

August 28, 2006

Honorable Mayor and Members of  
the Hermosa Beach City Council

City Council Meeting  
September 12, 2006

**ADOPTION OF A RESOLUTION APPROVING AMENDMENT NO. 6 TO  
THE INDEPENDENT CITIES LEASE FINANCE AUTHORITY (ICLFA)  
JOINT POWERS AGREEMENT ALLOWING ICLFA TO PROVIDE  
FINANCING OR REFINANCING OF PROJECTS AND PROGRAMS  
WHICH BENEFIT MEMBER CITIES AND ASSOCIATE MEMBER CITIES**

**RECOMMENDATION:**

It is recommended that the City Council adopt the attached resolution approving Amendment No 6. to the ICLFA Joint Powers Agreement allowing ICLFA to provide financing or refinancing of projects and programs benefiting, among others, member and associate cities.

**BACKGROUND:**

Hermosa Beach is one of the nine member cities of ICLFA, which was created eighteen years ago. ICLFA offers the following programs: 1) capital project and equipment leasing; 2) down payment and closing cost assistance to qualified families to aid them in purchasing homes in member cities); and 3) bond financing of multi-family residential projects, including manufactured home communities (*most recently, our own Marineland Mobile Home Park.*)

**ANALYSIS:**

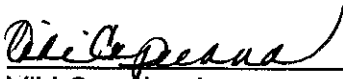
Three documents are attached:

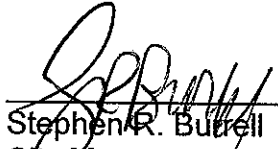
1. A letter from the ICLFA President requesting the amendment.
2. Joint Powers Agreement with changes shown
3. Resolution Approving Amendment 6 to the Joint Powers Agreement

As the letter states, these amendments will directly benefit K-12 educational facilities, assessment districts, and bonds issued pursuant to the Mello-Roos Community Facilities Act of 1982.

Changes to the Joint Powers Agreement can be found in Article 6, subsection (d), located on page 8. These changes must be approved by a majority of the member cities in order to take effect.

Respectfully submitted,

  
\_\_\_\_\_  
Viki Copeland  
Finance Director

  
\_\_\_\_\_  
Stephen R. Burrell  
City Manager



INDEPENDENT CITIES LEASE FINANCE AUTHORITY

Post Office Box 1750, Palmdale, CA 93590-1750 • (877) 906-0941 • FAX (661) 285-0481

E-mail: independentcities@earthlink.net

July 19, 2006

RECEIVED

AUG 29 2006

FINANCE DEPARTMENT

Honorable Peter Tucker
City of Hermosa Beach
1315 Valley Drive
Hermosa Beach, California 90254

Dear Mayor Tucker:

The Board of Directors of the Independent Cities Lease Finance Authority (ICLFA) respectfully requests a timely action by your City Council to facilitate changes in the ICLFA Joint Powers Agreement as set forth in the attachments hereto. The amendments allow ICLFA to providing financing or refinancing of projects and programs which benefit member cities and associate member cities, including K-12 educational facilities, assessment districts, bonds issued pursuant to the Mello-Roos Community Facilities Act of 1982, etc. ICLFA is desirous of serving as issuers of the bonds thus being responsible for the enhancement of educational facilities and others. Two-thirds of the member cities must adopt the attached resolution to effectuate the proposal.

As you may be aware, ICLFA currently offers the following programs: 1) capital project and equipment leasing; 2) down payment and closing cost assistance; and 3) bond financing of multi-family residential, including manufactured home communities.

ICLFA has nine member cities and fifty-four associate member cities and has functioned for eighteen years without levying dues or assessments on any member or associate member public entity. Program participants pay all ICLFA fees, including operational costs.

MEMBER CITIES:

Alhambra
Azusa
Baldwin Park
Barstow
Bell
Bellflower
Brea
Carson
Chino
Claremont
Colton
Commerce
Compton

Covina
Downey
Duarte
El Monte
Fontana
Fresno
Gardena
Garden Grove
Glendale
Glendora
Hawaiian Gardens
Hawthorne
Hermosa Beach

Huntington Park
Indio
Inglewood
La Habra
La Puente
Lakewood
Lancaster
Lawndale
Long Beach
Los Angeles
Lynwood
Monrovia
Montebello

Monterey Park
Morgan Hill
Norwalk
Palmdale
Paramount
Pico Rivera
Pomona
Rancho Cucamonga
Rialto
Riverside
Rohnert Park
San Bernardino
San Diego County

San Juan Capistrano
San Mateo County
San Fernando
Santa Clarita
Signal Hill
South Gate
Vernon
Vista
West Covina
Whittier
Yucaipa

Honorable Peter Tucker  
City of Hermosa Beach  
July 19, 2006  
Page Two

Please send a certified copy of the attached resolution after your City Council approves/adopts it to Debbie Smith, ICLFA Program Administrator, Post Office Box 1750, Palmdale, California 93590-1750.

If you have any questions, please feel free to contact Debbie Smith at (877) 906-0941 or Robert Messinger, ICLFA General Legal Counsel, at (949) 651-0030.

Respectfully,



W. Michael McCormick  
President

ds

Attachments: 1) Resolution  
2) Strike out/underline version of the Joint Powers Agreement

e: Viki Copeland, Finance Director (w/attachments)  
Stephen Burrell, City Manager (w/attachments)

## JOINT POWERS AGREEMENT

### CREATING THE INDEPENDENT CITIES LEASE FINANCE AUTHORITY

This Joint Powers Agreement (the "Agreement") is entered into by and among the public agencies (hereinafter referred to as "Members" and set forth in Appendix A attached hereto and incorporated herein by this reference), organized and existing under the Constitution and laws of the respective states in which such agencies are domiciled.

#### RECITALS

WHEREAS, Articles 1 and 2, Chapter 5, Division 7, Title 1 of the California Government Code (Section 6500 et seq.) permits two or more public agencies by agreement to exercise jointly powers common to the contracting parties; and

WHEREAS, the public agencies executing this Agreement desire to join together for the purpose of assisting public agencies to finance the acquisition, construction, installation and/or equipping of public capital improvements and to encourage and promote other joint and cooperative endeavors among such public agencies for their mutual benefit;

NOW, THEREFORE, the parties agree as follows:

#### ARTICLE 1

##### DEFINITIONS

"Associate Member" shall mean any Local Agency that shall have duly executed and delivered to the Authority an Associate Membership Agreement in the form and as further provided in the Bylaws of the Authority.

"Authority" shall mean the Independent Cities Lease Finance Authority created by this Agreement.

"Board of Directors" or "Board" shall mean the governing body of the Authority.

"Executive Committee" shall mean the Executive Committee of the Board of Directors of the Authority.

"Fiscal Year" shall mean that period of twelve months which is established by the Board of Directors or the Bylaws as the fiscal year of the Authority.

"Government Code" shall mean the California Government Code, as amended.

"Home Mortgage Financing Program" shall mean a program for financing home mortgages undertaken by the Authority pursuant to the provisions of Part 5 of Division 31 (commencing with Section 52000) of the California Health and Safety Code with respect to

those Members or Associate Members that are either a city or a county of the State of California.

"Joint Powers Law" shall mean Articles 1 and 2, Chapter 5, Division 7, Title 1 (commencing with Section 6500) of the Government Code.

"Legislative Body" shall mean the legislative board of each Public Agency and Local Agency that are either Members or Associate Members, respectively, of the Authority.

"Local Agency" shall have the meaning set forth in Section 6585(f) of the Government Code, as may hereafter be amended from time to time.

"Member" shall mean any Public Agency which has executed this Agreement and has become a member of the Authority.

"Public Agency" shall mean public agency as defined in Government Code Section 6500, as may hereafter be amended from time to time.

Unless the context clearly requires otherwise, as used in this Agreement, words of the masculine, feminine or neuter gender shall be construed to include each other gender when appropriate and words of the singular number shall be construed to include the plural number, and vice versa, when appropriate. This Agreement and all the terms and provisions hereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.

## ARTICLE 2

### PURPOSES

This Agreement is entered into by the Members in order that they may jointly develop programs to assist in the raising of capital to finance the capital improvement needs of Local Agencies, provide for home mortgage financing with respect to those Members or Associate Members that are either a city or a county of the State of California, provide financing in connection with the improvement, construction, acquisition, creation, rehabilitation and preservation of affordable housing within the boundaries of the Members and Associate Members, and provide financing in accordance with the provisions of applicable law in connection with other projects and programs that are in the public interest and which benefit Members and Associate Members including, without limitation, making loans to tax-exempt organizations from the proceeds of mortgage revenue bonds to finance the acquisition of multi-family rental housing, including mobilehome parks, under the provisions of Chapter 8 of Part 5 of Division 31 (commencing with Section 52100) of the Health and Safety Code (the "Nonprofit Financing Law"). This Agreement is also entered into by the Members in order to provide a forum for discussion and study of problems common to the Members and to assist in the development and implementation of solutions to such problems.

## ARTICLE 3

### PARTIES TO AGREEMENT

Each Member, as a party to this Agreement, certifies that it intends to and does contract with all other Members as parties to this Agreement and, with such other Public Agencies as may later be added as parties to this Agreement. Each Member also certifies that the withdrawal of any party from this Agreement pursuant to Article 17 shall not affect this Agreement or the Members' obligations hereunder.

## ARTICLE 4

### TERM

This Agreement shall become effective when executed and returned to the Authority by at least four Members. The Authority shall promptly notify all Members in writing of such effective date. This Agreement shall continue in effect until terminated as provided herein; provided that the termination of this Agreement with respect to an individual Member upon its withdrawal from membership in the Authority shall not operate to terminate this Agreement with respect to the remaining Members.

## ARTICLE 5

### CREATION OF THE AUTHORITY

Pursuant to the Joint Powers Law, there is hereby created a public entity separate and apart from the parties hereto, to be known as the "Independent Cities Lease Finance Authority," with such powers as are hereinafter set forth.

## ARTICLE 6

### POWERS OF THE AUTHORITY

(a) Powers. The Authority shall have all of the powers common to its Members and all additional powers set forth in the Joint Powers Law and other statutes applicable to the joint powers authority created hereby, and is hereby authorized to do all acts necessary for the exercise of said powers. Such powers include, but are not limited to, the following:

- (1) To make and enter into contracts.
- (2) To incur debts, liabilities, and obligations and to encumber real or personal property.
- (3) To acquire, hold, or dispose of real or personal property, contributions and donations of real or personal property, funds, services, and other forms of assistance from persons, firms, corporations, and government entities.
- (4) To sue and be sued in its own name, and to settle any claim against it.

(5) To receive and use contributions and advances from Members as provided in Government Code Section 6504, including contributions or advances of personnel, equipment or property.

(6) To invest any money in its treasury that is not required for its immediate necessities, pursuant to Government Code Section 6509.5

(7) To acquire, construct, manage, maintain or operate title to real or personal property or rights or any interest therein.

(8) To employ agents and employees.

(9) To receive, collect and disburse moneys.

(10) To finance the acquisition, construction or installation of real or personal property for the benefit of one or more Local Agencies through the sale of its revenue bonds, certificates of participation or other obligations and to enter into any agreement or instrument in connection with the execution, issuance, sale or delivery of such bonds, certificates of participation or other obligations.

(11) To lease, sell, convey or otherwise transfer title or rights to or an interest in real or personal property, including, but not limited to, property financed by the Authority for the benefit of its Members or other Local Agencies, and to enter into any agreement or instrument in connection with any such lease, sale, conveyance or transfer.

(12) To exercise all powers of entities, such as the Authority, created under the Joint Powers Law including, but not limited to, those powers enumerated under the Marks-Roos Local Bond Pooling Act of 1985, as amended.

(13) To exercise other reasonable and necessary powers in furtherance or support of any purpose of the Authority or power granted by the Joint Powers Law, this Agreement or the Bylaws of the Authority.

(b) Restrictions on Powers. Pursuant to and to the extent required by Government Code Section 6509, the Authority shall be restricted in the exercise of its powers in the same manner as the City of Hawthorne is restricted in its exercise of similar powers; provided that, if the City of Hawthorne shall cease to be a Member, then the Authority shall be restricted in the exercise of its power in the same manner as the City of Baldwin Park. If the City of Baldwin Park shall cease to be a Member, then the Authority shall be restricted in the exercise of its powers in the same manner as the City of South Gate.

(c) In addition to the other powers provided herein, this Agreement is entered into for the express purpose of the joint exercise of powers under Part 5 of Division 31 (commencing with Section 52000) of the California Health and Safety Code.

(d) In addition to the other powers provided herein, the Authority shall have any and all powers authorized by law to each of the parties hereto and separately to the public entity herein created relating to (i) economic development, including, without limitation, the promotion of opportunities for the creation and retention of employment, the stimulation of economic activity, and the increase of the tax base, within the jurisdictions of such parties; (ii) the issuance of bonds, notes or other evidences of indebtedness for the financing or refinancing of K-12 educational facilities to be utilized by a non-profit organization; and (iii) the issuance of assessment district bonds and bonds issued pursuant to the Mello-Roos Community Facilities Act of 1982.

## ARTICLE 7

### BOARD OF DIRECTORS

(a) **Composition of Board.** The Authority shall be governed by the Board of Directors, which shall be composed of one director representing each Member. The Legislative Body of each Member shall appoint a member of such Legislative Body Council as a director to represent such Member on the Board of Directors. Such director shall serve at the pleasure of such Legislative Body. The Legislative Body of each Member shall also appoint one or two alternate directors who shall have the authority to attend, participate in and vote at any meeting of the Board when the director is absent. Each alternate director shall be an official or staff person of the Member which such alternate director represents. Any vacancy in a director or alternate director position shall be filled by the appointing Member's Legislative Body, subject to the provisions of this Article. Immediately upon admission of a new Member pursuant to Article 16, such Member shall be entitled and required to appoint a director and one or two alternate directors.

(b) **Termination of Status as Director.** A director and/or alternate director shall be removed from the Board of Directors upon the occurrence of any one of the following events: (1) the Authority receives written notice from the appointing Member of the removal of the director or alternate director, together with a certified copy of the resolution of the Legislative Body of the Member effecting such removal; (2) the withdrawal of the Member from this Agreement; (3) the death or resignation of the director or alternate director; (4) the Authority receives written notice from the Member that the director or alternate director is no longer qualified as provided in the first paragraph of this Article.

(c) **Compensation.** Directors and their alternates are entitled to compensation as specified in the Bylaws. The Board of Directors may authorize reimbursement of expenses incurred by directors or their alternates.

(d) **Powers of Board.** The Board of Directors shall have the following powers and functions.

(1) Except as otherwise provided in this Agreement, the Board shall exercise all powers and conduct all business of the Authority, either directly or by delegation to other bodies or persons.



(2) The Board may form an Executive Committee, as provided in Article 10. If an Executive Committee is established by the Board, the Executive Committee may exercise all powers or duties of the Board relating to the execution, issuance, sale or delivery of bonds, certificates of participation or other obligations of the Authority and the entering into by the Authority of all agreements, leases, indentures, conveyances, security documents and other instruments relating thereto or relating to the financing of capital improvements for the Members or other Local Agencies. If an Executive Committee is established by the Board, the Board may delegate to the Executive Committee and the Executive Committee may discharge any additional powers or duties of the Board except adoption of the Authority's annual budget. Any additional powers and duties so delegated shall be specified in a resolution adopted by the Board.

(3) The Board may form, as provided in Article 11, such other committees as it deems appropriate to conduct the business of the Authority or it may delegate such power to the Executive Committee in the Bylaws or by resolution of the Board. The membership of any such other committee may consist in whole or in part of persons who are not members of the Board; provided that the Board and the Executive Committee may delegate decision-making powers and duties only to a committee a majority of the members of which are Board members. Any committee a majority of the members of which are not Board members may function only in an advisory capacity.

(4) The Board shall elect the officers of the Authority and shall appoint or employ necessary staff in accordance with Articles 9 and 12.

(5) The Board shall cause to be prepared, and shall review, modify as necessary, and adopt the annual operating budget of the Authority. Adoption of the budget may not be delegated.

(6) The Board shall receive, review and act upon periodic reports and audits of the funds of the Authority, as required under Articles 13 and 14 of this Agreement.

(7) The Board shall have such other powers and duties as are reasonably necessary to carry out the purposes of the Authority.

## ARTICLE 8

### MEETINGS OF THE BOARD OF DIRECTORS

(a) Regular Meetings. The Board of Directors shall hold at least one regular meeting each year. The Board of Directors shall fix by resolution or in the Bylaws the date upon which, and the hour and place at which, each regular meeting is to be held. The Board or President may call special meetings.

(b) Ralph M. Brown Act. Each meeting of the Board of Directors, including without limitation regular, adjourned regular, and special meetings shall be called, noticed, held, and conducted in accordance with the Ralph M. Brown Act, Section 54950 et seq. of the Government Code.

(c) Minutes. The Authority shall have minutes of regular, adjourned regular, and special meetings kept by the Secretary. As soon as practicable after each meeting, the Secretary shall forward to each Board member a copy of the minutes of such meeting.

(d) Quorum. A majority of the members of the Board is a quorum for the transaction of business. However, less than a quorum may adjourn from time to time. A vote of the majority of a quorum at a meeting is sufficient to take action.

(e) Voting. Each member of the Board shall have one vote.

## ARTICLE 9

### OFFICERS

The Board shall elect a President and Vice President from among the directors at its first meeting. Thereafter, except as may be otherwise provided in the Bylaws of the Authority, the Board shall elect a new President and Vice President, in each succeeding alternating fiscal year. Each officer shall assume the duties of his office upon election. If either the President or Vice President ceases to be a member of the Board, the resulting vacancy shall be filled at the next meeting of the Board held after the vacancy occurs or at a special meeting of the Board called to fill such vacancy. In the absence or inability of the President to act, the Vice President shall act as President. The President shall preside at and conduct all meetings of the Board. The Board may appoint such other officers as it considers necessary.

## ARTICLE 10

### EXECUTIVE COMMITTEE

The Board may establish an Executive Committee of the Board which shall consist solely of members selected from the membership of the Board. If an Executive Committee is established by the Board, the terms of office of the members of the Executive Committee shall be as provided in the Bylaws of the Authority. If an Executive Committee is established by the Board the Executive Committee shall conduct the business of the Authority between meetings of the Board, exercising all those powers as provided for in Section (d)(2) of Article 7, or as otherwise delegated to it by the Board.

## ARTICLE 11

### COMMITTEES

The Board may establish committees, as it deems appropriate to conduct the business of the Authority or it may, in the Bylaws or by resolution, delegate such power to the Executive Committee. Members of Committees shall be appointed by the Board or the Executive Committee, as the case may be. Each Committee shall have those duties as determined by the Board or the Executive Committee, as the case may be, or as otherwise set forth in the Bylaws. Each Committee shall meet on the call of its chairperson, and shall

report to the Executive Committee and the Board as directed by the Board or the Executive Committee, as the case may be.

## ARTICLE 12

### STAFF

(a) **Principal Staff.** The following staff members shall be appointed by and serve at the pleasure of the Board of Directors:

(1) **Program Administrator.** The Program Administrator shall administer the affairs of the Authority, subject to the general supervision and policy direction of the Board and the Executive Committee; shall coordinate the activities of all consultants and staff of the Authority; shall be responsible for required filings by the Authority with the State of California; shall prepare all meeting notices, minutes and required correspondence of the Authority and shall maintain the records of the Authority; shall assist Local Agencies in the preparing and filing of applications for participation in the financing programs of the Authority and shall expedite the processing of such applications; and shall perform such other duties as are assigned by the Board and Executive Committee.

(2) **Treasurer.** The duties of the Treasurer are set forth in Articles 13 and 14 of this Agreement. The Treasurer shall be appointed by the Board of Directors and shall be eligible to serve as Treasurer as provided in the Joint Powers Law.

(3) **Auditor.** The Auditor shall be a Certified Public Accountant licensed to practice in the State of California. The Auditor will conduct annual audits of the Authority.

(b) **Other Staff.** The Board, Executive Committee or Program Administrator shall provide for the appointment of such other staff as may be necessary for the administration of the Authority.

(c) **Compensation.** The Program Administrator, the Treasurer, the Auditor and any other members of the staff or employees of the Authority shall be compensated in such manner as shall be approved by the Board as permitted by applicable law.

## ARTICLE 13

### ACCOUNTS AND RECORDS

(a) **Annual Budget.** The Authority shall adopt an operating budget pursuant to Article 7 of this Agreement. The Treasurer, in cooperation with the Program Administrator, shall prepare the annual or multi-year operating budget for review and approval by the Board of Directors as provided in Article 7 of this Agreement.

(b) **Funds and Accounts.** The Treasurer of the Authority or the Program Administrator shall establish and maintain such funds and accounts as may be required by good accounting practices and by the Board. Books and records of the Authority in the hands of the Treasurer or Program Administrator shall be open to inspection at all reasonable times by authorized representatives of the Members.

The Authority shall adhere to the standard of strict accountability for funds set forth in the Joint Powers Law.

(c) **Auditor's Report.** The Auditor, within one hundred and twenty (120) days after the close of each Fiscal Year, shall give a complete written report of all financial activities for such Fiscal Year to the Board and to each Member.

(d) **Annual Audit.** If then required by the Joint Powers Law, the Authority shall either make or contract with a certified public accountant to make an annual Fiscal Year audit of all accounts and records of the Authority, conforming in all respects with the requirements of the Joint Powers Law. A report of the audit shall be filed, if then required by law, as a public record with each of the Members and with the county auditor of the county or counties in which each of the Members is located. Costs of the audit shall be considered a general expense of the Authority.

## ARTICLE 14

### RESPONSIBILITIES FOR FUNDS AND PROPERTY

(a) **Custody of Authority Funds.** The Treasurer shall have the custody of and disburse the Authority's funds. Proceeds of bonds, certificates of participation or other similar obligations of the Authority may be deposited with an indenture trustee, agent or other depository and shall not be considered the Authority's funds for purposes of this Article. The Treasurer may delegate disbursing authority to such persons as may be authorized by the Board or the Executive Committee to perform that function, subject to the requirements of (b) below.

(b) **Duties of Treasurer.** The Treasurer shall perform all functions then required to be performed by the Treasurer under the Joint Powers Law. The Treasurer shall review the financial statements and the annual audit of the Authority.

(c) **Authority Property.** Pursuant to Government Code Section 6505.1, the Program Administrator, the Treasurer, and such other persons as the Board may designate shall have charge of, handle, and have access to the property of the Authority. The Authority shall secure and pay for a fidelity bond or bonds, in an amount or amounts and in form specified by the Board of Directors, covering all officers and staff of the Authority who are authorized to hold or disburse funds of the Authority and all officers and staff who are authorized to have charge of, handle and have access to property of the Authority.

## ARTICLE 15

### MEMBER RESPONSIBILITIES

Each Member shall have the following responsibilities:

(a) To appoint its director and alternate director to or remove its director and alternate director from the Board as set forth in Article 7.

(b) To consider proposed amendments to this Agreement as set forth in Article 23.

(c) To make contributions in the form of annual membership assessments and fees, if any, determined by the Board for the purpose of defraying the costs of providing the annual benefits accruing directly to each party from this Agreement.

(d) If a Member shall give written notice to the Authority of its election to relinquish its status as a Member and instead become an Associate Member or if a Member shall fail to be represented at three (3) or more successive meetings of the Board of Directors, then such Member shall be deemed to be an Associate Member upon action of the Board of Directors duly adopted to such effect. Promptly following any such action by the Board of Directors, such Member shall promptly deliver to the Authority an executed Associate Membership Agreement in the form and as further provided in the Bylaws. Such Associate Member status shall not relieve such Member from its obligations under any outstanding agreements relating to the Authority's bonds, certificates of participation or other obligations except in accordance with such agreements.

## ARTICLE 16

### NEW MEMBERS

With the approval of the Board any qualified Public Agency may become a party to this Agreement. A Public Agency requesting membership shall apply by presenting to the Authority a resolution of the Legislative Body of such Public Agency evidencing its approval of this Agreement. The date that the applying city will become a Member will be determined by the Board.

## ARTICLE 17

### WITHDRAWAL

A Member or an Associate Member may withdraw from membership in the Authority upon thirty (30) days advance written notice to the Authority. No such withdrawal, however, shall relieve such Member or such Associate Member from its obligations under any outstanding agreements relating to the Authority's bonds, certificates of participation or other obligations except in accordance with such agreements.

## ARTICLE 18

### OBLIGATIONS OF AUTHORITY

The debts, liabilities and obligations of the Authority shall not be the debts, liabilities and obligations of the Members. Any Member may separately contract for, or assume responsibility for, specific debts, liabilities or obligations of the Authority.

## ARTICLE 19

### TERMINATION AND DISTRIBUTION OF ASSETS

This Agreement may be terminated at any time that no bonds, certificates of participation or other similar obligations of the Authority are outstanding with the approval of two-thirds of the Members. Upon termination of this Agreement, all assets of the Authority shall, after payment of all unpaid costs, expenses and charges incurred under this Agreement, be distributed among the parties hereto in accordance with the respective contributions of each of said parties.

## ARTICLE 20

### LIABILITY OF BOARD OF DIRECTORS, OFFICERS AND COMMITTEE MEMBERS

The members of the Board of Directors, officers and committee members of the Authority shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Agreement. They shall not be liable for any mistake of judgment or any other action made, taken or omitted by them in good faith, nor for any action taken or omitted by any agent, employee or independent contractor selected with reasonable care, nor for loss incurred through investment of Authority funds, or failure to invest.

No director, officer or committee member shall be responsible for any action taken or omitted by any other director, officer or committee member. No director, officer or committee member shall be required to give a bond or other security to guarantee the faithful performance of his or her duties pursuant to this Agreement.

The funds of the Authority shall be used to defend, indemnify and hold harmless the Authority for any director, officer or committee member for their actions taken within the scope of the authority of the Authority. Nothing herein shall limit the right of the Authority to purchase insurance to provide such coverage as hereinafter set forth.

## ARTICLE 21

### BYLAWS

The Board may adopt Bylaws consistent with this Agreement which shall provide for the administration and management of the Authority. The provisions of the Bylaws, as modified from time to time, shall establish the operating procedures and standards for the Authority.

## ARTICLE 22

### NOTICES

The Authority shall address notices, billings and other communications to a Member as directed by such Member. Each Member shall provide the Authority with the address to which communications are to be sent. Members shall address notices and other communications to the Authority, at the office address of the Authority as set forth in the Bylaws.

## ARTICLE 23

### AMENDMENT

This Agreement may be amended at any time by vote of the Members, acting through their Legislative Bodies. Any amendment of this Agreement shall become effective upon receipt by the Authority of notice of the approval of such amendment by a majority of the Legislative Bodies of the Members.

## ARTICLE 24

### SEVERABILITY

Should any portion, term, condition, or provision of this Agreement be decided by a court of competent jurisdiction to be illegal or in conflict with any law of the State of California, or be otherwise rendered unenforceable or ineffectual, the validity of the remaining portions, terms, conditions, and provisions shall not be affected thereby.

## ARTICLE 25

### PROHIBITION AGAINST ASSIGNMENT

No Member may assign any right, claim or interest it may have under this Agreement, and no creditor, assignee or third party beneficiary of any Member shall have any right, claim or title to any part, share, interest, fund or asset of the Authority.

ARTICLE 26

AGREEMENT COMPLETE

This Agreement constitutes the full and complete agreement of the parties.

ARTICLE 27

ASSOCIATE MEMBERS

Any Public Agency may, with the approval of the Board of Directors, become an Associate Member of the Authority by executing and delivering to the Authority an Associate Membership Agreement in form and as further provided in the Bylaws. An Associate Member shall not be entitled to representation on the Board of Directors or to vote on any matter coming before the Board of Directors or the Authority. However, an Associate Member shall be entitled to participate in all programs and other undertakings of the Authority, including, without limitation, any Home Mortgage Financing Program, any financing under the Nonprofit Financing Law, any undertaking to finance the acquisition, construction, installation and/or equipping of public capital improvements, and any other financing program.

ARTICLE 28

FILING WITH SECRETARY OF STATE

The Program Administrator of the Authority shall file a notice of this Agreement with the office of the California Secretary of State within thirty (30) days of its effective date, as required by Government Code Section 6503.5 and within seventy (70) days of its effective date as required by Government Code Section 53051.

IN WITNESS WHEREOF, the undersigned party hereto has executed this Agreement on the date indicated below.

DATE: \_\_\_\_\_

CITY OF \_\_\_\_\_

By: \_\_\_\_\_

Its

Seal:

ATTEST:

\_\_\_\_\_

\_\_\_\_\_



- Amendment No. 1 - Authorized for distribution to member cities for approval on May 21, 1998
- Amendment No. 2 - Authorized for distribution to member cities for approval on May 21, 1998
- Amendment No. 3 - Authorized for distribution to member cities for approval on October 9, 2002
- Amendment No. 4 - Authorized for distribution to member cities for approval on June 9, 2004
- Amendment No. 5 - Authorized for distribution to member cities for approval on August 31, 2005
- Amendment No. 6 - Authorized for distribution to member cities for approval on June 21, 2006

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- Amendment No. 1 - Effective upon two-thirds of Legislative Bodies of member cities taking official action (August 20, 1998)
- Amendment No. 2 - Effective upon two-thirds of Legislative Bodies of member cities taking official action (August 20, 1998)
- Amendment No. 3 - Effective upon two-thirds of Legislative Bodies of member cities taking official action (February 27, 2003)
- Amendment No. 4 - Effective upon two-thirds of Legislative Bodies of member cities taking official action (October 27, 2004)
- Amendment No. 5 - Effective upon two-thirds of Legislative Bodies of member cities taking official action (May 3, 2006)
- Amendment No. 6 - Effective upon two-thirds of Legislative Bodies of member cities taking official action (\_\_\_\_\_)

## APPENDIX A

### MEMBERS

Baldwin Park  
Compton  
Hawthorne  
Hermosa Beach  
Huntington Park

Lynwood  
San Fernando  
South Gate  
Vernon

### ASSOCIATE MEMBERS

Alhambra  
Azusa  
Barstow  
Bell  
Bellflower  
Brea  
Carson  
Chino  
Claremont  
Colton  
Commerce  
Covina  
Downey  
Duarte  
El Monte  
Fontana  
Fresno  
Gardena  
Garden Grove  
Glendale  
Glendora  
Hawaiian Gardens  
Indio  
Inglewood  
La Habra  
La Puente  
Lakewood

Lancaster  
Lawndale  
Long Beach  
Los Angeles  
Monrovia  
Montebello  
Monterey Park  
Morgan Hill  
Norwalk  
Palmdale  
Paramount  
Pico Rivera  
Pomona  
Rancho Cucamonga  
Rialto  
Riverside  
Rohnert Park  
San Bernardino  
San Diego County  
San Juan Capistrano  
San Mateo County  
Santa Clarita  
Signal Hill  
Vista  
West Covina  
Whittier  
Yucaipa

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**RESOLUTION NO. 06-**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERMOSA BEACH,  
CALIFORNIA, APPROVING AMENDMENT NO. 6 TO JOINT POWERS AGREEMENT  
WITH THE INDEPENDENT CITIES LEASE FINANCE AUTHORITY AND  
PROVIDING OTHER MATTER PROPERLY RELATING THERETO**

**WHEREAS**, certain cities of the State of California (collectively, the "Members") have entered into a Joint Powers Agreement creating the Independent Cities Lease Finance Authority (the "Joint Powers Agreement"), establishing the Independent Cities Lease Finance Authority (the "Authority") and prescribing its purposes and powers; and

**WHEREAS**, the Board of Directors of the Authority has approved Amendment No. 6 to the Joint Powers Agreement, amending the Joint Powers Agreement to authorize the Authority to provide financing or refinancing of projects and programs which benefit Members and Associate Members;

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Hermosa Beach, California, as follows:

**SECTION 1. Approval of Amendment No. 6 to Joint Powers Agreement.** This City Council hereby approves Amendment No. 6 to Joint Powers Agreement and authorizes the Mayor or the Mayor Pro Tem to execute and the City Clerk to attest the Amendment No. 6, in substantially the form attached hereto as Exhibit A and incorporated herein by this reference.

**SECTION 2. Certification.** The City Clerk is hereby authorized and directed to certify to the adoption of this Resolution and to transmit a certified copy hereof and an executed copy of the Amendment No. 6 to the Independent Cities Lease Finance Authority.

**SECTION 3. Effective Date.** This Resolution shall take effect from and after the due date of its passage and adoption.

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**PASSED, APPROVED and ADOPTED** this \_\_\_\_ day of \_\_\_\_\_, 2006.

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**PRESIDENT** of the City Council and **MAYOR** of the City of Hermosa Beach, California

ATTEST:

APPROVED AS TO FORM:

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City Clerk

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City Attorney

**EXHIBIT A**

**AMENDMENT NO. 6  
TO THE  
JOINT POWERS AGREEMENT  
CREATING THE INDEPENDENT CITIES LEASE AUTHORITY**

**AMENDMENT NO. 6  
TO THE  
JOINT POWERS AGREEMENT  
CREATING THE INDEPENDENT CITIES LEASE AUTHORITY**

THIS AMENDMENT NO. 6 TO THE JOINT POWERS AGREEMENT CREATING THE INDEPENDENT CITIES LEASE FINANCE AUTHORITY (this "Amendment No. 6") by and among the CITY OF BALDWIN PARK, the CITY OF COMPTON, the CITY OF HAWTHORNE, the CITY OF HERMOSA BEACH, the CITY OF HUNTINGTON PARK, the CITY OF LYNWOOD, the CITY OF SAN FERNANDO, the CITY OF SOUTH GATE and the CITY OF VERNON, each a municipal corporation duly organized and existing under the laws of the State of California (collectively, the "Members");

**WITNESSETH:**

WHEREAS, the Members have entered into a Joint Powers Agreement Creating the Independent Cities Lease Finance Authority (the "Joint Powers Agreement"), establishing the Independent Cities Lease Finance Authority (the "Authority") and prescribing its purposes and powers; and

WHEREAS, the Board of Directors of the Authority has approved Amendment No. 6 to the Joint Powers Agreement, amending the Joint Powers Agreement to authorize the Authority to provide financing or refinancing of projects and programs which benefit Members and Associate Members;

NOW, THEREFORE, in consideration of the above premises and of the mutual promises herein contained, the Members do hereby agree as follows:

Section 1. Amendment No. 6. Article 6 of the Joint Powers Agreement, entitled "Powers of the Authority," is hereby amended by adding a new subsection (d) thereto to read as follows:

(d) In addition to the other powers provided herein, the Authority shall have any and all powers authorized by law to each of the parties hereto and separately to the public entity herein created relating to (i) economic development, including, without limitation, the promotion of opportunities for the creation and retention of employment, the stimulation of economic activity, and the increase of the tax base, within the jurisdictions of such parties; (ii) the issuance of bonds, notes or other evidences of indebtedness for the financing or refinancing of K-12 educational facilities to be utilized by a non-profit organization; and (iii) the issuance of assessment district bonds and bonds issued pursuant to the Mello-Roos Community Facilities Act of 1982;

Section 2. Joint Powers Agreement Effectiveness. Except as amended hereby, the Joint Powers Agreement and all provisions therein shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 6 to the Joint Powers Agreement Creating the Independent Cities Lease Finance Authority to be executed and attested by their proper officers thereunto duly authorized, on the day and year set forth below.

DATE: \_\_\_\_\_, 2006

CITY OF \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
City Clerk

STATE OF CALIFORNIA            )  
COUNTY OF \_\_\_\_\_        )ss.  
CITY OF \_\_\_\_\_            )

I, \_\_\_\_\_, City Clerk of the City of \_\_\_\_\_, certify that the foregoing resolution was adopted by the City Council of the City of \_\_\_\_\_ at a regular meeting held on the \_\_\_\_ day of \_\_\_\_\_, 2006.

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
\_\_\_\_\_, City Clerk