CITY OF LOS ANGELES

CALIFORNIA

RICHARD L. BENBOW
GENERAL MANAGER

COMMUNITY DEVELOPMENT
DEPARTMENT

1200 W. 7TH STREET
Los Angeles, CA 90017

INDUSTRIAL DEVELOPMENT AUTHORITY

6TH FLOOR
1200 W. 7TH STREET
LOS ANGELES, CA 90017
(213) 744-7111
(213) 744-9382 FAX

ANTONIO R. VILLARAIGOSA
MAYOR

Date

Company Contact
Company Name
Address
Address

RE: ________ Project

Dear Mr./Ms.:

Thank you for your interest in pursuing tax-exempt Industrial Development Bonds ("IDBs") financing through the Industrial Development Authority of the City of Los Angeles (the "IDA").

The IDA was formed in 1982 pursuant to State law by the Los Angeles City Council. It was established for the purpose of issuing bonds, both tax-exempt and taxable, as an incentive to encourage manufacturers to relocate to, remain in, and expand in the City of Los Angeles (the "City"), thereby creating and retaining jobs and preventing economic deterioration. The IDA is composed of seven appointed citizens, with administrative support provided through the City's Community Development Department.

The bond program has been very successful for the IDA, facilitating the issuance of over $3.1 billion in tax-exempt bonds over the past decade. In turn, this has helped to create and retain 24,000 jobs within the City. The types of companies financed included meat and poultry processors, aerospace and automotive parts manufacturers, commercial printing, wholesale/retail distribution centers, and parking structures. Over the past several years, the IDA has issued $40 million in IDBs. The IDA has significant experience in facilitating IDBs and has assembled a skilled team of professionals to ensure a timely, accurate and cost-effective issuance process. As one of the leading issuers in the State, the IDA looks forward to assisting you in pursuing this unique financing opportunity.

The IDA encourages you to submit _____________'s (the "Borrower") application for assistance in financing the ___________________ (the "Project"). Following receipt of this completed application and an application fee of $1,000 (or 0.03% of bond amount requested, whichever is higher), as well as staff review, an initial reimbursement resolution for your Project will be submitted to the IDA Board of Directors for consideration.

Pursuant to the IDA Board's approval of the reimbursement resolution, the following conditions shall apply:

1. Subject to conditions set forth below, the IDA will, upon further request of the Borrower, sell at one time or from time to time, its bonds to pay for costs associated with the Project;

2. The IDA, at its sole discretion, will have received satisfactory information concerning the Borrower and the Project. As mentioned previously, the IDA has assembled a team of professionals that can successfully and cost-effectively complete your transaction. A list of the IDA's team with a cost of issuance overview is attached ***(Attachment I)***. It is the IDA's policy that borrowers utilize the services of the designated finance team when issuing IDBs. However, if a substitution of a member of the team is requested, the Borrower is required to submit a letter identifying the professional, their background and rationale for the substitution. This request must be addressed to May M. Smith, Manager of the Industrial Development Authority, for consideration;

3. The adoption by the IDA of the reimbursement resolution or execution and delivery of this letter is not considered binding on any other agency of the City, the State or political subdivision of the City or State. Further, it should not be referred to in any required permission or authority to construct or operate the Project. Any such reference may be interpreted as misleading and a potential abuse of the IDA's procedures and process. Should this occur, the IDA maintains the right to terminate any proposed financing arrangement;

4. The Borrower shall pay the IDA any application and processing fees as may be required by the IDA and the State, and enter into formal documents in form and substance satisfactory to the IDA relating to the proposed Project;

5. The Borrower and the IDA shall agree to mutually acceptable and definitive terms for the sale and delivery of the bonds and mutually acceptable terms and conditions of a financing agreement from the IDA to the Borrower. The agreement will provide for payment by the Borrower of all amounts to pay the principal of, premium if any, and interest on the bonds and all costs of administering the bonds, such as bond trustee services, arbitrage calculations, etc. This would also include provisions to relieve the IDA from any and all costs, expenses, or liabilities from either the sale of the bonds, or the construction and operation of the Project;

6. As a condition to its obligation to issue bonds, the IDA must have received an allocation from the California Industrial Development Financing Advisory Commission (CIDFAC) or California Debt Limit Allocation Committee (CDLAC), and the Los Angeles City Council;

7. The Borrower agrees to execute and deliver the IDA's standard Hold Harmless and Indemnity Agreement. The Agreement must be written and returned to the IDA on the Borrower's letterhead ***(Attachment II)***;

8. The IDA shall have no obligation to proceed should any of the following occur:

   a. Failure of any of the conditions stated herein;

   b. A banking moratorium having been declared by Federal or State of California authorities or changes in money markets, economic conditions or applicable laws or regulations concerning taxation of interest on the bonds, making the financing of the Project impractical;

   c. Receipt by the IDA of an opinion from its bond counsel that the issuance of the bonds will adversely affect the credit of the City of Los Angeles or the State, or have a materially adverse result upon the market for City or State bonds; or

   d. Adoption by the IDA of a resolution declaring that it believes that the issuance and sale of such bonds or execution and delivery of a financing agreement is contrary to the public policies of the City or the State.

The IDA wishes to reiterate that adoption of the reimbursement resolution only indicates that the Project appears to generally meet certain criteria for eligibility and does not guarantee that it will ultimately approve the financing. Further, the reimbursement resolution is considered a non-transferable document and cannot be submitted for consideration to other issuers or borrowers unless approval by the IDA is granted.

Please note that adoption of the reimbursement resolution in no way allows for, or implies, compliance with Federal tax requirements. Final determination will be the responsibility of the Borrower who must work with bond counsel to determine eligibility for tax-exempt status. In preparation for this review, please complete and return the Wage and Fringe Benefits Questionnaire **(*Attachment III*)**. Upon determination that the Project meets Federal tax requirements, the Borrower's qualified costs generally can be recovered from bond proceeds.

To further assist you with the financing process, please find a list outlining the steps required in approval of your transaction ***(Attachment IV)***; plus all pertinent support documents ***(Attachments V – VIII)***.

Please signify your receipt of this letter by signing and returning it to the IDA.

May M. Smith, Manager
Industrial Development Authority
City of Los Angeles

Receipt Acknowledged:

[Company Name]

By: ____________________________

Title: ____________________________

Date: ____________________________

ATTACHMENT I

INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE
CITY OF LOS ANGELES

INDUSTRIAL DEVELOPMENT BOND ISSUANCE FEES:

	Bond Counsel		Disclosure Counsel		Financial Advisor	
Transaction	**IDBs/EZBs**	**Non-Profits**	**IDBs/EZBs**	**Non-Profits**	**Transaction**	**Fee**
$0 - $3 million	$33,000	$45,000	$10,000	$30,000	$0 - $4 million	$20,000
$3.1 - $5 million	$38,000	Fixed	Fixed	Fixed	$4 - $7 million	$36,000
$5.1 - $10 million	$48,000	Fixed	Fixed	Fixed	$7 million +	$50,000
$10 million +	$53,000	Fixed	Fixed	Fixed		

ESTIMATED ANNUAL ANCILLARY FEES:

Ancillary costs are determined by using a formula. The formula is made up of the following component parts and represented in the overall bond interest rate: (1) remarketing agent fee; (2) trustee fee, (3) rating agency fee; (4) miscellaneous administrative fee.

INDUSTRIAL DEVELOPMENT AUTHORITY FINANCE TEAM:

ISSUER
Industrial Development Authority
City of Los Angeles
1200 W. 7th Street, 6th Floor
Los Angeles, CA 90017
May M. Smith
(213) 744-9360 / (213) 744-9382 (fax)

FINANCIAL ADVISOR
Gardner, Underwood & Bacon LLC
12100 Wilshire Boulevard, Suite 430
Los Angeles, CA 90025
Lisa Smith
(310) 442-1200 / (310) 442-1208 (fax)

BOND COUNSEL
Kutak Rock LLP
515 South Figueroa Street, Suite 1275
Los Angeles, California 90071
Sam Balisy
(213) 312-4000 / (213) 312-4001 (fax)

Hawkins Delafield & Wood LLP
333 South Grand Avenue
Los Angeles, CA 90071
Arto Becker
(213) 236-9050 / (213) 236-9060 (fax)

Ronald E. Lee
Attorney at Law
803 Second Street, Suite G
Davis, CA 95616
(530) 756-1180 / (866) 736-4482 (fax)

ISSUER COUNSEL
City of Los Angeles
City Attorney
200 N. Main Street, 9th Floor
Los Angeles, CA 90012
Marilyn Garcia
(213) 978-7782 / (213) 978-7711 (fax)

Asian Pacific Revolving Loan Fund
1055 Wilshire Boulevard, Suite 900C
Los Angeles, CA 90017
Dan Sieu
(213) 989-3100 / (213) 353-4665 (fax)

Fulbright & Jaworski LLP
555 South Flower Street, 41st Floor
Los Angeles, CA 90071
Victor Hsu
(213) 892-9326 / (213) 892-9494 (fax)

Squire, Sanders, and Dempsey LLP
555 South Flower Street, 31st Floor
Los Angeles, California 90071
Harriet Welch
(213) 689-5158 / (213) 623-4581 (fax)

UNDERWRITERS
TBD

ATTACHMENT II

(Use Company Letterhead)

Industrial Development Authority
City of Los Angeles
1200 W. 7th Street, 6th Floor
Los Angeles, CA 90017

Ladies and Gentlemen:

________________ (the "Company") intends to submit an application to the Industrial Development Authority of the City of Los Angeles (the "IDA") requesting the IDA to issue its Industrial Development Bonds (the "Bonds") to assist the Company in financing the:

(1) Acquisition of real property located at __________________
(2) Development and construction costs of a new ____________
(3) Payment of capitalized interest and certain costs of issuance in connection with the Bonds (collectively, the "Project") to be issued by the IDA for the benefit of the Company.

The purpose of this letter is to set forth certain terms and conditions that the IDA requires before considering providing its assistance.

The Company understands that the IDA may enter into one or more contracts with certain individuals and firms to assist the IDA in the sale and issuance of the Bonds, including bond counsels, financial advisors, underwriters, trustees and any other experts the IDA may deem necessary (collectively, the "Finance Team").

By virtue of this letter, and in consideration of the foregoing, the Company hereby covenants and agrees as follows:

1. The Company agrees to pay all applicable costs involved in the issuance of the Bonds, from the proceeds of the sale of the Bonds or from other available sources, including, but not limited to: fees and expenses of the Finance Team; application and issuance fees of the California Industrial Development Financing Advisory Commission (CIDFAC) and the California Debt Limit Allocation Committee (CDLAC); and printing costs and fees of rating agencies. If the Bonds are not issued for any reason, the Company agrees to pay all fees and expenses involved with the Bonds, including, but not limited

to, those referred to above and a reasonable amount for the time and costs of the City Attorney and the Community Development Department.

2. The Company agrees to pay any and all costs incurred by the IDA or the City of Los Angeles (the “City”) in any legal or administrative action challenging the validity of any Bonds issued or contemplated to be issued as set forth herein or any action in which the issuance of any such Bonds is challenged.

3. The Company understands that either the IDA or the City may, in the sole discretion of either of them, determine not to proceed with the issuance of the Bonds for the Project identified in the reimbursement resolution. In contemplation of such understanding, the Company agrees to indemnify, defend and hold harmless the IDA, the members of its Board of Directors, the officers and employees of the City, from any and all claims, demands, causes of action, and liabilities arising or alleged to arise out of the issuance of the Bonds, the adoption of the reimbursement resolution, or the determination in the sole discretion of either or both such entities not to proceed with the issuance of the Bonds. This indemnity shall extend to any such claims which may be raised by the Company or by a related entity.

4. The Company understands that any money it pays to CIDFAC, CDLAC, the IDA or the City is at its own risk and that the decision to pay such money is at its sole discretion and represents an independent decision to proceed with the issuance of the Bonds and that neither the IDA nor the City is responsible for the Company’s decision, or any action of CIDFAC or CDLAC in connection with the disposition of amounts paid to such parties.

5. None of the rights, liabilities, or obligations of the Company as described herein is assignable by the Company to any third party.

Sincerely,

[Company Name]

By: ____________________________

Title: ____________________________

Date: ____________________________

ATTACHMENT III

EMPLOYEE WAGE AND FRINGE BENEFITS QUESTIONNAIRE

BACKGROUND ON THE LIVING WAGE ORDINANCE

On March 18, 1997, the Los Angeles City Council adopted the Living Wage Ordinance (the "Ordinance"). Designed to combat widespread poverty among the City's working poor, the Ordinance requires that all entities engaged in business transactions with the City comply with the Living Wage Ordinance and related policy. This includes any organizations entering into a contractual agreement, or those entities, both for-profit and non-profit, seeking direct financial assistance from the City. Compliance with the policy occurs when an organization's lowest paid personnel earns at least $10.30 per hour with fringe benefits, or $11.55 per hour without fringe benefits. These hourly rates are determined by annual cost of living adjustments and are subject to change.

On May 11, 1999, the Los Angeles City Attorney determined that industrial development bonds and other conduit financing are not subject to the Living Wage Ordinance. This is because the financing under consideration is not direct financial assistance by the City. Instead, the City merely serves as the conduit issuer of the bonds in order that they may be exempt from Federal and State income taxes to those private investors that ultimately invest in the project.

However, in keeping with the spirit of the Living Wage policy, the City's Industrial Development Authority (the "IDA") strongly encourages those companies seeking industrial development bond financing and/or a Subordinate Loan to comply with the Ordinance.

As a result of these factors, and because of the IDA's sensitivity to fostering sustainable, career-oriented employment, prospective borrowers are asked to provide the information required below. Should you have any questions please contact IDA staff at (213) 744-7111.

WAGES & STAFFING

Following is a table to be completed that reflects your current and future employee base identified by managerial, skilled, semi-skilled and unskilled positions. Under the column heading entitled "Hourly Wage Range", please provide the range of wages associated with each particular employee group from lowest-paid to highest-paid worker. In addition, please provide the average hourly wage for each employee group, the current number of workers employed by your organization, and the number estimated to be employed twelve (12) and twenty-four (24) months after bonds are issued.

Position	***Hourly Wage Range***	***Average Hourly Wage***	***Current Employees***	***Employees 12 Mo. After Bond Issue***	***Employees 24 Mo. After Bond Issue***
Managerial	$___ - $___	$_____			
Skilled	$___ - $___	$_____			
Semi-Skilled	$___ - $___	$_____			
Unskilled	$___ - $___	$_____			
TOTAL					

FRINGE BENEFITS

Along with wages, the City's Living Wage policy also identifies fringe benefits provided to workers as an important consideration. As mentioned previously, if employers are paying full-time workers a salary that is under $11.55 per hour, a review of the fringe benefits paid is initiated. In determining conformity with this portion of the Ordinance, the City has identified $1.25 per hour of benefits paid by the employer to employees and their dependants as a minimum threshold.

The exercise below is geared toward identifying the types of fringe benefits available to your current employees and presumably, those you intend to hire as a result of this financing. Please check off all benefits available. If you provide a benefit to your employees that is not identified below, please check "Other" and briefly explain.

____ Medical care ____ Dental care ____ Vision care
____ Life insurance ____ Paid vacation ____ Paid holidays
____ Personal days ____ Retirement plan ____ Cafeteria plan
____ Disability insurance ____ Maternity leave ____ Sick leave
____ Other (Explain): ____

The information provided above is true and accurate to the best of my knowledge.

[Company Name]

By: ____________________________

Title: ____________________________

Date: ____________________________

ATTACHMENT IV

INDUSTRIAL DEVELOPMENT AUTHORITY
CITY OF LOS ANGELES
INDUSTRIAL DEVELOPMENT BOND PROGRAM PROCEDURES

1. Contact between borrower and IDA staff from marketing efforts, referrals, etc.

2. Send out agreement letter with attachments (cost of issuance overview, Hold Harmless and Indemnity Agreement, Living Wage and fringe benefit analysis, IDB project questionnaire, project sources and uses, miscellaneous documents request and IDB program procedures)

3. Inform the finance team of the borrower's interest. Notify the Mayor's and Council Office.

4. Staff and financial advisor answer questions, finance team meets; discussions about eligibility of activities and tax issues. Prepare the necessary application packages; identify any environmental problems and mitigating measures.

5a. Borrower submits completed IDA and State applications on appropriate forms.

5b. Commitment from credit enhancement provider submitted.

5c. Submit a signed Hold Harmless Agreement letter on company stationery.

5d. Complete and submit the IDB Project Questionnaire.

5e. Complete and submit the project sources and uses questionnaire.

6. Staff issues letter acknowledging receipt of application.

7. Staff forwards copy of letter to finance team.

8. Staff and finance team evaluate the application.

9. IDA schedules public meeting, considers and adopts a reimbursement resolution.

10. TEFRA hearing is conducted.

11. Application is sent to State Treasurer's Office with application fee seeking approval.

12. Allocation is awarded; proceed to issue bonds.

13. Bond finance package, including offering/disclosure document, is submitted to IDA for approval.

14. Application submitted for Subordinate Loans Revolving Special Fund, if applicable.

15. Staff evaluates loan application.

16. IDA schedules public meeting, considers and approves the bond financing package, including any offering/disclosure documents and loan request, if applicable.

17. City Council Committee considers and approves the bond financing and loan request, if applicable.

18. City Council considers and approves the bond financing and loan request, if applicable.

19. Mayor concurs with Council action.

20. Transaction closing.

21. Post-closing assistance
    Arbitrage calculations
    Disclosure updates/audited financials
    Annual report from trustee
    Status of loan disbursements, loan payments
    Annual monitoring of job creation

INDUSTRIAL DEVELOPMENT BOND PROJECT QUESTIONNAIRE

This Project Questionnaire is intended to elicit certain information with respect to the proposed financing of the Project with the proceeds of a qualified small-issue private activity bond (the “Bonds”). Responses to these questions will help us determine the appropriate sizing of the bond issue for purposes of complying with the Internal Revenue Code of 1986, as amended (the “Code”). Accordingly, bond counsel will rely on the information provided in this Project Questionnaire, among other matters, in delivering its opinion as to the exclusion from gross income for federal income tax purposes of interest on the Bonds. Capitalized terms have the meanings ascribed thereto in the Definitions section of the Project Questionnaire. If you have any questions regarding the information requested herein, please contact IDA Staff at (213) 744-7111.

Information Related to the Land and Allocation of Building Space

The following information is intended to ensure that 75% of the net proceeds of the Bonds (after deducting costs of issuance) is used for the purpose of financing the costs of core manufacturing facilities and equipment, as required by the Code. Core manufacturing facilities and equipment constitute those portions of the financed Project used to actually manufacture or process the product. For example, a piece of equipment that is used in the production process would constitute core manufacturing equipment. Similarly, the portions of the building used to manufacture or process the product would constitute core manufacturing facilities, as would other portions of the building used for product staging and finishing work.

No more than 25% of the net proceeds of the Bonds may be used to finance directly related and ancillary facilities and equipment. For example, storage space and similar portions of the building may be financed with Bond proceeds only to the extent that the amount of Bond proceeds allocated to these facilities does not exceed 25% of the net proceeds of the Bonds. In addition, these ancillary facilities must be necessary for the day-to-day operations of the manufacturing facility, and not for use in connection with other non-manufacturing functions carried out at the facility, such as marketing, sales and support for other locations. Only a *de minimis* amount of the office space financed with Bond proceeds may be used for other than day-to-day operations of the manufacturing facility. Construction contracts that differentiate between costs to construct manufacturing space and office space would be helpful to ensure a proper allocation of construction costs to core and ancillary categories.

1. Please provide the cost and the amount of land to be acquired for the Project.

____

In the event that land, and buildings are being acquired in a single transaction, we will need to segregate the cost of the land and the cost of the building and other improvements for purposes of allocating Bond proceeds in order to ensure that no more than 25% of the Bond proceeds are used to acquire land or an interest in land. An appraisal of the acquired property can generally facilitate this analysis. Please provide us with a copy of an appraisal of the property or, alternatively, an opinion of an appraiser of the relative values of the land and buildings.

2. Provide square footage for the proposed buildings for each of the following categories:

(i) manufacturing/processing/product staging area: _________

(ii) warehousing of raw material and finished goods: _________

(iii) offices: _________

(iv) cafeteria, restrooms, general support, etc.: _________

(v) other (please explain): _________

Total Building Square Footage: _________

3. Provide in an attachment a detailed breakdown of the total costs associated with the Project, including the specific type of equipment to be purchased with the proceeds of the Bonds, if any. Please keep in mind that only costs paid or incurred within 60 days prior to the date of the adoption of the reimbursement resolution are eligible for financing with proceeds of the Bonds.

Note: Property acquired with proceeds of the Bonds must be depreciated using straight-line depreciation instead of any accelerated depreciation method use for tax purposes.

Prior Issues and $40 Million Limit (See Definitions on page 16)

4. The aggregate face amount of all ***prior issues*** outstanding as of the **d*ate of issuance***, the proceeds of which were or will be used to any extent with respect to facilities located in the incorporated municipality (or unincorporated county) in which the ***facilities*** are located and the ***principal users*** of such facilities are the borrower, any other ***principal user*** of the ***facilities*** or any ***related person*** thereto, is $________.

5. The aggregate face amount of all prior issues and all exempt facility bonds, qualified redevelopment bonds and industrial development bonds as defined in the Internal Revenue Code of 1954 or the Code outstanding as of the date of issuance, the proceeds of which were used by or were allocated to the borrower, any other principal user of the facilities or any related person thereto as a test-period beneficiary is $__________.

Additional Questions

6. Will the ***principal user*** or any ***related person*** use any molds, tools, dyes or the like within the jurisdiction in which the Project is located that have been paid for by a customer within three years prior to the ***date of issuance*** or will be paid for within three years after the ***date of issuance***?

____ Yes ____ No If Yes, specify amount: ______________

7. Will the ***principal user*** or any ***related person*** be relocating equipment paid for within three years prior to the ***date of issuance*** from a different jurisdiction to the jurisdiction where the Project is located?

____ Yes ____ No If Yes, specify amount: ______________

8. Are there any research and development expenses paid or incurred during the period commencing three years prior to the ***date of issuance*** and ending three years after the ***date of issuance*** that are other than wages and supplies for which a deduction is allowed under Section 174(a) of the Code attributable to the products to be produced at the Project (even if such expenditures are paid or incurred in a different jurisdiction)?

____ Yes ____ No If Yes, specify amount: ______________

9. Will any unrelated person or entity be using or leasing the Facilities?

____ Yes ____ No

If Yes, provide details: ____

Costs of Issuance

It is important to keep in mind that no more than two percent (2%) of the bond proceeds may be used to pay the costs of issuing the Bonds, including the fees and expenses of the issuer, the underwriter, bond counsel, trustee, financial advisor, rating agency, bank counsel and other related costs. The borrower must be diligent in monitoring the costs of issuance paid for with bond proceeds because exceeding this limit would result in the loss of the tax-exemption of the interest on the Bonds.

Definitions

The following definitions are central to a complete analysis of the tax qualification of the Project and the borrower, which are intended to assist you in responding to the questions contained in this Tax Questionnaire.

"Capital Expenditure" means any cost of a type that is for the acquisition, construction, reconstruction or improvement of land or property of a character subject to the allowance for depreciation. For example, costs incurred to acquire, construct, reconstruct or improve land, buildings and equipment generally are ***Capital Expenditures***. Whether an expenditure is a capital expenditure is determined at the time the expenditure is paid with respect to the property. Future changes in law do not affect whether an expenditure is a ***Capital Expenditure***.

"Capital Project" means all ***Capital Expenditures*** that carry out the governmental purpose of the Bonds. For example, a ***Capital Project*** may include ***Capital Expenditures*** for one or more building improvements or equipment, plus related capitalized interest paid or accrued prior to the in-service date for the ***Capital Project***.

"Date of Issuance" means the date the Bonds are issued.

"Facilities" means the ***Manufacturing Facility*** to be financed or refinanced with the proceeds of the Bonds as described in the application to the issuer.

"Manufacturing Facility" means a ***Capital Project*** that is used in the manufacturing or production of tangible personal property (including the processing resulting in a change in the condition of such property) including facilities that are directly related and ancillary to a ***Manufacturing Facility*** if such directly related and ancillary facilities are located on the same site as the ***Manufacturing Facility*** and not more than 25 percent of the proceeds of an issue that finances the ***Manufacturing Facility*** are used to provide such directly related and ancillary facilities.

"Principal User" means a person who is a principal owner, principal lessee, a principal output purchaser of "other" principal user and any ***Related Person*** to a ***Principal User***. A principal owner is a person who at any time holds more than a ten percent (10%) ownership interest (by value) in a facility or, if no person holds more than a ten percent (10%) ownership interest, then the person (or persons in the case of multiple equal owners) who holds the largest ownership interest in the facility. A person is treated as holding an ownership interest if such person is an owner for federal income tax purposes generally. A principal lessee is a person who at any time leases more than ten percent (10%) of the facility (disregarding portions used by the lessee under a short-term lease). The portion of a facility leased to a lessee is generally determined by reference to its fair rental value. A short-term lease is one which has a term of one year or less, taking into account all options to renew and reasonably anticipated renewals. A principal output purchaser is any person who purchases output of a facility, unless the total output purchased by such person during each one-year period beginning with the date such facility is placed in service is ten percent (10%) or less of such facility=s output during each such period. An “other” principal user is a person who enjoys the use of a facility (other than a short-term use) in a degree comparable to the enjoyment of a principal owner or a principal lessee, taking into account all the relevant facts and circumstances, such as the person’s participation in control over use of such facility or its remote or proximate geographic location.

“Prior Issues” means any issue of tax-exempt obligations (whether or not the issuer of each issue is the same) to which Section 103(b)(6) of the Internal Revenue code of 1954 or Section 144(a) of the Code applies.

“Related Person” means any person if (i) the relationship to such person would result in a disallowance of loss under Sections 267 or 707(b) of the Code or (ii) such person is a member of the same controlled group of corporations (as defined in Section 1563(a) of the code, except that “more than 50 percent” shall be substituted for "at least 80 percent" each place it appears therein).

“Test-Period Beneficiary” means any person who is an owner or a ***Principal User*** of facilities financed by an issue or issues of tax-exempt obligations issued under the Internal Revenue Code of 1954 or the Code during the three-year period beginning on the later of the date such facilities were placed in service, or the date of issuance for such issue or issues of tax-exempt obligations. For purposes of determining whether a person is a ***Test-Period Beneficiary***, all persons who are ***Related Persons*** shall be treated as one person.

The undersigned certifies that the information provided in this Project Questionnaire is complete and accurate and may be relied upon by the Industrial Development Authority of the City of Los Angeles in connection with the issuance of Bonds for your project.

[Company Name]

By: ______________________________

Title: ______________________________

Date: ______________________________

ATTACHMENT VI

INDUSTRIAL DEVELOPMENT AUTHORITY
CITY OF LOS ANGELES
MISCELLANEOUS DOCUMENTS REQUEST

Listed below are additional items that will need to be returned in order to complete your application to the Industrial Development Authority (the “IDA”). Please note, though the information requested reflects those items needed to submit a completed application to the IDA, further information will be needed as your project is prepared for submission to the California Industrial Development Financing Advisory Commission (CIDFAC) for consideration.

1. Business background and history.

2. Detailed project description.

3. Last three (3) CPA audited year-end financial statements and tax returns (all signed and dated); and a current interim financial statement of the Borrower.

4. Credit commitment letter from the letter of credit/private placement lending institution.

5. Application fee of $1,000, or 0.03% of bond amount requested, whichever is higher.

6. Council District support letter.

7. Detailed list of current customers and percentage of concentration of top three customers.

8. Copy of escrow/sales agreement for property you are considering purchasing.

9. Copy of appraisal for property to be purchased.

10. Copy of Phase I Environmental Assessment Report for property to be purchased.

ATTACHMENT VII

Please answer the following questions as thoroughly as possible. The questions below are part of the application that will go before the Industrial Development Authority (IDA) of the City of Los Angeles and the California Industrial Development Financing Advisory Commission (CIDFAC) for review and approval. Your answers should be returned to the IDA as soon as possible to ensure timely approval of your project's reimbursement resolution. Should you have any questions, please contact IDA Staff at (213) 744-7111.

A. Answer the following questions for the Borrower and/or User of the facility, if different:

1. Official business name, address, telephone number, fax number, e-mail address and contact person:

2. Any "Doing Business As" names:

3. Address of Borrower's headquarters, if different from address in A1 above:

4. Other operating locations in California:

B. Complete the following questions regarding the Borrower (the operating company/corporation):

1. Officers of the corporation:

2. Major shareholders (10% or more):

3. Date and place of incorporation:

4. For publicly held corporations, stock exchange on which the company is listed. If traded over the counter or on NASDAQ, please indicate the market makers:

5. Federal Tax Identification Number for the Borrower, including IRS office where tax returns are filed:

6. Standard Industrial Code (SIC) Number or the North American Industry Classification System (NAICS) of the Borrower and User of the facility (this can be obtained from the Borrower's CPA):

7. Description of principal products and/or services:

8. Description of present physical facilities, including size and use of facility:

9. If the Borrower or User is an owner, subsidiary or affiliated directly or indirectly with any other business or organization, indicate the relationship:

C. Answer the following questions regarding the Project:

1. Project Name:

2. Project Street Address:
City:
County:
Zip:

3. Description of the current improvements on the Project Site, including age, current use and size. If Project Site is vacant, please state so:

4. Does the Borrower currently own the Project Site (YES or NO):

5. If the Borrower does not own the site, attach a copy of the escrow agreement, lease agreement, options or other evidence the Borrower's plan to acquire the site. If the Borrower owns the site, please attach ownership documents.

D. Proposed Project Description:

1. Description of Project, including whether it constitutes a renovation or new construction, the number of square feet to be constructed/renovated, the type of equipment being purchased and any other pertinent information.

2. Estimated time of construction or renovation, including start date and completion date.

3. Principal products, uses and activities of Project, including SIC or NAICS Code of activity to be financed.

4. Estimated useful life of buildings and/or equipment.

5. Brief narrative describing purpose of project, explaining business rationale and economic benefits to be achieved from the project.

6. Will construction of the Project, or completion of the Project, have any adverse environmental impact, including additional waste disposal? If "YES", please describe:

7. Please estimate types and costs of new public services or infrastructure improvements required by the Project, including utility upgrades and street improvements, and provide estimates below:

8. Relocation: If financing is required for relocation of a facility within the State of California, please answer the following:

    a. Relocation is due to the following:
        i. An inadequacy of the existing facility.
        ii. A significant change in the company's operations that would require a different location.
        iii. A building moratorium where the existing facility is located.
        iv. Expiration of the existing lease and proof that it cannot be renewed on reasonable economic terms.
        v. An economic need to move closer to the company's customers or supplies

vi. Inability to find adequate expansion space in the existing community.

b. Whether the Borrower/User will retain its current employees at the new facility. If so, describe the steps the company will take to mitigate the effects of relocation on its current employees.

c. Whether the relocation is necessary to prevent the relocation of substantial operations of the company outside the State, or the abandonment of substantial operations of the company.

E. Legal status of Borrower:

1. Has the Borrower filed for bankruptcy, defaulted on a loan or been foreclosed against in the past ten (10) years? If so, please explain.

2. Is the Borrower currently a party to any civil litigation, which may materially affect the financial condition of the Borrower's business? If so, please explain.

3. Have there been any administrative or civil settlements or judgments against the Borrower within the prior ten (10) years, which materially affected the financial condition of the Borrower's business? If so, please explain and state the amount.

4. Is the Borrower currently subject to any civil proceeding or investigation by a licensing or accreditation agency or by a State or Federal taxing authority? In the last ten (10) years, has the Borrower been subject to any civil proceeding or investigation by a licensing or accreditation agency or by a State or Federal taxing authority that resulted in a settlement, decision, or judgment? If yes to either question, please explain.

5. Is the Borrower currently subject to any criminal litigation, which may materially affect the financial condition of the Borrower's business? If so, please explain.

6. Is the Borrower currently subject to any criminal proceeding or investigation by a licensing or accreditation agency or by a state or federal taxing authority? In the last ten (10) years, has the Borrower been subject to any criminal proceeding or investigation by a licensing or accreditation agency or by a State or Federal taxing authority that resulted in a settlement, decision, or judgment? If yes to either question, please explain.

7. Have there been any criminal settlements, convictions, or judgments against the Borrower within the prior ten (10) years, which materially affected the financial condition of the Borrower's business? If so, please explain and state the amount.

8. Within the last ten (10) years, has the Borrower been convicted of any felony?

9. Within the last ten (10) years, has the Borrower been convicted of any misdemeanor related to the program to which the Borrower is applying or any financial or fraud related crime (e.g. embezzlement)? If so, please explain.

ATTACHMENT VIII

PROJECT SOURCES AND USES

Costs of the Project. State the total costs associated with the acquisition of the site and construction/rehabilitation of the proposed project, including any utilities and proposed machinery and equipment purchases. Separate the costs based on their financing sources. The first column should total the tax-exempt bond amount, the second column should show any taxable bond expenditures, while the third column should total the subordinate loan amount (used only if you require these funds to close a gap in your financing). The fourth column should total all other sources including equity. The sum of all four columns should equal the total project cost.

	Paid From Tax Exempt Bond Proceeds	**Paid From Taxable Bond Proceeds**	**Paid From Subordinate Loan**	**Paid From All Other Sources**
Acquisition of Land[1]				
Acquisition of Existing Buildings				
Fees and Other Charges Related to Sale				
Rehabilitation of Existing Building(s)				
Site Preparation				
Construction of New Building(s)				
Utilities Connection				
Acquisition and Installation of Used Equipment				
Acquisition and Installation of New Equipment				
(a) Invoice				
(b) Installation				
(c) Other (please explain)				
Engineering/Architecture				
Legal, Permits, etc.				
Bond Issuance Expenses[2] (including discount)				
Letter of Credit or Bond Insurance Fee				
Interest During Construction From June 1 to December 31				
Interest Income During Construction From __________ to __________				
Other (please explain)				
	Total T/E Bond Amount	**Total Tax Bond Amount**	**Total Sub Loan Amount**	**Total Other Costs**

1. Only 25% of tax-exempt bond proceeds may be applied to the acquisition of land. This cost includes the cost of demolition of any existing buildings.
2. Total of issuance expenses paid from tax-exempt bond proceeds cannot exceed 2% of face amount of bonds.

NOTE: Project costs may not include working capital, moving expenses, inventory or assumption, repayment or refinancing of existing indebtedness other than construction loans.