, especially gravity theory (regional attraction) and trade flow (regional imports/exports), based on a new distance impedance database from Oak Ridge National Laboratories that enables calculating trade flow by commodity by road, rail, water, air, and proxy transport. The breakthrough in design is the commodity production linkage between the trade flow process and an entity-based data structure for the economy. Entities include industries, workers, governments, investors, etc., and commodities are the goods they use and make.

The upshot—users can build and run multiple online custom models on the fly for solid project analysis. These features make REDYN more flexible, complete, and accessible than any other modeling process—in a nutshell: *No sticker shock; better solutions.*

Because our model runs on the Internet for all 3,100+ US counties, it meets the need for multi-regional tools usable by state, regional, Federal, and consulting organizations who share policy or forecasting interests or economic impact interests in the same geographic areas. The model's fresh, efficient design and its Internet accessibility make it ideal for supporting long-term collaborative efforts as well as for doing individual studies.

The model also is ideal for studying effects of sequential regional inputs, or generating a schedule of responses from a large set of alternative inputs, across a very large number of counties. Repetitive changes across many regions may be better handled as an offline batch job following an analytic script rather than as an Internet project. However, the batch approach has an engagement element as follows: After a user calls us, we accept and review the user's study information, set up and run the script, then produce and deliver agreed brief script reports in hard copy or electronic format from the simulation results. Alternatively, users can subscribe online to their simulation results so they can create their own simulation-based script reports at will for open-ended multiple studies.

We offer model subscriptions to consultants, but we're not in the consulting business. We're happy to initiate or partner with consultants if an agency, company, or other group issues a request for proposals (RFP) to do a study involving economic modeling and consulting. However, we'd prefer that the consultants do the modeling and produce the study defined in the RFP, and mention our name and modeling process in the study.

Exhibit 2:

How the Regional Dynamics Economic Model Works:

The REDYN Model in a Nutshell – Source: Regional Dynamics, Inc.

How the Regional Dynamics Economic Model Works

The REDYN Model in a Nutshell

REDYN is a dynamic, nonlinear, endogenous, Input-Output (I-O), computable general equilibrium (CGE) economic and demographic forecasting and analysis engine based on the North American Industrial Classification System (NAICS). REDYN's online model-building edge excels at providing a uniquely complete and consistent Internet tool to configure and access plans, policies, events, and risks fully and very rapidly.

The REDYN model reflects advances in New Economic Geography (NEG) for gravity theory and trade flow to estimate all local and multi-regional trade flow effects by commodity by distance by transport mode by direction in response to any output or demand changes. It does not lock each industry into a straight-line industry transport cost within one implied universal transport distance, mode, and direction between county pairs. In addition, its multi-regional scope always includes the whole regionalized US economy in every forecast and simulation.

REDYN's breakthrough design links three elements into one core activity: its continuous make-and-use commodity transformation production function, its NEG trade flows, and its entity-based data structure for the economy (social accounting matrix). All industries and entities including labor both use and make one or more commodities (goods and services). All commodities use appropriate transport modes, or communications mode if non-material.

The REDYN model moves all commodities including labor both within counties and between all county pairs and the automatic rest-of-US area by five transport modes (road, rail, water, air, and estimated). It uses I-O transport demand and Cobb-Douglas step-wise adjustments (equal proportion changes, i.e., constant elasticity of substitution) to assign commodities to modes, and a detailed Oak Ridge National Laboratory impedance database to account for accessibility (impedance) by mode, distance, and travel direction by commodity (accounting for net elevation difference effects) between all origin-destination pairs.

Users can control access (impedance) either at a mode level, or at a commodity-by-mode level. The Cobb-Douglas shift of commodities toward transport mode(s) with increased accessibility (reduced impedance values) induces changes in delivered prices for all affected commodities including labor. The industries or entities producing or using the affected commodities then adjust their output and thus their need for inputs.

The price-driven output and input adjustment process also applies if a user models a non-transport change or policy, such as an impact, demand, cost, tax, or price scenario. These changes affect local and remote supply and demand for one or more commodities, and thus their delivered prices after they pass through the transportation system. To varying degrees, the process then affects delivered prices, outputs, and inputs for all commodities through the continuous commodity transformation production function applied by every industry and entity wherever located. Expressed over time and distance, this ongoing cycle is the essence of modern CGE-NEG modeling and forecasting defined by REDYN.

Operationally, REDYN's multi-processor Internet server carries active regions for over 3,100 counties, 700 industries, 820 occupations, hundreds of commodities, and a 50-year forecast in a 2-terabyte database. It offers much more power, flexibility, and multi-user access, including consultant and institutional collaboration, than desktop systems offer.

The REDYN model framework takes the traditional economic concept of the circular flow diagram absolutely seriously, and discards the artificial primacy given to the idea of factor inputs to production. The framework views the economy as a comprehensive, continuous process in which industries and entities convert input commodities into output commodities. For example, producers or industries clearly do this, as is seen in the classic I-O table structure based on real-world business behavior.

Labor too can be viewed as an "industry" or entity. It converts consumer goods and services into a wage bill, which is a market commodity behaviorally identical to any other. Similarly, remittance cohorts, defined as the unemployed as well as all individuals such as retired persons and others who receive government payments through transfers, can be seen as entities that convert consumer goods and services into transfer payments.

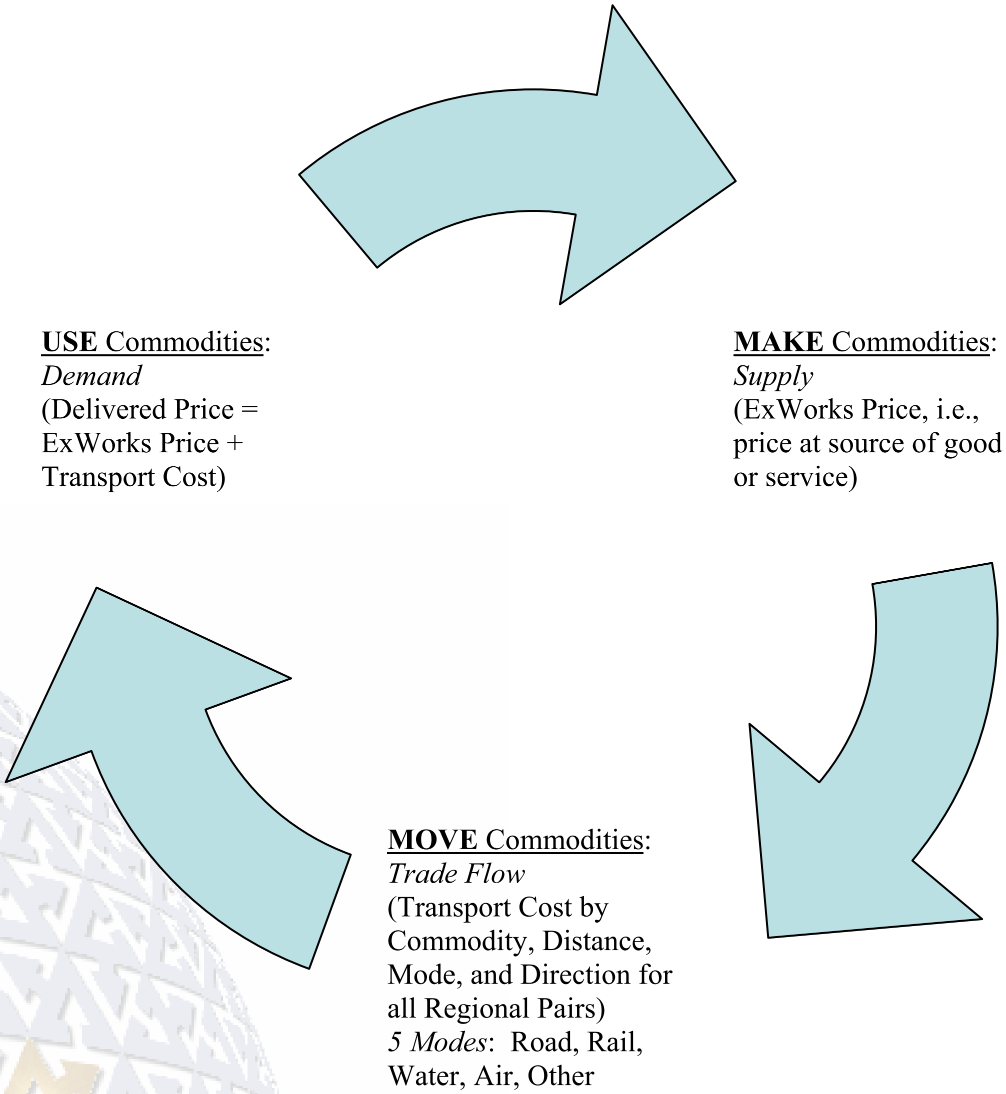
Likewise, governments convert purchases of commodities including industry goods and services and labor's wage bill into government goods and services that are "purchased" primarily through tax revenue. Finally, the model includes "investors" to produce financial capital, "speculators" to produce physical capital, and "land" to anchor each regional economy with its particular attributes so that the regions do not collapse together as would occur if all regions had the same basic labor, farm, water, mineral, and infrastructure resources when multiregional transport costs are considered.

The REDYN model can be visualized as regional entities using, making, and moving commodities in an organized circular process that captures supply (making goods and services), demand (using goods and services), and delivered price (costs for making and moving goods and services) to clear the supply and demand for all commodities in and across all regions.

The charts on the next five pages summarize the model's operation as follows…

- Circular Flow Economic Entity Process
- Commodity Make Table by Entity
- Commodity Use Table by Entity
- Entity Production Function Form by Region
- Demographics and Migration
- Economic Model Schematic Summary
- Economic Model Production Function and Commodities by Entity
- Economic Model Prices and Trade Flow

<u>CIRCULAR FLOW ECONOMIC ENTITY PROCESS In & Between All Regions</u>



ENTITIES MAKE:	Producer Goods	Wage Bills	Transfr Pmts	Govt Goods	Fincl Cap (Div-Int-Rent)	Phys Cap (Resid, P&E)	Land
Producers	**x**						
Labor		**x**					
Remittance Cohorts			**x**				
Governments				**x**			
Financial Capital Providers (Investors)					**x**		
Physical Capital Makers (Speculators)						**x**	
Land							**x**

ENTITIES	Producers	Labor	Remits	Govts	Investors	Spec	Land
USE—							
Producer Goods&Svcs	x	x	x	x	x	x	
Labor (Wage Bill)	x			x		x	
Transfr Pmts/Taxes				x			
Govt Goods&Svcs	x	x	x	x	x	x	
Fincl Cap (Div-Int-Rent)						x	x
Phys Cap (Resid, P&E)	**P&E**	**Res**	**Res**	**P&E**	**Res**		
Land	x	x	x	x	x	x	

Entity PRODUCTION FUNCTION FORM by Region

Input Demanded					**Output (Sales) Supplied**			
Commodity	Qty	RPC	Dlvrd Price	Jobs	Commodity	Qty	ExWorks Price	Intl Pct
Land	x	**1.0**	x		Primary	x	x	x
Residential	x	x	x		2nd	x	x	x
Financial	x	x	x		3rd	x	x	x
Plant&Equip	x	x	x		4th	x	x	x
Wage Bill	x	x	x	x	Others/Misc	x	x	x
Goods&Svcs	x	x	x		Scrap	x	x	x

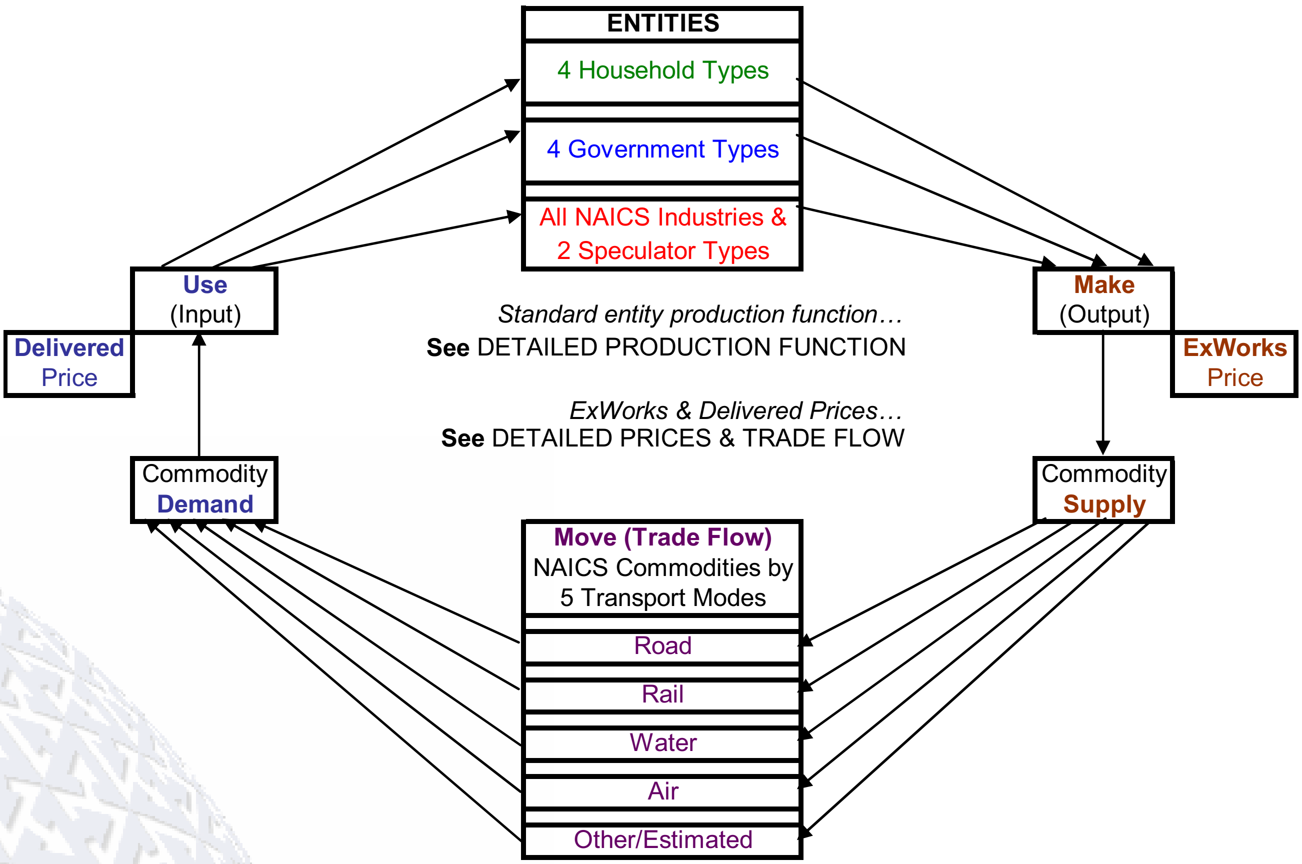
DEMOGRAPHICS: Cohort-survival estimation

- White, non-Hispanic
- Black, non-Hispanic
- Other, non-Hispanic
- Hispanic
- Male or Female
- Ages 0-1, 2-99 by year, 100+ years

MIGRATION: Induced by economic activity

- Intrinsic behavior of economic labor's wage bill commodity (historical relationships by region across wage bill, output, jobs, and people)
- Estimate wage bill and output changes, then scale to jobs and people (rational expectations notion)
- Subject to regional constants by cohort (controls for demographic composition)

REDYN Economic Model Schematic-SUMMARY
1/21/2006



REDYN Economic Model Schematic-DETAILED ENTITY PRODUCTION FUNCTION

1/21/2006

Standard Make & Use Production Function for All Entities

Entities … Producers, Labor, Remittance Cohorts, Govts, Investors, Speculators

Standard Make & Use Production Function by Entity Group …

Industries (By NAICS Code); **Speculators** (Capital Goods Makers: Residential, and Nonres Plant & Equip)

Use Commodities: Land, P&E (Indus only), Financial (Spec only), Labor, Goods&Svcs [Dlvrd Prices]

Make Commodities: Producer Indus (Primary, Others, Misc, Scrap); Spec (Res, P&E) [ExWorks Prices]

Households (Workers; Unemployed & Retired; and Savers)

Use Commodities: Land, Res, Goods&Svcs [Dlvrd Prices]

Make Commodities: Wage Bill, Proprietors Income, Transf Pmts, Div-Int-Rent [ExWorks Prices]

Govts (Fed Mil & Nonmil, and State & Local Educ & Noneduc)

Use Commodities: Land, Transf Pmts/Fees&Taxes, P&E, Labor, Goods&Svcs [Dlvrd Prices]

Make Commodities: Primary, Others, Misc, Scrap [ExWorks Prices]

Commodites

All NAICS Commodities ... Supplied & Demanded …

Aggregated by Detailed NAICS Commodity Across All Entities by Region …

Supplied Categories (Make By)

Land (Fixed by Region)
Residential (Speculators)
Div-Int-Rent (Households)
Plant & Equip (Speculators)
Wage Bill & Prop Income (HH)
Transf Pmt/Fee/Tax (HH/Indus/Spec)
Primary/Others/Misc/Scrap (Producers & Govts)

Demanded Categories (Use By)

Land (HH, Govts, Indus, Spec)
Residential Capital (HH)
Financial/D-I-R Capital (Spec)
Plant & Equip Capital (Govts, Indus)
Labor (Govts, Indus, Spec)
Transf Pmts/Fees&Taxes (Govts)
Goods&Svcs (HH, Govts, Indus, Spec)

REDYN Economic Model Schematic-DETAILED PRICES & TRADE FLOW

1/21/2006

Prices & Trade Flow …

ExWorks Price by Commodity by Source (Supplying or Output) Region	+	**Transport Cost** by Commodity by Mode, by Distance, & by Direction Within & Between All Regions	=	**Delivered Price** by Commodity by Using (Demanding) Region

Details on Prices & Flows …

Supplied at ExWorks Price specific in each output region based on delivered prices for the commods to each entity's production function in the region	→	**Transport each commodity** within & between all regions A, B, C, … by demanded mode at a cost for mode, distance, & direction (elevation cost effect)	→	**Demanded at Delivered Price** from an output region to each specific demanding region (***Note***)

Note on Delivered Price

In any demanding region, the delivered price by commodity is the blend across the supplying output regions ranked by lowest delivered price to the demanding region until the total quantity demanded has been met for the demanding region.

Exhibit 3:

REDYN Model Data Sources and Baseline Estimation Process:

Where the REDYN Model Gets Data – Source: Regional Dynamics, Inc.

REDYN Model Data Sources and Baseline Estimation Process

Where the REDYN Model Gets Data

Regional Dynamics uses several sources to estimate county-level employment and output for its baseline database. The REDYN model applies the North American Industrial Classification System (NAICS) at the five-digit detail level (703 industries), and also uses NAICS to identify all the goods and services (over 180 commodities) consumed and produced by the detailed industries. NAICS is used by the US Government to classify and organize information about all the various industries making up the US economy, such as retail stores, automobile manufacturing, insurance firms, and so forth. NAICS reports five levels of detail. The two-digit level aggregates all activity into 24 broad economic industries, and the five-digit level identifies activity across 703 specific industries.

The primary data sources are the County Business Patterns (CBP) from the Bureau of the Census, and the Regional Economic Information System (REIS) from the Bureau of Economic Analysis (BEA). Wage Bill (payroll) data are derived from the same sources and with the same techniques as the employment data. The CBP reports the total annual payroll for each NAICS code up to the five-digit level of detail for the US as a whole and for every region, state, and county. However, total employment data and total payroll data are subject to data suppressions for privacy. Regional Dynamics developed a sophisticated row-and-column sum (RAS) analytic system to fill all data suppressions by using all information available in the CBP series and guaranteeing internal consistency with unsuppressed wage and employment data. All the furnished and estimated CBP wage bill and employment data are then totaled and scaled to match the wage bill and employment data reported in the BEA's REIS, which includes all county and state wage bill data at three-digit NAICS detail and employment data at two-digit NAICS detail.

The REIS directly provides wage bill and employment data for the government and agriculture sectors, and also disposable personal income data by county. The REIS county income data are used to allocate national consumption to counties from the BEA's National Income and Product Accounts (NIPA).

Annual Input-Output (IO) tables are constructed using BEA IO make-and-use tables, as well as biennial 10-year IO forecast tables from the Bureau of Labor Statistics (BLS). Make tables describe all the commodities made by each economic entity, and use tables describe all the commodities used by each economic entity. The very detailed BEA IO make-and-use tables are extended year-by-year to match the annual changes in make-and-use composition implied by the current 10-year BLS IO tables. This generates a detailed annual forecast series of national IO make-and-use tables.

Each county's wage bill by industry is used to allocate each industry's national output to counties from the NIPA, and then the regional output by industry is allocated to commodities based on the national IO make table proportions. This assumes that the commodities produced by an industry are truly joint in the production process, as dictated by a uniform production function for all firms in each industry based on competitive pressures to diffuse advantages quickly across all firms in an industry.

Exhibit 4:

The Regional Dynamics Economic Analysis Model:

What the REDYN Model Does – Source: Regional Dynamics, Inc.

The Regional Dynamics Economic Analysis Model

What the REDYN Model Does

Regional Dynamics offers REDYN, a fundamentally new, web-based, massively multi-regional, dynamic, nonlinear New Economic Geography analysis engine with a complete economic database and baseline forecast. After subscribing to the system, users input online changes by region and year: e.g., jobs, wages, output, income, intermediate demand, and final consumption, investment, and government demand. REDYN then estimates detailed, annual, gravity-based trade flows and impacts in all US counties and industries. The model is a live, online Internet service. It's also available to run batch mode jobs to process massively multi-regional tasks (3,100+ regions) for automated or scripted work.

The REDYN model applies a fresh I-O methodology based on very detailed make-and-use tables with social accounting matrix features for all entities, a comprehensive commodity production transformation function, and impedance-based commodity trade flows by five transport modes. Oak Ridge National Laboratories developed the impedance measures.

The model automatically includes an explicit extra region for all US counties outside any given simulation to identify the full US output and trade flow response. The model also automatically seeks the suppliers of suppliers to find the complete US supply chain response by region and industry in any simulation.

REDYN excels at offering a uniquely complete and consistent model-building edge that no other modeling process can replicate for configuring and assessing plans, events, and risks fully and rapidly across regions and years.

Here's how it works. At run time, users apply their subscribed resources as an online tool kit to build and run custom models at will. This design flexibility lets users quickly build models scaled correctly for any studies, event analysis, overlapping or alternative analytic perspectives, or backcast analysis.

The REDYN model estimates employment, output, wages, occupations, income, gross product, demand, self-supply, trade flow, etc. Within a user's subscription, the model generates year-by-year reports by county and year, for all subscribed counties, or for any aggregation into user-defined areas for each study. For easy regional comparison at no extra cost, each report focuses on one concept (jobs, output, wages, and so forth) arranged by region by year on a sheet in a spreadsheet book. Users then can apply full spreadsheet tools for sorting and charting. Online and phone support are included.

The model is available to all users across agency levels. Clients can offer access to other users through user-group web pages with discounts or rebates based on the size of the client's subscription. Clients subscribe to a regional area (one or more counties, states, or groups); to 703 industries (North American Industrial Classification System); and to an analytic type (I-O only, or equilibrium and I-O). The client sets the number and identity of its subscribing users; one user is free. Subsequently added users including consultants or staff can be managed by one or more additional users on an incremental fee basis.

EXHIBIT C

FORM OF BORROWING REQUEST

[_________], 202[__]

To: CANAM CALIFORNIA REGIONAL CENTER, LP IX
c/o CanAm Enterprises, LP
48 Wall Street, 24th Floor
New York, New York 10005
Attention: Tom Rosenfeld
Email: trosenfeld@canamenterprises.com

Re: EB-5 Loan Agreement, dated as of August 21, 2026

Ladies and Gentlemen:

This Borrowing Request is delivered to you pursuant to Article III of that certain EB-5 Loan Agreement, dated as of August 21, 2026 (as amended, modified, waived, supplemented or restated from time to time, the "EB-5 Loan Agreement"), by and between CARSON RECLAMATION AUTHORITY, as borrower (in such capacity, "Borrower") and CANAM CALIFORNIA REGIONAL CENTER, LP IX, as lender. Capitalized terms used but not defined herein shall have the meanings provided in the EB-5 Loan Agreement.

Pursuant to Article III of the EB-5 Loan Agreement:

1. Borrower hereby requests an advance in the principal amount of $[___________].

2. Borrower hereby requests that such advance be made on the following date: [_______].

3. Borrower hereby requests that such advance be made to the following account (and the funding of such amount to such account shall constitute the making of an advance of the Loan to the Borrower):

Bank:	[______________]
	[______________]
	[______________]
ABA Number:	
For Credit To:	
Account No:	
Reference:	
Attn:	[______________]
	[______________]
	[______________]

4. As applicable, Borrower hereby certifies that the conditions set forth in Section 3.2 (Conditions to Initial Advance) (for the Initial Advance) or Sections 3.3(b) through (i) (Conditions to Each

Advance) (for Subsequent Advances), and Section 3.4 (Conditions to Subsequent Advances) of the EB-5 Loan Agreement are satisfied.

Attached to this Notice of Borrowing as Exhibit A is reasonable evidence of Qualifying Expenditures made or a reasonable plan for Qualifying Expenditures anticipated to be made or reimbursed with the proceeds of such advance.

IN WITNESS WHEREOF, the undersigned has executed this Borrowing Request as of the date first written above.

CARSON RECLAMATION AUTHORITY, a joint powers authority established pursuant to California Government Code Sections 6500, *et seq.*, as Borrower

By: ____
Name: ______________________________________
Title: _______________________________________

PROMISSORY NOTE

\$180,000,000.00 (or such lesser principal amount as shall have been actually advanced by Lender to Borrower and be outstanding from time to time under the Loan Agreement (as hereinafter defined))	New York, New York August 21, 2026

FOR VALUE RECEIVED, the undersigned (the "Borrower") hereby promises to pay to CANAM CALIFORNIA REGIONAL CENTER, LP IX, a Delaware limited partnership, as Lender, or its registered assigns ("Lender"), in accordance with the provisions of the Loan Agreement (as hereinafter defined), the principal amount of ONE HUNDRED EIGHTY MILLION 00/100 DOLLARS (\$180,000,000.00), or such lesser principal amount as shall have been actually advanced by Lender to Borrower and be outstanding from time to time under that certain EB-5 Loan Agreement, dated as of the date first set forth above (as amended, restated, amended and restated, extended, supplemented or otherwise modified from time to time, the "Loan Agreement"; the terms defined in the Loan Agreement being used herein as therein defined), by and between Borrower and Lender.

Borrower promises to pay interest on the unpaid principal amount of this Note from the date of applicable advance until such principal amount is paid in full, at such interest rates and at such times as provided in the Loan Agreement. All payments of principal and interest shall be made to Lender in Dollars in immediately available funds to an account designated by Lender from time to time.

This Note is entitled to the benefits thereof and may be prepaid in whole or in part subject to the terms and conditions provided for in the Loan Agreement. Reference is hereby made to the Loan Agreement for a statement of all of the terms and conditions under which the Loan and all advances in respect thereof evidenced hereby are to be made and to be repaid.

Borrower, for itself, its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this Note. Borrower acknowledges and agrees that during the existence of an Event of Default (as defined in the Loan Agreement), Lender may, following written notice and an opportunity to cure as set forth in the Loan Agreement, accelerate the Obligations (as defined in the Loan Agreement) in addition to all other rights and remedies available to Lender under the Loan Agreement.

Notwithstanding anything herein to the contrary, this Note is made by Borrower on a nonrecourse basis and Lender's remedies in connection with a default by Borrower hereunder shall be limited to enforcing Lender's remedies in connection with an Event of Default under the Loan Agreement, subject to all terms, conditions and limitations set forth therein. The Borrower exculpation provisions of Section 7.6 of the Loan Agreement are hereby incorporated into this Note as if set forth in full herein.

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA.

[Remainder of page left blank]

BORROWER:

CARSON RECLAMATION AUTHORITY,
a joint powers authority established pursuant to California Government Code Sections 6500, *et. seq.*

By: ______________________________________
Name: John S. Raymond
Title: Executive Director

ATTEST:

By:______________________________
Dr. Khaleah K. Bradshaw
Carson Reclamation Authority Secretary

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By:_________________________
Sunny Soltani
Carson Reclamation Authority Counsel