



COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

900 SOUTH FREMONT AVENUE
ALHAMBRA, CALIFORNIA 91803-1331
Telephone: (626) 458-5100
www.ladpw.org

ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

March 3, 2005

IN REPLY PLEASE

REFER TO FILE: **PD-3**

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**AMENDED AND RESTATED JOINT COMMUNITY FACILITIES AGREEMENT
AND JOINT COMMUNITY FACILITIES AGREEMENT
CITY OF LOS ANGELES
PLAYA PHASE I COMMERCIAL LAND COMPANY, LLC
SUPERVISORIAL DISTRICT 4
3 VOTES**

**IT IS RECOMMENDED THAT YOUR BOARD, ACTING ON ITS OWN BEHALF AND
AS THE GOVERNING BOARD OF THE COUNTY OF LOS ANGELES FLOOD
CONTROL DISTRICT:**

Adopt the enclosed resolution authorizing the Acting Director of Public Works, or his designee, to execute an Amended and Restated Joint Community Facilities Agreement and a separate Joint Community Facilities Agreement with the City of Los Angeles and with the Playa Phase I Commercial Land Company, LLC.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this recommendation is to provide for the modification of an existing agreement between the County, the City of Los Angeles, and Playa Capital Company, LLC, pertaining to the financing and operation of certain improvements to be constructed in County territory in connection with the Playa Vista development.

The Playa Vista project has undergone various changes since the original agreement was entered into in 1995 and the existing amendment was entered into in 1999. The salient features of the proposed amendment include modification of the developer's

legal entity from Playa Capital Company, LLC, to Playa Phase I Commercial Land Company, LLC. Additionally, the facility list as been expanded to include additional regional facilities. The Amended and Restated Joint Community Facilities Agreement will not significantly alter the County's existing rights and obligations. The County will continue to have the authority to approve design and construction of the improvements before they are accepted for County operation. As has always been contemplated, a further agreement specifically relating to the infrastructure will be negotiated and entered into with the developer at a later date.

This recommendation also provides for the execution of a separate Joint Community Facilities Agreement that will allow the County of Los Angeles Flood Control District to accept ownership and maintenance of certain improvements to be constructed in County of Los Angeles Flood Control District territory in connection with the Playa Vista development. The County will continue to have the authority to approve design and construction of the improvements before they are accepted for County of Los Angeles Flood Control District operation. An agreement specifically relating to the infrastructure will be negotiated and entered into with the developer at a later date.

Implementation of Strategic Plan Goals

The Amended and Restated Joint Community Facilities Agreement as well as the separate Joint Community Facilities Agreement furthers our commitment to Service Excellence through the provision of regional infrastructure improvements that will have a positive impact on the quality of life of County residents.

FISCAL IMPACT/FINANCING

The Amended and Restated Joint Community Facilities Agreement and the separate Joint Community Facilities Agreement do not include any financial obligation for the County. Future improvements will be financed by the City of Los Angeles' Community Facilities District. The maintenance and operation of the future improvements that meet County standards and are added to the County's infrastructure inventory will be performed as part of a routine function of Public Works using appropriate funds, in accordance with the nature of the improvement.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Playa Vista project is a master-planned community development on approximately 1,087 acres of land near Marina del Rey and Playa del Rey.

The Honorable Board of Supervisors
March 3, 2005
Page 3

Because the Mello-Roos Act requires an agreement between the jurisdiction creating a Mello-Roos Community Facilities District and any other jurisdiction that will own or operate the improvements financed through the Community Facilities District, your Board approved the existing agreement allowing the City of Los Angeles to finance certain infrastructure improvements through Mello-Roos financing that would be owned and operated by the County or the County of Los Angeles Flood Control District.

The Amended and Restated Joint Community Facilities Agreement and the Joint Community Facilities Agreement, which are in accordance with the provisions of Section 53311, et seq. of the California Government Code, have been approved as to form by County Counsel.

ENVIRONMENTAL DOCUMENTATION

The City of Los Angeles, as the Lead Agency, has conducted the required environmental review and has prepared the necessary environmental documents regarding the City's proposed Community Facilities Districts to date and will be required to prepare any additional environmental documents as necessary.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There is no impact on current services or projects.

CONCLUSION

Upon the adoption of the Resolution, please return three certified copies of the resolution to us.

Respectfully submitted,

DONALD L. WOLFE
Acting Director of Public Works

RLP:yr
C051132
P:\PDPUB\EP&A\FCBA & CI UNIT\MELLO ROOS-CFD\Playa Vista - No. 6\Amended and Restated BL.doc

Enc.

cc: Chief Administrative Office, County Counsel, Regional Planning

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
COUNTY OF LOS ANGELES, CALIFORNIA, ACTING ON ITS OWN BEHALF AND
AS THE GOVERNING BODY OF THE LOS ANGELES COUNTY FLOOD CONTROL
DISTRICT, REGARDING THE EXECUTION AND DELIVERY OF AN AMENDED AND
RESTATED JOINT COMMUNITY FACILITIES AGREEMENT AND A SEPARATE
JOINT COMMUNITY FACILITIES AGREEMENT FOR THE PLAYA VISTA PROJECT**

WHEREAS, Section 53316.2 of the California Government Code authorizes the County of Los Angeles "COUNTY" to enter into a joint community facilities agreement with the City of Los Angeles "CITY" and the Playa Capital Company, LLC "COMPANY," in order to permit financing through the CITY under the Mello-Roos Act to be used for COUNTY public facilities or other measures; and

WHEREAS, COUNTY, CITY, and COMPANY entered into such an agreement in 1999; and

WHEREAS, COUNTY, CITY, and COMPANY wish to amend the agreement to replace it with a similar agreement to reflect structural changes in the Playa Vista project; and

WHEREAS, Section 53316.2 of the California Government Code authorizes the County of Los Angeles Flood Control District "DISTRICT" to enter into a joint community facilities agreement with CITY and COMPANY in order to permit financing through CITY under the Mello-Roos Act to be used for DISTRICT'S public facilities or other measures.

NOW, THEREFORE, the Board of Supervisors of the County of Los Angeles hereby resolves as follows:

Section 1. The Board of Supervisors of the County of Los Angeles finds and determines that the Amended and Restated Joint Community Facilities Agreement described in the following Section will be beneficial to the residents of COUNTY.

Section 2. The Amended and Restated Joint Community Facilities Agreement for City of Los Angeles Community Facilities District No. 6, attached hereto as Exhibit A-1, to be entered into by COUNTY, CITY, and COMPANY, in substantially the form submitted, are hereby approved subject to such additions thereto and changes therein as the Acting Director of Public Works and the County Counsel, or their authorized representatives, shall approve and subject to the guidelines of this Board relating to Mello-Roos Community Facilities Districts.

Section 3. The Acting Director of Public Works, or his designee, is authorized and instructed to execute the Amended and Restated Joint Community Facilities Agreement (Exhibit A-1) and deliver it to the City of Los Angeles in accordance with the provisions of Section 2, above.

The foregoing Resolution was on the ____ day of _____, 2005, adopted by the Board of Supervisors of the County of Los Angeles on its own behalf and as the governing body of the Los Angeles County Flood Control District and ex-officio as the governing body of all other special assessment and taxing districts, agencies, and authorities for which said Board so acts.

VIOLET VARONA-LUKENS
Executive Officer of the
Board of Supervisors of the
County of Los Angeles

By _____
Deputy

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By _____
Deputy

AMENDED AND RESTATED
JOINT COMMUNITY FACILITIES AGREEMENT FOR
THE CITY OF LOS ANGELES COMMUNITY FACILITIES DISTRICT NO. 6
(THE CAMPUS AT PLAYA VISTA)

BY AND AMONG

THE COUNTY OF LOS ANGELES

AND

THE CITY OF LOS ANGELES

AND

PLAYA PHASE I COMMERCIAL LAND COMPANY, LLC

dated as of _____, 2005

TABLE OF CONTENTS

	Page
SECTION 1. PURPOSE.....	2
SECTION 2. THE DISTRICT.....	2
SECTION 3. BENEFITS.....	3
SECTION 4. FACILITIES.....	3
SECTION 5. COOPERATION.....	5
SECTION 6. TERMINATION.....	5
SECTION 7. NOTICES.....	5
SECTION 8. EFFECT ON PREVIOUS AGREEMENT.....	6
SECTION 9. AMENDMENTS.....	6
SECTION 10. COUNTERPARTS.....	6
SECTION 11. GOVERNING LAW.....	6
EXHIBIT A: FACILITIES.....	A-1

**AMENDED AND RESTATED
JOINT COMMUNITY FACILITIES AGREEMENT FOR
THE CITY OF LOS ANGELES COMMUNITY FACILITIES DISTRICT NO. 6
(THE CAMPUS AT PLAYA VISTA)**

THIS AMENDED AND RESTATED JOINT COMMUNITY FACILITIES AGREEMENT FOR THE CITY OF LOS ANGELES COMMUNITY FACILITIES DISTRICT NO. 6 (THE CAMPUS AT PLAYA VISTA) is dated as of _____, 2005, by and among the County of Los Angeles, a duly organized and existing county under the laws of the State of California (the "County"), the City of Los Angeles, a city duly organized and existing under the laws of the State of California (the "City"), and Playa Phase I Commercial Land Company, LLC, a limited liability company duly organized and existing under the laws of the State of Delaware ("Playa Phase I").

W I T N E S S E T H:

WHEREAS, pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, consisting of Sections 53311 et seq. of the California Government Code (the "Act"), the City has formed The City of Los Angeles Community Facilities District No. 6 (The Campus at Playa Vista) (the "District") to finance certain public capital facilities to be provided in conjunction with the Playa Vista Project; and

WHEREAS, subsection (a) of Section 53316.2 of the Act provides that a community facilities district may finance facilities to be owned or operated by an entity other than the agency that created the district only pursuant to a joint community facilities agreement or a joint exercise of powers agreement adopted pursuant to said section; and

WHEREAS, subsection (b) of Section 53316.2 of the Act provides that at any time prior to the adoption of the resolution of formation creating a community facilities district or a resolution of change to alter a district, the legislative bodies of two or more local agencies may enter into a joint communities facilities agreement pursuant to said section and Sections 53316.4 and 53316.6 of the Act or into a joint exercise of powers agreement pursuant to the Joint Exercise of Powers Act (Chapter 5 (commencing with Section 6500) of Division 7 of Title 1) to exercise any power authorized by the Act with respect to the community facilities district being created or changed if the legislative body of each entity adopts a resolution declaring that the joint agreement would be beneficial to the residents of that entity; and

WHEREAS, prior to the adoption of the resolution of formation for CFD 6, the County, the City and Playa Capital Company, LLC, an affiliate of Playa Phase I, pursuant to Sections 53316.2, 53316.4 and 53316.6 of the Act, entered into an Amended and Restated Joint Community Facilities Agreement for the District, dated as of October 7, 1999 (the "Original JCFA"), providing for the financing by the District of such facilities to be owned or operated by the County; and

WHEREAS, Playa Phase I, as the owner of greater than 50% of the property within the District, has filed with the City Council of the City a petition requesting that

proceedings be commenced pursuant to Article 3 of the Act to, among other things, change the types of public facilities financed by the District so as to include therein certain additional facilities to be owned or operated by the County; and

WHEREAS, the County, the City and Playa Phase I desire, prior to the adoption of a resolution of change pursuant to Article 3 of the Act, to amend the Original JCFA so as to provide for the financing by the District of such additional facilities to be owned or operated by the County; and

NOW, THEREFORE, in consideration of the above premises and of the mutual promises herein contained, the County, the City and Playa Phase I do hereby agree that the Original JCFA is amended and restated to read in full as follows:

SECTION 1. PURPOSE.

This Agreement is made pursuant to Sections 53316.2, 53316.4 and 53316.6 of the Act for the purpose of providing for the financing by the District of the acquisition, purchase, modification, expansion, improvement, rehabilitation, lease or construction of the facilities to be owned and operated by the County described in Exhibit A hereto and by this reference incorporated herein (such list, as amended, modified or supplemented from time to time by agreement between the parties, the "Facilities").

SECTION 2. THE DISTRICT.

(a) The City has established the District under the terms of the Act.

(b) It is the current intention of the City that the District will from time to time in its sole discretion under the Act issue bonds to finance the cost of certain of the Facilities and all incidental expenses authorized by the Act and to levy annually, within the proposed District, special taxes sufficient to pay the principal and interest and other periodic costs on such bonds. This Agreement provides for the allocation and distribution of the proceeds of any special tax levy as follows: as between the County and the City, the City shall control, receive and allocate proceeds of such special taxes; provided however that if bonds are issued pursuant to the Act to finance any of the Facilities, either (i) a separate sub-account will be established pursuant to the indentures or trust agreements (including supplemental indentures or trust agreements) for such bond issuances which will hold the bond proceeds budgeted at the time of such bond issuances for such Facilities and which proceeds may be released by the trustee under such indentures or trust agreements only for costs related to such Facilities until the earlier of completion of such Facilities to the reasonable satisfaction of the County and in accordance with the County's Mello Roos Guidelines, or the prior written approval, in accordance with the County's Mello Roos Guidelines, of the County for each such release, or (ii) in the absence of such a sub-account, the County must consent in writing, in accordance with the County's Mello Roos Guidelines, to each payment of bond proceeds for costs related to any of the Facilities. As between the City and the County, the City shall have sole discretion to choose between the options set forth in subsections 2(b)(i) and 2(b)(ii) above. If bonds are issued pursuant to the Act to finance any of the Facilities, neither of the District nor the City shall have any liability to the County for any shortfall in funding in the event that the bond proceeds are inadequate to finance such Facilities. Such

shortfall(s) shall be and remain the responsibility and liability of Playa Phase I and shall not lie with the District, City, or County. If bonds are not issued to finance any of the Facilities, neither of the District nor the City shall have any obligation to provide amounts to pay any costs of the Facilities. The responsibility and liability relative to such facilities shall be and remain the responsibility of Playa Phase I and shall not lie with the District, City, or County.

(c) Residents and property owners of the County will not be subject to the levy of the special taxes unless they own real property located within the District and will not be in any way responsible for any costs arising out of or related to the District or this Agreement.

SECTION 3. BENEFITS.

The County and the City each determine that this Agreement would be beneficial to their respective residents (and have so declared by resolution of their respective legislative bodies).

SECTION 4. FACILITIES.

(a) When and if the construction of the Facilities is completed in accordance with the terms of an infrastructure funding agreement to which the County and Playa Phase I, or any affiliate, successor or assign thereof, are parties (which infrastructure funding agreement shall be in form and substance satisfactory to the County (the "County Infrastructure Agreement") the County shall acquire the Facilities from Playa Phase I pursuant to the County Infrastructure Agreement. Playa Phase I shall be solely responsible for the plans, specifications and design (subject to County approval), construction, supervision of construction, installation, furnishing, and equipping, and warranties of the Facilities. Prior to the acquisition thereof by the County pursuant to the County Infrastructure Agreement, Playa Phase I shall be solely responsible for the financing, maintenance and utilization of the Facilities. From and after the acquisition thereof by the County pursuant to the County Infrastructure Agreement, the County shall be solely responsible for the operation, maintenance and utilization of the Facilities. Neither the District nor the City shall have any responsibility or liability for the plans, specifications, design, construction, supervision of construction, installation, acquisition, inspection, furnishing, equipping, operation, maintenance or utilization of the Facilities. Nothing contained herein shall obligate the County to expend any County funds to finance the Facilities.

Prior to the acquisition thereof by the County pursuant to the County Infrastructure Agreement, the Facilities shall be and remain the sole and separate property of Playa Phase I. From and after the acquisition thereof by the County pursuant to the County Infrastructure Agreement, the Facilities shall be and remain the sole and separate property of the County. Neither the District nor the City shall have any ownership interest in the Facilities.

Any Facilities financed with bond proceeds shall be acquired by the County in compliance with the applicable requirements of the Act.

(b) The County shall approve the plans and specifications for the Facilities. The Facilities shall be constructed as if they had been constructed under the direction and supervision, or under the authority, of the County, and in full compliance with the then current standards of the County applicable to public improvements and in full compliance with all

applicable laws, including, without limitation, public bidding and prevailing wage requirements to the extent applicable. The construction activities for the Facilities shall be subject at all reasonable times to inspection and approval of the County.

(c) Playa Phase I agrees to protect, indemnify, defend and hold the County, the City and the District, and their respective officers, employees and agents, and each of them, harmless from and against any and all claims, losses, expenses, suits actions, decrees, judgments, awards, attorneys' fees, and court costs which the County, the City or the District, or their respective officers, employees and agents, or any combination thereof, may suffer or which may be sought against or recovered or obtained from the County, the City or the District, or their respective officers, employees or agents, or any combination thereof, as a result of or by reason of or arising out of or in consequence of (i) the planning, design, acquisition, construction, supervision of construction, installation, furnishing, equipping and financing of the Facilities, or (ii) prior to the acquisition thereof by the County pursuant to the County Infrastructure Agreement, the maintenance and utilization of the Facilities. If Playa Phase I fails to do so, the County, the City and the District shall have the right, but not the obligation, to defend the same and charge all of the direct or incidental costs of such defense, including any attorneys' fees or court costs, to and recover the same from Playa Phase I.

No indemnification under this subsection 4(c) is required to be paid by Playa Phase I to the County for any claim, loss or expense arising from the willful misconduct or negligence of the County, or its officers, employees or agents. No indemnification under this subsection 4(c) is required to be paid by Playa Phase I to the City or the District for any claim, loss or expense arising from the willful misconduct or negligence of the City or the District, or their respective officers, employees or agents.

The provisions of this subsection 4(c) shall survive the termination of this Agreement.

(d) The County agrees to protect, indemnify, defend and hold the City and the District, and their respective officers, employees and agents, and each of them, harmless from and against any and all claims, losses, expenses, suits actions, decrees, judgments, awards, attorneys' fees, and court costs which the City or the District, or their respective officers, employees and agents, or any combination thereof, may suffer or which may be sought against or recovered or obtained from the City or the District, or their respective officers, employees or agents, or any combination thereof, as a result of or by reason of or arising out of or in consequence of the operation, maintenance and utilization of the Facilities from and after the acquisition thereof by the County pursuant to the County Infrastructure Agreement. If the County fails to do so, the City and the District shall have the right, but not the obligation, to defend the same and charge all of the direct or incidental costs of such defense, including any attorneys' fees or court costs, to and recover the same from the County.

No indemnification is required to be paid by the County for any claim, loss or expense arising from the willful misconduct or negligence of the City or the District, or their respective officers, employees or agents.

The provisions of this subsection 4(d) shall survive the termination of this Agreement.

(e) Notwithstanding anything herein to the contrary, if tax-exempt bonds are issued to finance any portion of the cost of the Facilities, the County shall not permit the Facilities to be used in the trade or business of a non- governmental person, absent an opinion of bond counsel stating that such use together with any other use of any other property financed with the proceeds of such bonds will not adversely effect that tax status of such bonds. Moreover, if bonds are issued pursuant to the Act to finance any Facilities, the County agrees in connection therewith to provide such certifications and make such representations and covenants as are determined by bond counsel to be necessary or appropriate in order (a) for bond counsel to conclude that interest on such bonds is excludable from gross income for federal income tax purposes, or (b) to assure compliance with the requirements of the Act.

(f) Nothing herein shall require the County to approve, accept, or acquire any particular facility.

SECTION 5. COOPERATION.

The County, the City and Playa Phase I shall take all actions, do all things, and grant all approvals which may be reasonably necessary or desirable to effectuate the purposes of this Agreement. Such actions, things and approvals shall be taken, done or granted by the County, the City and Playa Phase I, as applicable, diligently and without unreasonable delay. Notwithstanding the foregoing or anything else contained in this Agreement, the County shall not be required to take any action that conflicts with any rules, regulations or policies of the County and the City shall not be required to take any action that conflicts with any rules, regulations or policies of the City.

SECTION 6. TERMINATION.

The obligations of the parties under this Agreement, respectively, shall terminate upon a failure to comply with any material provision of this Agreement by any other party hereto, if such failure continues for more than thirty (30) days after notice thereof from a non-breaching party, unless (a) the cure for such failure cannot be accomplished within the thirty-day period, (b) a cure is commenced within the 30-day period, and (c) the cure is completed within ninety (90) days after the notice mentioned above.

SECTION 7. NOTICES.

Notices hereunder shall be in writing and shall be sufficient if delivered to:

County of Los Angeles
Department of Public Works
P.O. Box 1460
Alhambra, CA 91802-1460
~~648 Hall of Administration~~
~~500 W. Temple Street~~
~~Los Angeles, CA 90012~~

Attention: Programs Development Division ~~County Counsel~~

City of Los Angeles
Chief Administrative Office
200 North Main Street, 15th Floor
Los Angeles, CA 90012
Attention: City Administrative Officer

Playa Phase I Commercial Land Company, LLC
c/o Playa Capital Company, LLC
5510 Lincoln Blvd., Suite 100
Playa Vista, CA 90094
Attention: Randy Johnson

SECTION 8. EFFECT ON PREVIOUS AGREEMENT.

This Agreement shall be effective upon execution and shall amend and replace that certain Amended and Restated Joint Community Facilities Agreement dated October 7, 1999.

SECTION 9. AMENDMENTS.

This Agreement may be amended at any time, or from time to time, by one or more supplemental agreements executed by all of the parties to this Agreement either as required in order to carry out any of the provisions of this Agreement or for any other purpose.

SECTION 10. COUNTERPARTS.

This Agreement may be executed in multiple counterparts, all of which shall constitute one and the same instrument and each of which shall be, and shall be deemed to be an original.

SECTION 11. GOVERNING LAW.

This Agreement shall be interpreted and construed under the provisions of the laws of the State of California.

[Remainder of page left intentionally blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their proper officers thereunto duly authorized as of the date first set forth above.

THE COUNTY OF LOS ANGELES

By: _____
Acting Director of Public Works

ATTEST:

VIOLET VARONA-LUKENS
Executive Officer of the
Board of Supervisors of the
County of Los Angeles

By: _____

APPROVED AS TO FORM:

OFFICE OF COUNTY COUNSEL

By: _____
Deputy

CITY OF LOS ANGELES

By: _____
(Title)

ATTEST:

J. Michael Carey, City Clerk
of the City of Los Angeles

APPROVED AS TO FORM AND LEGALITY:
ROCKARD J. DELGADILLO, City Attorney

By: _____
Colin W. Chiu,
Assistant City Attorney

[signatures continued on next page]

**PLAYA PHASE I COMMERCIAL
LAND COMPANY, LLC, a
Delaware limited liability company**

By: _____
Its: _____

By: _____
Its: _____

EXHIBIT A

FACILITIES

The Facilities that may be owned or operated by the County which are proposed to be financed by the District are listed below. The costs of these Facilities include the costs of acquisition, purchase, modification, expansion, improvement, rehabilitation, leasing and/or construction of existing and new Facilities, and demolition, earthwork, grading, clearing and grubbing site, archaeological remediation, construction manager, general contractor, architect and engineering, survey, testing and inspection, removal or remedial action for the clean-up of any hazardous substance related thereto, and other related fees and costs for the Facilities, including, without limitation, the reasonable expenses actually incurred by the County with respect to the construction and/or acquisition of the Facilities, subject to the County's Mello-Roos guidelines and applicable law.

A. Bay Street Bridge Over Ballona Creek (to the extent any portion of the bridge, including bridge supports and similar items, is owned or operated by the County, including through Los Angeles County Flood Control).

B. Off-Site street and traffic improvements located in the County's jurisdiction and owned or operated by the County including but not limited to pavement, curbs and gutters, base material, sidewalk with base, bike paths, landscaping, street lights, traffic signals, fire hydrants and associated pipe systems, striping, signs and demolition, trees and tree grates, irrigation systems, utility relocations, parking and right-of-way acquisition at the following intersections:

1. Lincoln Blvd./Bali Way
2. Lincoln Blvd./Mindanao
3. Lincoln Blvd./Fiji Way
4. Slauson/La Cienega Southbound
5. Slauson/La Cienega Northbound
6. Centinela/La Tijera
7. Del Ray Parking Improvements

C. Ballona Creek improvements including but not limited to sidewalks, bike paths, walls, planters, trees, landscaping, lighting, ramps and benches and other improvements (to the extent such items are owned or operated by the County, including through Los Angeles County Flood Control).

D. Transportation system improvements, including but not limited to public terminal buildings, off-site vehicles and vehicle systems, on-site vehicles and vehicle systems and electric utility vehicles and vehicle systems and system monitoring (to the extent such items, such as terminal buildings, are owned or operated by the County).

E. Freshwater marsh improvements, including but not limited to grading, piping, structures, flapgates, culverts, sluice gates, spillways, native habitat creation, landscaping and post-construction clean-out and site acquisition (to the extent such items, including interconnections in Ballona Creek, are owned or operated by the County, including through Los Angeles County Flood Control).

F. Utility, stormdrains, groundwater well and similar relocations and undergrounding, including without limitation, the provision of temporary utilities (to the extent regional service lines owned or operated by the County are underground or relocated).

G. On-Site and off-site water system improvements and interconnections (to the extent lines owned or operated by the County are involved).

H. Other improvements, mitigations and Facilities agreed to by the City, the County and Playa Phase I relating to the development of the property within any portion of the District to the extent such improvements, mitigations and Facilities are located within the County and are authorized to be financed by the District, subject to the County's Mello-Roos guidelines and applicable law.

JOINT COMMUNITY FACILITIES AGREEMENT FOR
THE CITY OF LOS ANGELES COMMUNITY FACILITIES DISTRICT NO. 6
(THE CAMPUS AT PLAYA VISTA)

BY AND AMONG

THE LOS ANGELES COUNTY FLOOD CONTROL DISTRICT

AND

THE CITY OF LOS ANGELES

AND

PLAYA PHASE I COMMERCIAL LAND COMPANY, LLC

dated as of _____, 2005

TABLE OF CONTENTS

	Page
SECTION 1. PURPOSE.....	2
SECTION 2. THE DISTRICT.....	2
SECTION 3. BENEFITS.....	2
SECTION 4. FACILITIES.....	3
SECTION 5. COOPERATION.....	5
SECTION 6. TERMINATION.....	5
SECTION 7. NOTICES.....	5
SECTION 8. AMENDMENTS.....	6
SECTION 9. COUNTERPARTS.....	6
SECTION 10. GOVERNING LAW.....	6
EXHIBIT A: FACILITIES.....	A-1

**JOINT COMMUNITY FACILITIES AGREEMENT FOR
THE CITY OF LOS ANGELES COMMUNITY FACILITIES DISTRICT NO. 6
(THE CAMPUS AT PLAYA VISTA)**

THIS JOINT COMMUNITY FACILITIES AGREEMENT FOR THE CITY OF LOS ANGELES COMMUNITY FACILITIES DISTRICT NO. 6 (THE CAMPUS AT PLAYA VISTA) is dated as of _____, 2005, by and among the Los Angeles County Flood Control District, a body corporate and politic (the "Local Agency"), the City of Los Angeles, a city duly organized and existing under the laws of the State of California (the "City"), and Playa Phase I Commercial Land Company, LLC, a limited liability company duly organized and existing under the laws of the State of Delaware ("Playa Phase I").

W I T N E S S E T H:

WHEREAS, pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, consisting of Sections 53311 *et seq.* of the California Government Code (the "Act"), the City has formed The City of Los Angeles Community Facilities District No. 6 (The Campus at Playa Vista) (the "District") to finance certain public capital facilities to be provided in conjunction with the Playa Vista Project; and

WHEREAS, subsection (a) of Section 53316.2 of the Act provides that a community facilities district may finance facilities to be owned or operated by an entity other than the agency that created the district only pursuant to a joint community facilities agreement or a joint exercise of powers agreement adopted pursuant to said section; and

WHEREAS, subsection (b) of Section 53316.2 of the Act provides that at any time prior to the adoption of the resolution of formation creating a community facilities district or a resolution of change to alter a district, the legislative bodies of two or more local agencies may enter into a joint communities facilities agreement pursuant to said section and Sections 53316.4 and 53316.6 of the Act or into a joint exercise of powers agreement pursuant to the Joint Exercise of Powers Act (Chapter 5 (commencing with Section 6500) of Division 7 of Title 1) to exercise any power authorized by the Act with respect to the community facilities district being created or changed if the legislative body of each entity adopts a resolution declaring that the joint agreement would be beneficial to the residents of that entity; and

WHEREAS, Playa Phase I, as the owner of greater than 50% of the property within the District, has filed with the City Council of the City a petition requesting that proceedings be commenced pursuant to Article 3 of the Act to, among other things, change the types of public facilities financed by the District so as to include therein certain additional facilities to be owned or operated by the Local Agency; and

WHEREAS, the Local Agency, the City and Playa Phase I desire, prior to the adoption of a resolution of change pursuant to Article 3 of the Act, to enter into this new JCFA so as to provide for the financing by the District of such additional facilities to be owned or operated by the Local Agency; and

NOW, THEREFORE, in consideration of the above premises and of the mutual promises herein contained, the Local Agency, the City and Playa Phase I do hereby agree as follows:

SECTION 1. PURPOSE.

This Agreement is made pursuant to Sections 53316.2, 53316.4 and 53316.6 of the Act for the purpose of providing for the financing by the District of the acquisition, purchase, modification, expansion, improvement, rehabilitation, lease or construction of the facilities to be owned and operated by the Local Agency described in Exhibit A hereto and by this reference incorporated herein (such list, as amended, modified or supplemented from time to time by agreement between the parties, the "Facilities").

SECTION 2. THE DISTRICT.

(a) The City has established the District under the terms of the Act.

(b) It is the current intention of the City that the District will from time to time in its sole discretion under the Act issue bonds to finance the cost of certain of the Facilities and all incidental expenses authorized by the Act and to levy annually, within the proposed District, special taxes sufficient to pay the principal and interest and other periodic costs on such bonds. This Agreement provides for the allocation and distribution of the proceeds of any special tax levy as follows: as between the Local Agency and the City, the City shall control, receive and allocate proceeds of such special taxes; provided however that if bonds are issued pursuant to the Act to finance any of the Facilities, either (i) a separate sub-account will be established pursuant to the indentures or trust agreements (including supplemental indentures or trust agreements) for such bond issuances which will hold the bond proceeds budgeted at the time of such bond issuances for such Facilities and which proceeds may be released by the trustee under such indentures or trust agreements only for costs related to such Facilities until the earlier of completion of such Facilities to the reasonable satisfaction of the Local Agency or the prior written approval of the Local Agency for each such release, or (ii) in the absence of such a sub-account, the Local Agency must consent in writing to each payment of bond proceeds for costs related to any of the Facilities. As between the City and the Local Agency, the City shall have sole discretion to choose between the options set forth in subsections 2(b)(i) and 2(b)(ii) above. If bonds are issued pursuant to the Act to finance any of the Facilities, neither of the District nor the City shall have any liability to the Local Agency for any shortfall in funding in the event that the bond proceeds are inadequate to finance such Facilities. If bonds are not issued to finance any of the Facilities, neither of the District nor the City shall have any obligation to provide amounts to pay any costs of the Facilities.

(c) Residents and property owners of the Local Agency will not be subject to the levy of the special taxes unless they own real property located within the District and will not be in any way responsible for any costs arising out of or related to the District or this Agreement.

SECTION 3. BENEFITS.

The Local Agency and the City each determine that this Agreement would be beneficial to their respective residents (and have so declared by resolution of their respective legislative bodies).

SECTION 4. FACILITIES.

(a) When and if the construction of the Facilities is completed in accordance with the terms of an infrastructure funding agreement to which the Local Agency and Playa Phase I, or any affiliate, successor or assign thereof, are parties (which infrastructure funding agreement shall be in form and substance satisfactory to the Local Agency (the "Local Agency Infrastructure Agreement") the Local Agency shall acquire the Facilities from Playa Phase I pursuant to the Local Agency Infrastructure Agreement. Playa Phase I shall be solely responsible for the plans, specifications and design (subject to Local Agency approval), construction, supervision of construction, installation, furnishing and equipping of the Facilities. Prior to the acquisition thereof by the Local Agency pursuant to the Local Agency Infrastructure Agreement, Playa Phase I shall be solely responsible for the financing, maintenance and utilization of the Facilities. From and after the acquisition thereof by the Local Agency pursuant to the Local Agency Infrastructure Agreement, the Local Agency shall be solely responsible for the operation, maintenance and utilization of the Facilities. Neither the District nor the City shall have any responsibility or liability for the plans, specifications, design, construction, supervision of construction, installation, acquisition, inspection, furnishing, equipping, operation, maintenance or utilization of the Facilities. Nothing contained herein shall obligate the Local Agency to expend any Local Agency funds to finance the Facilities.

Prior to the acquisition thereof by the Local Agency pursuant to the Local Agency Infrastructure Agreement, the Facilities shall be and remain the sole and separate property of Playa Phase I. From and after the acquisition thereof by the Local Agency pursuant to the Local Agency Infrastructure Agreement, the Facilities shall be and remain the sole and separate property of the Local Agency. Neither the District nor the City shall have any ownership interest in the Facilities.

Any Facilities financed with bond proceeds shall be acquired by the Local Agency in compliance with the applicable requirements of the Act.

(b) The Local Agency shall approve the plans and specifications for the Facilities. The Facilities shall be constructed as if they had been constructed under the direction and supervision, or under the authority, of the Local Agency, and in full compliance with the then current standards of the Local Agency applicable to public improvements and in full compliance with all applicable laws, including, without limitation, public bidding and prevailing wage requirements to the extent applicable. The construction activities for the Facilities shall be subject at all reasonable times to inspection and approval of the Local Agency.

(c) Playa Phase I agrees to protect, indemnify, defend and hold the Local Agency, the City and the District, and their respective officers, employees and agents, and each of them, harmless from and against any and all claims, losses, expenses, suits actions, decrees, judgments, awards, attorneys' fees, and court costs which the Local Agency, the City or the District, or their respective officers, employees and agents, or any combination thereof, may

suffer or which may be sought against or recovered or obtained from the Local Agency, the City or the District, or their respective officers, employees or agents, or any combination thereof, as a result of or by reason of or arising out of or in consequence of (i) the planning, design, acquisition, construction, supervision of construction, installation, furnishing, equipping and financing of the Facilities, or (ii) prior to the acquisition thereof by the Local Agency pursuant to the Local Agency Infrastructure Agreement, the maintenance and utilization of the Facilities. If Playa Phase I fails to do so, the Local Agency, the City and the District shall have the right, but not the obligation, to defend the same and charge all of the direct or incidental costs of such defense, including any attorneys' fees or court costs, to and recover the same from Playa Phase I.

No indemnification under this subsection 4(c) is required to be paid by Playa Phase I to the Local Agency for any claim, loss or expense arising from the willful misconduct or negligence of the Local Agency, or its officers, employees or agents. No indemnification under this subsection 4(c) is required to be paid by Playa Phase I to the City or the District for any claim, loss or expense arising from the willful misconduct or negligence of the City or the District, or their respective officers, employees or agents.

The provisions of this subsection 4(c) shall survive the termination of this Agreement.

(d) The Local Agency agrees to protect, indemnify, defend and hold the City and the District, and their respective officers, employees and agents, and each of them, harmless from and against any and all claims, losses, expenses, suits actions, decrees, judgments, awards, attorneys' fees, and court costs which the City or the District, or their respective officers, employees and agents, or any combination thereof, may suffer or which may be sought against or recovered or obtained from the City or the District, or their respective officers, employees or agents, or any combination thereof, as a result of or by reason of or arising out of or in consequence of the operation, maintenance and utilization of the Facilities from and after the acquisition thereof by the Local Agency pursuant to the Local Agency Infrastructure Agreement. If the Local Agency fails to do so, the City and the District shall have the right, but not the obligation, to defend the same and charge all of the direct or incidental costs of such defense, including any attorneys' fees or court costs, to and recover the same from the Local Agency.

No indemnification is required to be paid by the Local Agency for any claim, loss or expense arising from the willful misconduct or negligence of the City or the District, or their respective officers, employees or agents.

The provisions of this subsection 4(d) shall survive the termination of this Agreement.

(e) Notwithstanding anything herein to the contrary, if tax-exempt bonds are issued to finance any portion of the cost of the Facilities, the Local Agency shall not permit the Facilities to be used in the trade or business of a non- governmental person, absent an opinion of bond counsel stating that such use together with any other use of any other property financed with the proceeds of such bonds will not adversely effect that tax status of such bonds. Moreover, if bonds are issued pursuant to the Act to finance any Facilities, the Local Agency agrees in connection therewith to provide such certifications and make such representations and

covenants as are determined by bond counsel to be necessary or appropriate in order (a) for bond counsel to conclude that interest on such bonds is excludable from gross income for federal income tax purposes, or (b) to assure compliance with the requirements of the Act.

SECTION 5. COOPERATION.

The Local Agency, the City and Playa Phase I shall take all actions, do all things, and grant all approvals which may be reasonably necessary or desirable to effectuate the purposes of this Agreement. Such actions, things and approvals shall be taken, done or granted by the Local Agency, the City and Playa Phase I, as applicable, diligently and without unreasonable delay. Notwithstanding the foregoing or anything else contained in this Agreement, the Local Agency shall not be required to take any action that conflicts with any rules, regulations or policies of the Local Agency and the City shall not be required to take any action that conflicts with any rules, regulations or policies of the City.

SECTION 6. TERMINATION.

The obligations of the parties under this Agreement, respectively, shall terminate upon a failure to comply with any material provision of this Agreement by any other party hereto, if such failure continues for more than thirty (30) days after notice thereof from a non-breaching party, unless (a) the cure for such failure cannot be accomplished within the thirty-day period, (b) a cure is commenced within the 30-day period, and (c) the cure is completed within ninety (90) days after the notice mentioned above.

SECTION 7. NOTICES.

Notices hereunder shall be in writing and shall be sufficient if delivered to:

Los Angeles County Flood Control District
648 Hall of Administration
500 W. Temple Street
Los Angeles, CA 90012
Attention: County Counsel

City of Los Angeles
Chief Administrative Office
200 North Main Street, 15th Floor
Los Angeles, CA 90012
Attention: City Administrative Officer

Playa Phase I Commercial Land Company, LLC
c/o Playa Capital Company, LLC
5510 Lincoln Blvd., Suite 100
Playa Vista, CA 90094
Attention: Randy Johnson

SECTION 8. AMENDMENTS.

This Agreement may be amended at any time, or from time to time, by one or more supplemental agreements executed by all of the parties to this Agreement either as required in order to carry out any of the provisions of this Agreement or for any other purpose.

SECTION 9. COUNTERPARTS.

This Agreement may be executed in multiple counterparts, all of which shall constitute one and the same instrument and each of which shall be, and shall be deemed to be an original.

SECTION 10. GOVERNING LAW.

This Agreement shall be interpreted and construed under the provisions of the laws of the State of California.

[Remainder of page left intentionally blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their proper officers thereunto duly authorized as of the date first set forth above.

THE LOS ANGELES COUNTY FLOOD CONTROL DISTRICT

By: _____
(Title)

ATTEST:

Clerk

APPROVED AS TO FORM:

By: _____

CITY OF LOS ANGELES

By: _____
(Title)

ATTEST:

J. Michael Carey, City Clerk
of the City of Los Angeles

APPROVED AS TO FORM AND LEGALITY:
ROCKARD J. DELGADILLO, City Attorney

By: _____
Colin W. Chiu,
Assistant City Attorney

[signatures continued on next page]

**PLAYA PHASE I COMMERCIAL
LAND COMPANY, LLC, a
Delaware limited liability company**

By: _____

Its: _____

By: _____

Its: _____

EXHIBIT A

FACILITIES

The Facilities that may be owned or operated by the Local Agency which are proposed to be financed by the District are listed below. The costs of these Facilities include the costs of acquisition, purchase, modification, expansion, improvement, rehabilitation, leasing and/or construction of existing and new Facilities, and demolition, earthwork, grading, clearing and grubbing site, archaeological remediation, construction manager, general contractor, architect and engineering, survey, testing and inspection, removal or remedial action for the clean-up of any hazardous substance related thereto, and other related fees and costs for the Facilities, including, without limitation, the reasonable expenses actually incurred by the Local Agency with respect to the construction and/or acquisition of the Facilities, subject to the Local Agency's Mello-Roos guidelines and applicable law.

A. Bridges over Ballona Creek (to the extent any portion of such bridge, including bridge supports and similar items, is owned or operated by the Local Agency).

B. Ballona Creek improvements including but not limited to sidewalks, bike paths, walls, planters, trees, landscaping, lighting, ramps and benches and other improvements (to the extent such items are owned or operated by the Local Agency).

C. Other improvements, mitigations and Facilities agreed to by the City, the Local Agency and Playa Phase I relating to the development of the property within any portion of the District to the extent such improvements, mitigations and Facilities are located within the Local Agency and are authorized to be financed by the District, subject to the Local Agency's Mello-Roos guidelines and applicable law.