



**COUNTY OF LOS ANGELES
TREASURER AND TAX COLLECTOR**
KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 437
LOS ANGELES, CA 90012



MARK J. SALADINO
TREASURER AND TAX COLLECTOR

December 07, 2010

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

The Honorable Board of Directors
Los Angeles County Public Works Financing
Authority
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

50 December 7, 2010

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

APPROVAL OF THE LOS ANGELES COUNTY REGIONAL FINANCING AUTHORITY JOINT EXERCISE OF POWERS AGREEMENT AND AUTHORIZATION TO ISSUE AND SELL RECOVERY ZONE FACILITY BONDS BY THE LOS ANGELES COUNTY REGIONAL FINANCING AUTHORITY ON BEHALF OF THE LOS ANGELES COUNTY FAIR ASSOCIATION (ALL DISTRICTS) (3 VOTES)

SUBJECT

The Treasurer and Tax Collector is seeking approval of a Joint Exercise of Powers Agreement between the County of Los Angeles and the Los Angeles County Public Works Financing Authority to establish the Los Angeles County Regional Financing Authority; and for the County to authorize the issuance and sale of Recovery Zone Facility Bonds on behalf of the Los Angeles County Fair Association to finance the construction of the Fairplex Conference Center Project.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Adopt the resolution approving a Joint Exercise of Powers Agreement (the "JPA") between the County and the Los Angeles County Public Works Financing Authority (the "PWFA") to establish the Los Angeles County Regional Financing Authority (the "Authority"); and

2. Authorize the issuance of Recovery Zone Facility Bonds (“the Bonds”), in one or more series in the maximum principal amount not to exceed \$24,255,000 for the benefit of the Los Angeles County Fair Association (the “Fair Association”) for the purpose of financing the Fairplex Conference Center Project (the “Conference Center Project”), which is located in the County; and
3. Make a finding and determination of significant public benefit with respect to the establishment of the Authority and the issuance of the Bonds by the Authority pursuant to Government Code Section 6586.5.

IT IS RECOMMENDED THAT YOUR BOARD, ACTING AS THE BOARD OF DIRECTORS OF THE LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY:

1. Adopt the resolution approving the JPA between the County and the PWFA to establish the Authority.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On June 30, 2010, the Chief Executive Office (CEO) issued a Request for Proposals (RFP) to solicit qualified projects for the Recovery Zone Facility Bond Program (the “RZFB Program”). The RZFB Program, which was authorized as a component of the American Recovery and Reinvestment Act (ARRA) in February 2009, was designed to facilitate economic growth throughout the United States by allowing non-governmental borrowers to secure cost-effective tax-exempt financing to fund various capital projects that provide a public benefit, as determined by the governing bodies of the state and local governments that have legal jurisdiction over the project areas. The RZFB Program allows private and non-profit borrowers to issue private activity tax-exempt bonds, up to specific allocation amounts for state and local governments authorized by ARRA, to finance private depreciable property that involves the construction of new facilities, or the modernization of existing facilities. The RZFB Program is similar to the concept of industrial development bonds, but is not limited to manufacturing entities, nor does it have specific job creation requirements.

The issuance of tax-exempt RZFBs was authorized by ARRA to finance capital expenditures within designated “Recovery Zones,” which are defined as any area designated by the governing body of a state or local government as an Empowerment Zone or Renewal Community, or any area that is experiencing significant levels of poverty and unemployment, rates of home foreclosures or other economic distress. Based upon an analysis of relevant US Census, Housing and Urban Development statistics and other socio-economic data, your Board designated the entire County as a Recovery Zone on January 26, 2010. Any tax-exempt financings for projects approved by state and local governments for the RZFB program must be issued by December 31, 2010. The County’s original allocation authorized by ARRA for the RZFB Program was \$271,484,000.

In response to the RFP, the County received nine proposals requesting authorization to issue RZFBs with a total aggregate par amount of approximately \$239.7 million. Eight of the nine proposals were determined by the CEO to have met the preliminary requirements to be considered for the RZFB Program. On August 10, 2010, your Board approved the County’s RZFB Program allocation for the eight projects in the aggregate amount of \$214,755,000, subject to the projects meeting certain financial and other requirements prior to the issuance of any bonds. Your Board also approved the voluntary waiver of the County’s remaining \$56,729,000 million of RZFB program allocation to the California Debt Limit Allocation Committee (CDLAC).

In accordance with County policy for conduit financings, the eight projects that received preliminary approval for the RZFB Program were required to either: (1) secure credit enhancement in the form of a letter of credit for the total par amount of the financing from a commercial bank with a credit rating of not less than "A" by Standard and Poor's Corporation or "A2" by Moody's investor service; or (2) arrange for the private placement of bonds to an accredited investor as defined under Rule 501 of Regulation D of federal securities law. Of the eight projects that received preliminary approval for the RZFB Program, only the Fair Association has met the minimum financial requirements to proceed with a tax-exempt financing issued through the County. The Fair Association has requested the County to approve the issuance of the Bonds in one or more series in the maximum principal amount not to exceed \$24,255,000. The proceeds from the sale of the Bonds will be used to finance the cost of construction of the Conference Center Project, which is a conference center facility located at or near 1101 McKinley Avenue, Pomona, California.

After consultations with County Counsel and the CEO, the Treasurer and Tax Collector (TTC) determined that the most beneficial process for the issuance of bonds under the RZFB Program is for the County to establish a new joint exercise of powers entity in conjunction with the PWFA. It is therefore recommended that your Board approve the JPA establishing the Authority and authorize the issuance of the Bonds by the Authority on behalf of the Fair Association. Unlike the existing PWFA, the Authority will be utilized solely for the purpose of facilitating conduit financings, and will not serve as an issuer of County debt.

Implementation of Strategic Plan Goals

This action supports the County's Strategic Plan Goal #1: Operational Effectiveness through collaborative actions by the County and the non-profit sector to facilitate economic development in the County.

FISCAL IMPACT/FINANCING

There will be no fiscal impact to the County budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The legal authority to approve the JPA and to establish the Authority is derived pursuant to Articles 1 through 4, Chapter 5, Division 7, Title 1 of the California Government Code (commencing with Section 6500), as amended (the "Act"). The Conference Center Project was approved by CDLAC and is eligible for the Recovery Zone Facility Bond allocation pursuant to Sections 1400U-1, 1400U-2 and 1400U-3 of the Internal Revenue Code of 1986, as amended. In accordance with Section 6586.5 of the Act, a public hearing was held on November 24, 2010 by TTC, in which members of the general public and interested parties were given an opportunity to be heard on all matters related to the Fair Association financing and the issuance of the Bonds by the Authority. In order to proceed with the financing of the Conference Center Project, it is requested that your Board find and determine that there is significant public benefit in entering into the JPA forming the Authority and the issuance of the Bonds by the Authority on behalf of the Fair Association.

The Fair Association is a 501(c)(5) non-profit public benefit corporation established under the laws of the State of California. The land associated with the Conference Center Project is owned by the County and leased to the Fair Association. The Conference Center Project will include an 80,000

square foot trade and conference center complex, incorporating the conversion of an existing 34,000 square foot exhibit building with the construction of a new 46,000 square foot facility. The primary users of the new conference center facility are expected to be local and regional trade associations, as well as various other private and corporate entities. The total cost of the Conference Center Project is approximately \$30 million and is expected to be completed by August 2011.

In the Fair Association financing, the Authority will sell the Bonds to Wells Fargo Bank, N.A. in a private placement offering, and the Authority will loan the proceeds to the Fair Association to finance the construction of the Conference Center Project. The loan from the Authority is secured by the revenue producing activities of the Fair Association in accordance with a Loan Agreement between the Authority and the Fair Association. The Bonds will be issued as variable rate obligations subject to a mandatory tender on August 26, 2013 and will have a final maturity date of November 1, 2039. The Fair Association has full responsibility for the repayment of the loan to the Authority, the proceeds of which are pledged to the payment of debt service on the Bonds. Neither the County nor the Authority will pledge any funds or have any financial obligation with respect to the repayment of the Bonds. The issuance of the Bonds as tax-exempt obligations will result in significant savings to the Fair Association in the form of lower interest costs over the life of the Bonds.

The attached resolutions and the JPA have been reviewed and approved by County Counsel, with consultation provided by outside legal counsel. Following the adoption of the resolutions by the County and the PWFA, a separate agenda item will be presented that requests your Board, acting as the Board of Directors of the Authority, to authorize the issuance of the Bonds by the Authority on behalf of the Fair Association.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

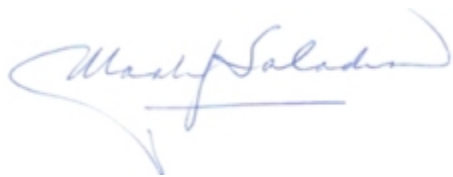
Not applicable.

CONCLUSION

Upon approval, it is requested that the Executive Officer-Clerk of the Board of Supervisors return two originally executed copies of the adopted resolutions to the Treasurer and Tax Collector (Office of Public Finance).

The Honorable Board of Supervisors
12/7/2010
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Respectfully submitted,

A handwritten signature in blue ink, reading "Mark J. Saladino". The signature is written in a cursive style with a horizontal line underneath the name.

MARK J. SALADINO
Treasurer and Tax Collector

MJS:GB:DB:JP

Enclosures

c: Chief Executive Officer
County Counsel
Stradling Yocca Carlson & Rauth

**RESOLUTION OF THE BOARD OF SUPERVISORS OF
LOS ANGELES COUNTY AUTHORIZING THE EXECUTION AND DELIVERY
OF A JOINT EXERCISE OF POWERS AGREEMENT AND APPROVING THE
ISSUANCE AND SALE OF RECOVERY ZONE FACILITY BONDS BY THE LOS
ANGELES COUNTY REGIONAL FINANCING AUTHORITY**

WHEREAS, the County of Los Angeles (the “County”) and the Los Angeles County Public Works Financing Authority (“PWFA”) propose to form a joint exercise of powers entity to be known as the Los Angeles County Regional Financing Authority (the “Authority”) by agreement (the “Joint Powers Agreement”) pursuant to Articles 1 through 4, Chapter 5, Division 7, Title 1 of the California Government Code (commencing with Section 6500), as amended (the “Act”), for the purpose of the exercise of all powers common to the County and PWFA and all powers provided to the Authority by the Act, and any other law now in effect or hereafter enacted; and

WHEREAS, the Los Angeles County Fair Association (the “Borrower”) has requested that the County, as a member of the Authority, approve the issuance and sale of Recovery Zone Facility Bonds (the “Bonds”) in one or more series in the maximum principal amount not to exceed \$24,255,000 by the Authority for the benefit of the Borrower for the purpose of financing the cost of construction of a conference center facility located at or near 1101 McKinley Avenue, Pomona, California (the “Project”), which Project will be located in the County, in order to satisfy the approval requirement of Section 6586.5 of the Act; and

WHEREAS, notice of such public hearing has been duly given as required by Section 6586.5 of the Act, and this Board of Supervisors (the “Board”) has heretofore held such public hearing at which all interested persons were given an opportunity to be heard on all matters relative to the financing or refinancing of the Project and the Authority’s issuance of the Bonds therefor; and

WHEREAS, it is in the public interest and for the public benefit that the County approve the issuance of the Bonds by the Authority for the aforesaid purposes;

WHEREAS, the County is authorized to undertake all of the above pursuant to the applicable law of the State of California;

NOW, THEREFORE, this Board does find, resolve, determine and order as follows:

Section 1. This Board finds and determines that the foregoing recitals are true and correct. There will be significant public benefit in entering into the Joint Powers Agreement, forming the Authority, and the issuance of the Bonds by the Authority. It is the purpose and intent of this Board that this resolution constitute approval of the Bonds for purposes of Section 6586.5 of the Act.

Section 2. The formation of the Authority is hereby authorized and approved. The officers of the County and their authorized representatives are, and each of them acting alone is, hereby authorized and directed for and in the name of, and on behalf of the County, to execute by manual or facsimile signature and to deliver the Joint Powers Agreement, substantially in the

form on file with this Board, with such changes therein as may be necessary or as they may approve, in their discretion, as being in the best interests of the County, such approval to be evidenced conclusively by the execution and delivery thereof.

Section 3. The Mayor of the Board of Supervisors and other officers of the County and their authorized representatives are, and each of them acting alone is, hereby authorized and directed to take such actions and to execute such documents as may be necessary to effectuate the purposes of this resolution.

Section 4. The issuance of the Bonds shall be subject to the approval of the Authority of all financing documents relating thereto to which the Authority is a party. The County shall have no responsibility or liability whatsoever with respect to the Bonds

This Resolution shall take effect immediately upon its passage.

The foregoing Resolution was on the 7th day of December, 2010, adopted by the Board of Supervisors of the County of Los Angeles and *ex-officio* the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

SACHI A. HAMAI
Executive Officer-Clerk of the Board of
Supervisors of the County of Los Angeles

By: Lachelle Amickman

DEPUTY

APPROVED AS TO FORM:

ANDREA SHERIDAN ORDIN
County Counsel

By: Ammy C. DePaul
Principal Deputy County Counsel



**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY
AUTHORIZING THE EXECUTION AND DELIVERY OF A
JOINT EXERCISE OF POWERS AGREEMENT CREATING THE
LOS ANGELES COUNTY REGIONAL FINANCING AUTHORITY**

WHEREAS, the County of Los Angeles (the “County”) and the Los Angeles County Public Works Financing Authority (“PWFA”) propose to form a joint exercise of powers entity to be known as the Los Angeles County Regional Financing Authority (the “Authority”) by agreement (the “Joint Powers Agreement”) pursuant to Articles 1 through 4, Chapter 5, Division 7, Title 1 of the California Government Code (commencing with Section 6500), as amended (the “Act”), for the purpose of the exercise of all powers common to the County and PWFA and all powers provided to the Authority by the Act, and any other law now in effect or hereafter enacted; and

WHEREAS, PWFA is authorized to undertake all of the above pursuant to the applicable law of the State of California;

NOW, THEREFORE, this Board does find, resolve, determine and order as follows:

Section 1. This Board finds that there will be significant public benefit in entering into the Joint Powers Agreement and forming the Authority.

Section 2. The formation of the Authority is hereby authorized and approved. The officers of PWFA and their authorized representatives are, and each of them acting alone is, hereby authorized and directed for and in the name of, and on behalf of PWFA, to execute by manual or facsimile signature and to deliver the Joint Powers Agreement, substantially in the form on file with this Board, with such changes therein as may be necessary or as they may approve, in their discretion, as being in the best interests of PWFA, such approval to be evidenced conclusively by the execution and delivery thereof.

Section 3. The Chairman of the Board of Directors and other officers of PWFA and their authorized representatives are, and each of them acting alone is, hereby authorized and directed to take such actions and to execute such documents as may be necessary to effectuate the purposes of this resolution.

This Resolution shall take effect immediately upon its passage.

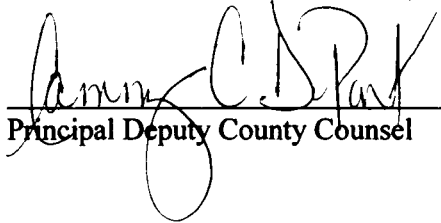
The foregoing Resolution was on the ____ day of _____, 2010, adopted by the Board of Directors of the Los Angeles County Public Works Financing Authority and *ex-officio* the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

SACHI A. HAMAI
Executive Officer-Clerk of the Board of
Directors of the Los Angeles County Public
Works Financing Authority

By: _____

APPROVED AS TO FORM:

ANDREA SHERIDAN ORDIN
Counsel to the Los Angeles County Public
Works Financing Authority

By: 
Principal Deputy County Counsel

LOS ANGELES COUNTY REGIONAL FINANCING AUTHORITY

JOINT EXERCISE OF POWERS AGREEMENT

BY AND BETWEEN

LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY

AND

THE COUNTY OF LOS ANGELES

Dated December 7, 2010

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JOINT EXERCISE OF POWERS AGREEMENT

LOS ANGELES COUNTY REGIONAL FINANCING AUTHORITY

THIS AGREEMENT (this “Agreement”), is dated December 7, 2010, by and between Los Angeles County Public Works Financing Authority, a joint exercise of powers authority organized and existing under the laws of the State of California (“PWFA”), and the County of Los Angeles, a political subdivision of the State of California (the “County”), and any entity that hereafter may become a party hereto pursuant to Section 8.05 of this Agreement (each such party together with PWFA and the County, collectively the “Contracting Parties”).

WITNESSETH:

WHEREAS, each of the Contracting Parties desires to enter into a joint exercise of powers agreement providing for the creation of an entity separate from the Contracting Parties to be known as the Los Angeles County Regional Financing Authority (the “Authority”) under Articles 1 through 3, Chapter 5, Division 7, Title 1 of the California Government Code commencing with Section 6500), as amended (the “Act”) for the purpose of exercising all powers common to the Contracting Parties and all powers provided to the Authority by the Act, the Bond Law and any other law now in effect or hereafter enacted; and

WHEREAS, by a resolution duly adopted on December 7, 2010, the County authorized the execution and delivery of this Agreement; and

WHEREAS, by a resolution duly adopted on December 7, 2010, PWFA authorized the execution and delivery of this Agreement;

NOW, THEREFORE, in consideration of the above premises and of the mutual promises herein contained, each of the Contracting parties does hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. Unless the context otherwise requires, the words and terms defined in this Article shall, for the purpose hereof, have the meanings herein specified.

“Act” means Articles 1 through 3, Chapter 5, Division 7, Title 1 of the California Government Code (commencing with Section 6500), as amended.

“Agreement” means this Joint Exercise of Powers Agreement, as it may be amended from time to time.

“Authority” means the Los Angeles County Regional Financing Authority established pursuant to Section 2.02 of this Agreement.

“Board” means the Board of Directors of the Authority referred to in Section 2.03 of this Agreement, which shall be the governing body of the Authority.

“Bond Law” means Article 4, Chapter 5, Division 7, Title 1 of the California Government Code (commencing with Section 6584) and commonly known as the Marks-Roos Local Bond Pooling Act of 1985, as amended.

“Bonds” mean bonds or any other authorized evidence of indebtedness of the Authority issued pursuant to the Act and the Bond Law.

“Brown Act” means the Government Code provisions beginning at Section 54950 et seq. governing the notice and agenda requirements for meetings of government agencies in the State of California and any later amendments, revisions, or successor enactments.

“Chairman” means the Chairman of the Board appointed pursuant to Section 3.01 of this Agreement.

“Code” means the Internal Revenue Code of 1986, as amended.

“County” means the County of Los Angeles, a political subdivision of the State of California.

“Directors” means the members of the Board appointed pursuant to Section 2.03 of this Agreement.

“PWFA” means the Los Angeles County Public Works Financing Authority, a joint exercise of powers authority duly organized and existing under the laws of the State of California

“Secretary” means the officer appointed pursuant to Section 3.01 of this Agreement.

“Treasurer” means the officer appointed pursuant to Section 3.02 of this Agreement.

ARTICLE II

GENERAL PROVISIONS

Section 2.01. Purpose. This Agreement is made pursuant to the Act to provide for the creation of an entity separate from the Contracting Parties (the “Authority”) to provide for, among other things, the exercise of all powers common to the Contracting Parties and all powers provided to the Authority by the Act, the Bond Law and any other law now in effect or hereafter enacted.

Section 2.02. Creation of Authority. Pursuant to Sections 6506 and 6507 of the Act, there is hereby created a public entity to be known as the “Los Angeles County Regional Financing Authority.” The Authority shall be a public entity separate and apart from the Contracting Parties and shall administer this Agreement.

Within 30 days after the effective date of this Agreement or any amendment hereto, the Authority will cause a notice of this Agreement or amendment to be prepared and filed with the office of the Secretary of State of the State of California in the manner set forth in Sections 6503.5 of the Act. Such notice shall also be filed with the office of the Controller of the State of California.

Section 2.03. Board of Directors. The Authority shall be administered by a Board of Directors consisting of the members of the Board of Supervisors of the County acting *ex-officio*. The Board shall be called the “Board of Directors of the Los Angeles County Regional Financing Authority.” All voting power of the Authority shall solely reside in the Board.

Section 2.04. Meetings of the Board.

(a) Regular Meetings. Meetings of the Board may be called by the Chairman or the Secretary or any two (2) Directors. The Board shall provide for at least one regular meeting to be held each year. Unless otherwise determined by resolution of the Board, regular meetings of the Board shall be scheduled for the same time and place as the regular meetings of the Board of Supervisors of the County, except that if no agenda items are scheduled for the Board’s regular meeting, the meeting will be deemed to be cancelled without further action. No notice of any regular meeting of the Board need be given to the members of the Board.

(b) Special Meeting. Special meetings of the Board may be called in accordance with the provisions of the Brown Act.

(c) Call, Notice and Conduct of Meeting. All meetings of the Board, including without limitation, regular, adjourned regular and special meetings, shall be called, noticed, held and conducted in accordance with the provisions of the Brown Act.

Section 2.05. Minutes. The Secretary shall cause to be kept minutes of the meetings of the Board and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each Director.

Section 2.06. Voting. Each Director shall have one vote.

Section 2.07. Quorum; Required Votes; Approvals. Directors holding a majority of the votes shall constitute a quorum for the transaction of business, except that less than a quorum may adjourn from time to time. The affirmative votes of at least a majority of all Directors shall be required in order for the Board to take any action.

Section 2.08. Bylaws. The Board may adopt, from time to time, such bylaws, rules and regulations for the conduct of its meetings as are necessary for the purposes hereof.

ARTICLE III

OFFICERS AND EMPLOYEES

Section 3.01. Chairman and Secretary. The Mayor of the Board of Supervisors of the County shall act *ex-officio* as the Chairman of the Authority. The Executive Officer-Clerk of the

Board of Supervisors of the County shall act *ex-officio* as the Secretary of the Authority. The officers shall perform the duties normal to said offices. The Chairman or other authorized officer of the Authority as designated in a resolution of the Authority, shall sign all contracts on behalf of the Authority, and shall perform such other duties as may be imposed by the Board. The Secretary shall perform such duties as may be imposed by the Board and shall cause a copy of this Agreement to be filed with the Secretary of State pursuant to Section 6503.5 of the Act.

Section 3.02. Treasurer. Pursuant to Section 6505.5 of the Act, the Treasurer and Tax Collector of the County is hereby designated as the Treasurer of the Authority. The Treasurer shall have the duties and obligations set forth in Sections 6505 and 6505.5 of the Act and shall assure that there shall be strict accountability of all funds and reporting of all receipts and disbursements of the Authority. Pursuant to Section 6505 of the Act the Treasurer need not make or contract for an annual audit of the accounts and records of the Authority because an annual audit of the accounts and records of the Authority is otherwise made by an agency of the State of California of all such accounts and records of the Authority.

Section 3.03. Assistant Officers. All deputies or assistants of officers of the County shall be *ex-officio* deputies or assistants of such officers in their capacities as officers *ex-officio* of the Board. The Board by resolution may appoint such assistants to act in the place of the Secretary or other authorized officers of the Authority (other than any Director), and by resolution may provide for the appointment of additional officers of the Authority who may or may not be Directors, as the Board from time to time shall deem appropriate.

ARTICLE IV

POWERS

Section 4.01. General Powers. The Authority shall exercise in the manner herein provided any of the powers which are common among the Contracting Parties and necessary to the accomplishment of the purposes of this Agreement, subject to the restrictions set forth in Section 4.03 of this Agreement.

Section 4.02. Additional Power; Power to Issue Bonds. The Authority shall have all additional powers provided in the Act, the Bond Law and any other law now in effect or hereafter enacted, including, but not limited to the power to issue Bonds thereunder.

Section 4.03. Restrictions on Exercise of Powers. The powers of the Authority shall be exercised in the manner provided in the Act and in the Bond Law, and, except for those additional powers set forth in the Bond Law, shall be subject (in accordance with Section 6509 of the Act) to the restrictions upon the manner of exercising such powers that are imposed upon the County in the exercise of similar powers.

Without limiting the generality of the foregoing, the Authority may issue or cause to be issued Bonds, and pledge any property or revenues as security to the extent permitted under the Act, the Bond Law, or any other applicable provision of law; provided, however, the Authority shall not issue Bonds with respect to any project located in the jurisdiction of one or more of the Contracting Parties unless the governing body of such Contracting Authority, or its duly

authorized representative, shall approve, conditionally or unconditionally, the project, including the issuance of Bonds therefor. Such approval may be evidenced by resolution, certificate, order, report or such other means of written approval of such project as may be selected by the Contracting Party (or its authorized representative) whose approval is required. No such approval shall be required in connection with Bonds that refund Bonds previously issued by the Authority and approved by the governing body or duly authorized representative of a Contracting Party.

Section 4.04. Obligations of Authority. The Contracting Parties hereby confirm their intent and agree that, the debts, liabilities and obligations of the Authority shall not be the debts, liabilities and obligations of the Contracting Parties; provided, however, that each of the Contracting Parties may contract separately for, or assume responsibility for, specific debts, liabilities or obligations of the Authority. The Bonds and the obligation to pay principal of and interest thereon and any redemption premium with respect thereto will not constitute indebtedness or an obligation of the Authority, the Contracting Parties, the State of California or any political subdivision thereof, within the meaning of any constitutional or statutory debt limitation, or a charge against the general credit or taxing powers of any of them. The Bonds shall be a special limited obligation of the Authority, payable solely from certain revenues duly pledged therefor. Neither the faith and credit nor the taxing power of the Contracting Parties nor the faith and credit of the Authority shall be pledge to the payment of the principal of, premium, if any, or interest on the Bonds nor shall the Contracting Parties or the Authority in any manner be obligated to make any appropriation for such payment.

No covenant or agreement contained in any Bond or related document shall be deemed to be a covenant or agreement of any of the Directors, or any officer, employee or agent of the Authority in his or her individual capacity and neither the Board nor any Director shall be personally liable on any Bond or be subject to any personal liability or accountability by reason of the issuance of any Bonds.

ARTICLE V

METHODS OF PROCEDURE; CREDIT TO MEMBERS

Section 5.01. Assumption of Responsibilities By the Authority. Immediately following the authorization and execution of this Agreement by the County and PWFA on November 9, 2010, an initial regular meeting of the Board shall be conducted, notice of which has been properly given pursuant to the requirements of the Brown Act.

Section 5.02. Credit to the Contracting Parties. All accounts or funds created and established pursuant to any instrument or agreement to which the Authority is a party, and interest earned or accrued therein, shall credit to the benefit of the each of the Contracting Parties in the respective proportions in which each of such Contracting Parties made contributions to the Authority; provided, however, that such credit shall be subject to the terms of any indenture of trust or other similar agreement the Authority enters into in connection with the issuance of Bonds.

ARTICLE VI

CONTRIBUTIONS: ACCOUNTS AND REPORTS; FUNDS

Section 6.01. Contributions. The Contracting Parties may in the appropriate circumstance when required hereunder: (a) make contributions from their treasuries for the purposes set forth herein; (b) make payments of public funds to defray the cost of such purposes; (c) make advances of public funds for such purposes, such advances to be repaid as provided herein; or (d) use their respective personnel, equipment or property in lieu of other contributions or advances.

Section 6.02. Funds. Subject to the applicable provisions of any instrument or agreement into which the Authority may enter, that otherwise may provide for a trustee to receive, have custody of and disburse Authority funds, the Treasurer of the Authority shall receive, have custody of and disburse Authority funds as nearly as possible in accordance with generally accepted accounting practices, and shall make the disbursements required by this Agreement or to carry out any of the provisions or purposes of this Agreement.

Section 6.03. Investment of Surplus Funds. Pursuant to Section 6509.5 of the Act, the Authority shall have power to invest any money in the treasury of the Authority that is not required for the immediate use of the Authority, as the Authority determines advisable, in the same manner and upon the same conditions as local agencies pursuant to Section 53601 of the California Government Code or any successor provision thereto.

ARTICLE VII

TERM

Section 7.01. Term. This Agreement shall become effective as of the date hereof and shall continue until terminated by a supplemental agreement of Contracting Parties; provided, however, that in no event shall this Agreement terminate while any Bonds of the Authority remain outstanding.

Section 7.02. Surplus Money. After the completion of the purposes of this Agreement, any surplus money on hand shall be returned in proportion to the contributions made in accordance with Section 6512 of the Act.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 8.01. Notices. Notices hereunder shall be in writing and shall be sufficient if delivered to:

Los Angeles County Public Works Financing Authority
c/o County of Los Angeles
500 West Temple Street, Room 437
Los Angeles, California 90012
Attn: Treasurer and Tax Collector

County of Los Angeles
500 West Temple Street, Room 437
Los Angeles, California 90012
Attn: Treasurer and Tax Collector

and, if to any other of the Contracting Parties as may be added pursuant to Section 8.05 of this Agreement, to such address as the Contracting Parties shall specify in writing to the Authority.

Section 8.02. Section Headings. All section headings in this Agreement are for convenience of reference only and are not to be construed as modifying or governing the language in the section referred to or to define or limit the scope of any provision of this Agreement.

Section 8.03. Consent. Whenever in this Agreement any consent or approval is required, the same shall not be withheld unreasonably.

Section 8.04. Law Governing. This Agreement is made in the State of California under the constitution and laws of the State of California, and is to be so construed.

Section 8.05. Amendments. This Agreement may be amended at any time, or from time to time, except as limited by contract with the owners of any Bonds issued by the Authority or by applicable regulations or laws of any authority having jurisdiction, by one or more supplemental agreements executed by the Contracting Parties either as required in order to carry out any of the provisions of this Agreement or for any other purpose, including without limitation addition of new parties (including any legal entities or taxing areas heretofore or hereafter created) in pursuance of the purposes of this Agreement. Notwithstanding any statement in the preceding statement, this Agreement may be amended at any time, or from time to time, except as limited by contract with the owners of any Bonds issued by the Authority or by applicable regulations or laws of any authority having jurisdiction, by action of any general assessment or taxing district for which the Board of Supervisors of the County acts *ex officio* as the governing body in order to add such general assessment or taxing district as a party to this Agreement.

Section 8.06. Conflict of Interest Code. The Authority shall be governed by the Conflict of Interest Code of the County to the extent required by law.

Section 8.07. Enforcement by Authority. The Authority is hereby authorized to take any or all legal or equitable actions, including but not limited to injunction and specific performance, necessary or permitted by law to enforce this Agreement.

Section 8.08. Severability. Should any part, term or provision of this Agreement be decided by any court of competent jurisdiction to be illegal or in conflict with any law of the State of California, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining portions or provisions shall not be affected thereby.

Section 8.09. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute one and the same Agreement.

Section 8.10. Successors. This Agreement shall be binding upon and shall inure to the benefit of the successors each of the Contracting Parties, respectively. No Contracting Party may assign any right or obligation hereunder without the written consent of the other Contracting Parties.

Section 8.11. Privileges and Immunities. All of the privileges and immunities from liability, exemption from laws, ordinances and rules, all pension, relief, disability, workers' compensation and other benefits that apply to the activities of officers, agents or employees of a public agency when performing their respective functions within the territorial limits of their respective public agencies, shall apply to the officers, agents or employees of the Authority to the same degree and extent while engaged in the performance of any of the functions and duties of such officers, agents or employees extraterritorially under this Agreement.

Section 8.12. Fiscal Year. The fiscal year of the Authority, unless and until changed by the Authority, shall commence on the 1st day of July of each year and shall end on the 30th day of June of the next succeeding year.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their proper officers thereunto duly authorized and their official seals to be hereto affixed as of the date first written above.

LOS ANGELES COUNTY PUBLIC WORKS
FINANCING AUTHORITY

Authorized Signatory

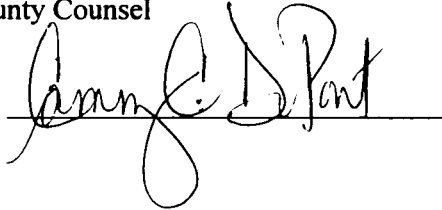
COUNTY OF LOS ANGELES

Authorized Signatory

APPROVED AS TO FORM:

ANDREA SHERIDAN ORDIN
County Counsel

By: _____



Principal Deputy County Counsel