



INDEPENDENT CITIES FINANCE AUTHORITY

MEMBER CITIES

- Alhambra
- Apple Valley
- Azusa
- Baldwin Park
- Barstow
- Bell
- Bellflower
- Brea
- Capitola
- Carson
- Chino
- Claremont
- Colton
- Commerce
- Compton
- Covina
- Downey
- Duarte
- El Monte
- Fairfield
- 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
- Morroville
- Montclair
- Montebello
- Monterey Park
- Morgan Hill
- Norwalk
- Oceanside
- Palmdale
- Palm Springs
- Paramount
- Pico Rivera
- Planada Community Services District
- Pomona
- Rancho Cucamonga
- Rialto
- Riverside
- Rohnert Park
- Saines
- San Bernardino
- San Bernardino County
- San Diego County
- San Fernando
- San Juan Capistrano
- San Marcos
- San Mateo County
- Santa Anita
- Santa Rosa
- Signal Hill
- South Gate
- Vernon
- Vista
- West Covina
- Whittier
- Yucaipa

BOARD MEMBERS

OFFICERS

- Mike McCormick, President
Vernon
- Mario Gomez, Vice President
Huntington Park
- Stephen Ajibiewe, Treasurer
Compton

DIRECTORS

- Ricardo Pacheco, Baldwin Park
- G. Harold Duffley, Compton
(Vacant), Hawthorne
- Peter Tucker, Hermosa Beach
- Jim Morton, Lynwood
- Sylvia Ballin, San Fernando
- Gal Hurtado, South Gate

Secretary/Program Administrator

- Debbie Smith
- General Legal Counsel
- Scott Campbell
- Best Best & Krieger, LLP

INDEPENDENT CITIES FINANCE AUTHORITY
 Annual Meeting Of The Board Of Directors
 Annual Meeting Of The Executive Committee

Wednesday, July 31, 2013
 12:00 noon

NOTE LOCATION

Vernon City Hall
 Conference Room 5
 4305 Santa Fe Avenue
 Vernon, CA 90058

MEETING AGENDA

STAFF REPORTS AND OTHER WRITTEN DOCUMENTS RELATED TO ITEMS ON THIS AGENDA CAN BE OBTAINED FROM THE INDEPENDENT CITIES FINANCE AUTHORITY BY CALLING (877) 906-0941.

FOR YOUR INFORMATION: The Authority Board/Executive Committee will hear from the public on any item on the agenda or an item of interest to the Board/Executive Committee that is not on the Agenda. These items may be referred for administrative action or scheduled on a future Agenda. Comments are to be limited to three minutes for each speaker, unless extended by the Authority Board. Each speaker will have an opportunity to speak on any Agenda item. You have the opportunity to address the Authority Board at the following times.

- A. **AGENDA ITEM:** at the time the Authority Board considers the Agenda item or during Public Comment, and
 - B. **NON-AGENDA ITEMS:** during Public Comment - comments will be received for a maximum 30-minute period; any additional requests will be heard following the completion of the Agenda.
 - C. **PUBLIC HEARINGS:** at the time of the Public Hearing
- I. CALL TO ORDER. (Page 4)**
- II. ROLL CALL. (Page 4)**
- | | |
|--|---|
| <ul style="list-style-type: none"> City of Baldwin Park City of Compton City of Hawthorne City of Hermosa Beach City of Huntington Park | <ul style="list-style-type: none"> City of Lynwood City of San Fernando City of South Gate City of Vernon |
|--|---|

III. AMENDMENTS OR ADJUSTMENTS TO THE AGENDA. *(Page 4)*

IV. PUBLIC COMMENT. At this time the public shall have an opportunity to comment on any non-agenda item relevant to the jurisdiction of the Authority. Reasonable time limits are imposed on each topic and each speaker. In accordance with the provisions of the Ralph M. Brown Act (GC § 54950 et seq.), no action or discussion may take place by the Board on any item not on the posted agenda. The Board may respond to statements made or questions asked, and may direct staff to report back on the topic at a future meeting. *(Page 5)*

V. NEW BUSINESS.

- A. Approval Of Minutes Of The April 10, 2013 Board of Directors Meeting. *(Pages 5 & 19-23)*
RECOMMEND APPROVAL
- B. Report On Status Of Member (Voting) Cities. *(Page 6)*
INFORMATION ONLY
- C. Report On The ICFA *Advantage* Down Payment Assistance Program And Report On Recent ICFA Webinar Related Thereto. *(Pages 6-7 & 24-26)*
INFORMATION ONLY
- D. Discussion And Conceptual Approval Of An ICFA Sponsored Municipal Street Lighting Program. *(Pages 7-9)*
RECOMMEND APPROVAL
- E. Discussion And Continuation Of ICFA's Community Outreach Program. *(Page 10)*
RECOMMEND CONTINUATION
- F. Discussion And Approval Of Training For ICFA Board Members. *(Page 11)*
RECOMMEND APPROVAL
- G. Approval/Adoption Of First Amendment To Legal Services Agreement Between The Independent Cities Finance Authority and Best Best & Krieger LLP. *(Pages 11-12 & 27-28)*
RECOMMEND APPROVAL/ADOPTION
- H. Approval/Adoption Of Administrative Services Agreement Between The Independent Cities Finance Authority and Smith, Alvarez & Castillo, Inc. *(Pages 12-13 & 29-43)*
RECOMMEND APPROVAL/ADOPTION
- I. Approval/Adoption Of Amendments To The ICFA Joint Powers Agreement And Bylaws, And Authorization To Distribute Proposed Amendments To ICFA Member Cities. *(Pages 13-14 & 44-74)*
RECOMMEND APPROVAL/ADOPTION
- J. Approval/Adoption Of A Budget For The 2013-14 Fiscal Year And An Investment Policy For The Same Period. *(Pages 14-15 & 75-79)*
RECOMMEND APPROVAL/ADOPTION

- K. Approval/Adoption Of Resolution 2013-5 (A Resolution Of The Board Of Directors Of The Independent Cities Finance Authority Naming And Appointing Certain Officers And Staff). (Pages 15 & 80-83) *RECOMMEND APPROVAL/ADOPTION*
- L. Appointment/Election Of Executive Committee Members For A Two-Year Term. (Page 16) *RECOMMEND APPOINTMENT/ELECTION*
- M. Report Of Projects/Activities. (Pages 16-17) *INFORMATION ONLY*

VI. COMMENTS FROM BOARD MEMBERS. (Page 17)

VII. MATTERS FROM STAFF. (Page 17)

VIII. ADJOURNMENT. (Page 17)

The public shall have an opportunity to comment on any item as each item is considered by the Board/Executive Committee and prior to action being taken. Agenda Reports are available at the Independent Cities Finance Authority office upon request by calling (877) 906-0941.

NOTICE: New items will not be considered after 2:00 p.m. unless the Board of Directors/ Executive Committee votes to extend the time limit. Any items on the agenda that are not completed will be forward to the next regular Board of Directors/Executive Committee meeting.

IN COMPLIANCE WITH THE AMERICAN DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN THIS MEETING, PLEASE CONTACT THE INDEPENDENT CITIES FINANCE AUTHORITY AT (877) 906-0941. NOTIFICATION 48 HOURS PRIOR TO THE MEETING WILL ENABLE THE INDEPENDENT CITIES FINANCE AUTHORITY TO MAKE REASONABLE ARRANGEMENTS TO ENSURE ACCESSIBILITY TO THIS MEETING.

NOTE TO CITY CLERKS:

Please post this Meeting Notice in three separate locations, just as you would a City Council agenda.

INDEPENDENT CITIES FINANCE AUTHORITY

ANNUAL MEETING OF THE BOARD OF DIRECTORS
ANNUAL MEETING OF THE EXECUTIVE COMMITTEE

July 31, 2013 - 12:00 noon

AGENDA SUMMARY

I. CALL TO ORDER.

II. ROLL CALL.

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

A roll call of the following member cities will be conducted:

City of Baldwin Park	City of Lynwood
City of Compton	City of San Fernando
City of Hawthorne	City of South Gate
City of Hermosa Beach	City of Vernon
City of Huntington Park	

C. RECOMMENDATION:

None.

III. AMENDMENTS OR ADJUSTMENTS TO THE AGENDA.

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

None.

C. RECOMMENDATION:

None.

IV. PUBLIC COMMENT.

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

At this time the public shall have an opportunity to comment on any non-agenda item relevant to the jurisdiction of the Agency. Reasonable time limits are imposed on each topic and each speaker. In accordance with the provisions of the Ralph M. Brown Act (GC §54950 et seq.), no action or discussion may take place by the Board on any item not on the posted agenda. The Board may respond to statements made or questions asked, and may direct staff to report back on the topic at a future meeting.

C. RECOMMENDATION:

None.

V. NEW BUSINESS.

A. APPROVAL OF MINUTES OF THE APRIL 10, 2013 BOARD OF DIRECTORS MEETING.

A. MATERIAL ENCLOSED: (PAGES 19-23)

Minutes of the April 10, 2013 Board of Directors meeting.

B. COMMENTS:

None.

C. RECOMMENDATION:

Approve the minutes of the April 10, 2013 Board of Directors meeting.

B. REPORT ON STATUS OF MEMBER (VOTING) CITIES.

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

Due to lack of attendance, correspondence was recently sent to the cities of Compton, Hawthorne, Hermosa Beach and San Fernando giving them the option of participating as an active voting member or becoming an associate member (non-voting). In response to the correspondence sent, the cities of Compton and San Fernando have taken the necessary steps to appoint a voting delegate and alternate who will attend future ICFA Board meetings.

It should be noted that the Joint Powers Agreement states as follows: "...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."

C. RECOMMENDATION:

Welcome representatives from the cities of Compton and San Fernando.

C. UPDATE ON THE ICFA ADVANTAGE DOWN PAYMENT ASSISTANCE PROGRAM AND REPORT ON RECENT ICFA WEBINAR RELATED THERETO.

A. MATERIAL ENCLOSED: **(PAGES 24-26)**

Power Point presentation on the ICFA Advantage Down Payment Assistance Program.

B. COMMENTS:

An ICFA *Advantage* Down Payment Assistance Program was approved by the Board of Directors on April 10, 2013. As a Joint Powers Authority, ICFA is empowered by the Department of Housing and Urban Development to provide homebuyers in member cities with down payment and/or closing cost assistance. Features of the program are as follows:

- Available for both new and existing properties
- Grants of up to 3% of the final loan amount
- An additional 1% in closing cost assistance
- Assistance is NOT limited to first-time homebuyers
- Eligibility is based on credit score and qualifying income

Through the *Advantage* program, the \$25,000 average required at closing drops to about \$10,000.

With the approval of General Legal Counsel, all documents have been executed. The authorized lender for this program is InterCap Lending, Suburban Mortgage Company will be the Servicer, U.S. Bank National Association will serve as the Custodian, and George K. Baum as Administrator.

C. RECOMMENDATION:

Information only.

D. DISCUSSION AND CONCEPTUAL APPROVAL OF AN ICFA SPONSORED MUNICIPAL STREET LIGHTING PROGRAM.

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

As a result of Southern California Edison recently changing their long-standing corporate policy to amicably sell utility owned street lights to local

AGENDA SUMMARY

July 31, 2013

Page 5

governments under Section 851 of the Public Utilities Code on a replacement costs new less depreciation (RCNLD) basis, Climatec has approached ICFA regarding the development of an ICFA Municipal Street Lighting Program.

By switching from HID to LED lamps, cities would realize an energy savings of approximately 40%, in addition to longer system life of the street lights with lower maintenance costs, higher quality light output, and a lower environmental footprint. In addition, cities would maintain their existing signals and city owned street lighting programs and capabilities.

The City's obligations are to provide structural improvements in the city's budget over the near and long-term, and to maintain prudent and sufficient reserves for replacement of the street lighting infrastructure while gaining some additional control over the street lighting services to ensure the city's fiscal, street lighting and environmental objectives are met over the long-term.

It is suggested that the following team be approved to market the program to ICFA member cities:

Issuer	Independent Cities Finance Authority
Issuer's Counsel	Best Best & Krieger
Issuer's Technology Marketing Public Affairs Firm	Tripepi Smith & Associates
Underwriter	Stifel, Nicolaus & Company, Inc.
Bond Counsel	Fulbright & Jaworski
Financial Advisor	Wolf & Company, Inc.
Trustee	Union Bank
Trustee's Counsel	Union Bank, Legal Division
Engineering Advisory Firm	Willdan Engineering
Energy Management Company	Climatec
Potential Marketing Company (in partnership with ICFA)	California Contract Cities Association

It should be noted that preliminary discussions have taken place with numerous cities. Once the program is approved, a formal meeting will be set up to discuss the program in more detail and determine interest.

Frank Mann of Climatec will provide a detailed presentation and will be available to answer any questions.

C. RECOMMENDATION:

Approve an ICFA Municipal Street Lighting Program and authorize staff to implement same.

E. DISCUSSION AND CONTINUATION OF ICFA'S COMMUNITY OUTREACH PROGRAM.

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

On June 27, 2012 an ICFA Community Outreach Program was approved by the Board. The Board felt that by investing in the civic life of their communities, a small investment produces long-term results, including greater community pride which creates a business climate that attracts additional capital investment from the private and public sectors.

The ICFA Community Outreach Program allows eligible Board Members to make an annual maximum allocation of \$5,000 to the charity of their choice. Eligible Board Member is defined as those Board Members who have attended 2/3 of the prior year's ICFA Board meetings.

Contributions made during the 2012-13 FY were as follows:

- Crew 419 (Mike McCormick)
- Southeast Women's Organization (Mario Gomez)
- Lynwood Disaster Relief Fund (Jim Morton)
- St. John The Baptist School (Ricardo Pacheco)
- South Gate Junior Athletic Association (Gil Hurtado)

Staff will provide a sample request letter to those Board Members who are eligible and would like to make a donation to an organization in their community.

C. RECOMMENDATION:

Continue the ICFA Community Outreach Program and direct staff to process requests from eligible Board Members.

G. DISCUSSION AND APPROVAL OF TRAINING FOR ICFA BOARD MEMBERS.

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

In an effort to more engage ICFA Board Members, staff suggests a half-day training seminar be held. Topics would include ways for Board Members to promote ICFA, including social media. It is anticipated that this training could be done immediately after a Board meeting and should take no more than 2 hours to complete.

C. RECOMMENDATION:

Approve training for ICFA Board Members and authorize staff to plan and implement a training session to be held immediately after an upcoming ICFA Board meeting.

H. APPROVAL/ADOPTION OF FIRST AMENDMENT TO LEGAL SERVICES BETWEEN THE INDEPENDENT CITIES FINANCE AUTHORITY AND BEST BEST & KRIEGER LLP.

A. MATERIAL ENCLOSED: **(PAGES 27-28)**

First Amendment To Agreement to Provide Legal Services to the Independent Cities Finance Authority.

B. COMMENTS:

On April 29, 2009, ICFA and BB&K entered into an Agreement to Provide Legal Services. This First Amendment to the existing legal services agreement is to provide for a CPI increase effective as of July 1, 2013 and every July 1st of each calendar year thereafter (not to exceed 5% in any given year). BB&K reserves the right to request, on or before March 31st of each year, an increase in the

rates over and above the CPI adjustment upon a showing of good cause for such increase; provided that the approval of disapproval of any such request shall be made by ICFA in its sole and absolute discretion.

C. RECOMMENDATION:

Approve/adopt the First Amendment to Legal Services; and authorize President McCormick and staff to execute same.

H. **APPROVAL/ADOPTION OF ADMINISTRATIVE SERVICES AGREEMENT BETWEEN THE INDEPENDENT CITIES FINANCE AUTHORITY AND SMITH, ALVAREZ & CASTILLO, INC.**

A. MATERIAL ENCLOSED: **(PAGES 29-43)**

Administrative Services Agreement Between The Independent Cities Finance Authority And Smith, Alvarez & Castillo, Inc.

B. COMMENTS:

The contract for administrative services between ICFA and Smith, Alvarez & Castillo terminated on June 30, 2013. It is recommended that an agreement be executed for a three year period (May 21, 2013 to June 30, 2016).

In addition, earlier this year, State Treasurer Bill Lockyer, the California Statewide Communities Development Authority (CSCDA) and the California Municipal Finance Authority (CMFA) announced an agreement to modify the operational procedures of both CSCDA and CMFA.

Among these changes, CSCDA and CMFA (both JPA's) agreed to hire an Executive Director who will be directly responsible to the governing boards. The Executive Director will make all recommendations on whether the JPAs should approve bond financings for

projects. The Executive Director will be paid on a fixed-cost basis. In addition, the JPAs will competitively bid contracts for advisor services every three years. ICFA has agreed to comply with these changes as well.

Approval of this item requires an amendment to the ICFA Joint Powers Agreement and Bylaws (see Item I below).

Staff will provide a verbal report at the meeting.

C. RECOMMENDATION:

Approve/adopt the Administrative Services Agreement and authorize President McCormick to execute same.

I. **APPROVAL/ADOPTION OF AMENDMENTS TO THE ICFA JOINT POWERS AGREEMENT AND BYLAWS, AND AUTHORIZATION TO DISTRIBUTE PROPOSED AMENDMENTS TO ICFA MEMBER CITIES.**

A. MATERIAL ENCLOSED: **(PAGES 44-74)**

1. Amended And Restated Joint Powers Agreement Creating The Independent Cities Finance Authority (strike out/underline version). (Pages 44-58)
2. Amended And Restated Bylaws of the Independent Cities Finance Authority (strike out/underline version). (Pages 59-66)
3. Amendment No. 8 to the Joint Powers Agreement Creating the Independent Cities Finance Authority. (Pages 67-71)
4. Model Resolution Of the City Council Of The City Of _____ Approving Amendment No. 8 to the Joint Powers Agreement Of The Independent Cities Finance Authority And Providing Other Matters Properly Relating Thereto. (Pages 72-74)

As a result of the agreement between the California State Treasurer, the California Statewide Communities Development Authority and the California Municipal Finance Authority, the title

of the staff person designated to oversee the operations of the Authority needs to be changed to "Executive Director" (instead of Program Administrator).

In addition, after meeting with the San Bernardino County Housing Authority, it is recommended that the Joint Powers Agreement and Bylaws consider including references to housing authorities and their specific powers to issue certain types of bonds.

For the amendments to the Joint Powers Agreement to become effective, they must be approved by 2/3rds of the City Councils of the nine ICFA member cities.

C. RECOMMENDATION:

1. Approve/adopt the amendments to the ICFA Joint Powers Agreement and Bylaws; and
2. Authorize staff to distribute the proposed amendments to ICFA member cities for approval.

J. APPROVAL/ADOPTION OF A BUDGET FOR THE 2013-14 FISCAL YEAR AND AN INVESTMENT POLICY FOR THE SAME PERIOD.

A. MATERIAL ENCLOSED: **(PAGES 75-79)**

1. Budget for the 2013-14 FY (Pages 75-76)
2. Statement of Investment Policy (Pages 77-79)

B. COMMENTS:

Staff has prepared a budget that covers one fiscal year period (2013-14). The proposed budget represents the best estimates of staff regarding future financings.

In addition, the Board should adopt the Statement of Investment Policy that has been adopted each year for many years, as required by law. The Policy has been reviewed by many Finance Directors

over the years. It requires that all Authority funds be deposited in a bank and/or in the State of California Local Agency Investment Fund (LAIF) unless directed otherwise by the Board.

C. RECOMMENDATION:

1. Approve/adopt the 2013-14 FY budget; and
2. Approve/adopt the Statement of Investment Policy.

K. APPROVAL/ADOPTION OF RESOLUTION 2013-5 (A RESOLUTION OF THE BOARD OF DIRECTORS OF THE INDEPENDENT CITIES FINANCE AUTHORITY NAMING AND APPOINTING CERTAIN OFFICES AND STAFF) .

A. MATERIAL ENCLOSED: **(PAGES 80-83)**

Resolution 2013-5.

B. COMMENTS:

The Joint Powers Agreement and Bylaws of ICFA provide for the election of Officers (President and Vice President) for two year terms. Officers must be selected from the Directors. Alternate Directors may not serve as President or Vice President.

In addition, a Treasurer must also be selected. The Treasurer may be a Director or Alternate Director.

C. RECOMMENDATION:

1. Conduct an election for President and Vice President of the Authority;
2. Appoint a member of the Board to serve as Treasurer of the Authority; and
3. Approve/adopt Resolution 2013-5 and authorize President McCormick and staff to execute same.

L. APPOINTMENT/ELECTION OF EXECUTIVE COMMITTEE MEMBERS FOR A TWO YEAR TERM.

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

The following individuals currently serve on the Executive Committee:

<u>Position</u>	<u>Member</u>	<u>Alternate Member</u>	<u>City</u>
President	Mike McCormick	---	Vernon
Vice President	Mario Gomez	---	Huntington Park
Member	Ricardo Pacheco	Vijay Singhal	Baldwin Park
Member	Jim Morton	Ramon Rodriguez	Lynwood
Member	---	---	San Fernando

Alternate Board Members may vote in place of Directors who serve on the Executive Committee. The Executive Committee is empowered by the Joint Powers Agreement (Article 10) and the Bylaws (Article IV) to conduct virtually all activities of the Board of Directors. The individual appointed or his/her alternate must be available to attend all Executive Committee meetings.

The President and Vice President are automatic members of the Executive Committee.

C. RECOMMENDATION:

Appoint/elect Directors/Alternate Directors to the Executive Committee.

M. REPORT ON PROJECTS/ACTIVITIES.

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

Staff will provide a verbal update on ICFA projects/activities.

C. RECOMMENDATION:

Information only.

VI. COMMENTS FROM BOARD MEMBERS.

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

None.

C. RECOMMENDATION:

None.

VII. MATTERS FROM STAFF.

A. MATERIAL ENCLOSED:

None.

B. COMMENTS:

None.

C. RECOMMENDATION:

None.

VIII. ADJOURNMENT.

ATTACHMENTS

For The July 31, 2013
Independent Cities Finance Authority
Annual Board Of Directors Meeting/
Annual Executive Committee Meeting

INDEPENDENT CITIES FINANCE AUTHORITY

BOARD OF DIRECTORS REGULAR ANNUAL MEETING
APRIL 10, 2013

MINUTES

I. CALL TO ORDER.

The regular meeting of the Board of Directors of the Independent Cities Finance Authority (ICFA) was called to order in the Planning Conference Room of the Huntington Park City Hall on April 10, 2013 at 12:05 p.m. by President Mike McCormick.

II. ROLL CALL.

Members Of The Executive Committee/Board of Directors Present (Voting)

W. Michael McCormick	Vernon
Mario Gomez	Huntington Park
Gil Hurtado	South Gate
Jim Morton	Lynwood
Ricardo Pacheco	Baldwin Park

Alternate Members Of The Board of Directors Present

None

The cities of Compton, Hawthorne, Hermosa Beach, and San Fernando were not represented by a voting member.

Guests Present

April Davila	Tripepi Smith & Associates
Julio Morales	Huntington Park
Pam Newcomb	Newcomb Williams Financial Group
Marc Paskulin	George K. Baum & Company
Paul Philips	California Contract Cities Association

Staff Present

Scott Campbell	Best Best & Krieger LLP
Debbie Smith	Smith, Alvarez & Castillo/ICFA

III. AMENDMENTS OR ADJUSTMENTS TO THE AGENDA.

Staff requested that Item C be pulled from the agenda.

It was moved by Mario Gomez, seconded by Gil Hurtado, and unanimously carried that Item C be pulled from the agenda.

IV. PUBLIC COMMENTS.

There were no members of the public who wished to speak.

V. NEW BUSINESS.

A. APPROVAL OF MINUTES OF THE MARCH 20, 2013 BOARD OF DIRECTORS MEETING.

It was moved by Gil Hurtado, seconded by Mario Gomez, and unanimously carried to approve the minutes of the March 20, 2013 Board of Directors meeting.

B. APPROVAL AND ADOPTION OF RESOLUTION 2013-3 (A RESOLUTION OF THE BOARD OF DIRECTORS FOR THE INDEPENDENT CITIES FINANCE AUTHORITY (I) AUTHORIZING ITS SPONSORSHIP OF THE ICFA ADVANTAGE DOWN PAYMENT ASSISTANCE PROGRAM; AND (II) DELEGATING TO THE BOARD SECRETARY AND GENERAL LEGAL COUNSEL THE POWER TO TAKE ALL SUCH ACTIONS AS ARE NECESSARY OR APPROPRIATE TO ACCOMPLISH THE FOREGOING

Staff noted that this item was conceptually approved at the March 20, 2013 Board of Directors meeting to allow George K. Baum & Company and ICFA General Legal Counsel to finalize all documentation relating to an ICFA Advantage Down Payment Assistance Program.

Marc Paskulin of George K. Baum & Company referred those present to material contained in the agenda packet and provided a brief summary of the ICFA Advantage Down Payment Assistance program which will provide a 4% grant to qualified homebuyers. George K. Baum & Company will serve as Administrator of the program.

Scott Campbell noted that George K. Baum & Company has been very cooperative in making sure that ICFA's interests are fully protected and, therefore, recommended that the Board approve the program.

It was moved by Gil Hurtado, seconded by Mario Gomez, and unanimously carried as follows:

1. To approve/adopt Resolution 2013-3 approving an ICFA Advantage Down Payment Assistance Program; and
2. To authorize President McCormick and staff to execute all necessary documents for implementation of said program.

C. APPROVAL AND ADOPTION OF RESOLUTION 2013-4 (A RESOLUTION OF THE BOARD OF DIRECTORS/EXECUTIVE COMMITTEE OF THE INDEPENDENT CITIES FINANCE AUTHORITY AUTHORIZING THE ISSUANCE OF ITS NOT TO EXCEED \$10,750,000 AGGREGATE PRINCIPAL AMOUNT OF INDEPENDENT CITIES FINANCE AUTHORITY CHARTER SCHOOL REVENUE BONDS (ALLIANCE BLOOMFIELD TECHNOLOGY ACADEMY PROJECT) SERIES 2013 (TAXABLE QUALIFIED SCHOOL CONSTRUCTION BONDS - DIRECT SUBSIDY) AND APPROVING CERTAIN DOCUMENTS AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION THEREWITH).

As noted in Agenda Item III, this item was pulled from the agenda.

D. DISCUSSION OF AB 1059 (WIECKOWSKI) - PUBLIC OFFICERS AND EMPLOYEES: FINANCIAL INTERESTS; ICFA'S POSITION THEREON, AND OTHER RELATED ISSUES.

Staff noted that this item was deferred from the March 20, 2103 Board of Directors meeting, Scott Campbell provided a brief background on the item, noting that State Treasurer Bill Lockyer has been very outspoken about his displeasure with two Joint Powers Authorities -- the California Statewide Communities Development Authority and the California Municipal Finance Authority -- primarily because of their business model. It was noted that the two JPA's rely wholly on private consulting firms to act as staff whose duties involve reviewing and making recommendations on bond issuances. The consulting firms receive a percentage of the fees associated with each bond issued by the JPA and provide no accounting of said fees.

As a result, legislation has been introduced to address the issue. The latest amendments exclude contract employees who function as direct staff members, as well as exempt other contractors who offer advice and then participate in the project. It was noted that, at this time, there is no support for the bill from public entities. General Legal Counsel is working on alternative language to submit to the author of the bill.

It was further noted that AB 1059 will be heard before the Assembly Elections & Redistricting Committee on April 23, 2013.

It was unanimously agreed to receive and file the matter.

E. DISCUSSION AND APPROVAL OF CURRENT EFFORTS TO ENGAGE CITIES AND APPROVAL OF SPONSORSHIP OF PUBLICCEO.COM.

Staff noted that this item was deferred from the March 20, 2013 Board of Directors meeting and reported that a three-pronged approach is being planned to contact city managers and request in person meetings. This will be done in concert with continued efforts on other fronts, including:

- Sponsoring PublicCeo.com at a fee of \$3,600 per year
- Hosting an ICFA webinar in June or July
- Hosting an ICFA booth at the California Contract Cities Association in May

Following a discussion of targeting efforts, it was moved by Jim Morton, seconded by Ricardo Pacheco, and unanimously carried as follows:

1. To authorize the sponsorship of PublicCeo.com at a fee of \$3,600 per year; and
2. To authorize staff to proceed with the planning and implementation of an ICFA webinar in June or July.

F. UPDATE ON PENDING PROJECTS/ACTIVITIES.

Staff noted that Item C was pulled from the agenda due to difficulty in obtaining approval from the County of Los Angeles in becoming an associate member of ICFA. All those involved will continue in their efforts.

It was noted that Millennium Housing will be bring a manufactured home community financing to the Authority within the next few months.

VI. COMMENTS FROM BOARD MEMBERS.

Mario Gomez noted that he recently attended a tour of Metropolitan Water District facilities and recommended it to anyone who is able to attend.

President McCormick noted that May is Fire Service Month and, as such, Troop/Crew 419 will be hosting a pancake breakfast on May 18, 2013 at the Vernon Fire Station. In addition, the Boy Scouts will participate in fire safety related activities.

President McCormick further noted that Bill Davis was unanimously re-elected to the Vernon City Council on April 9, 2013.

Vice President Gomez will represent ICFA at the opening day ceremonies of the South Gate Junior Athletic Association on May 4, 2013 to be recognized for its charitable contribution to the Association.

VII. COMMENTS FROM STAFF.

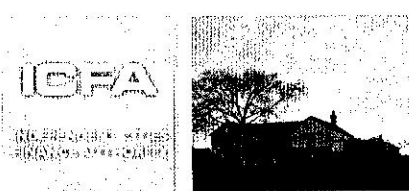
There were no comments from staff.

VIII. ADJOURNMENT.

There being no further business to be discussed, the meeting was adjourned at 12:30 p.m.

Respectfully submitted,


Deborah J. Smith
Program Administrator



Proposal to the Independent Cities Finance Authority ICFA ADVANTAGE: DOWN PAYMENT ASSISTANCE PROGRAM

Mike McCormick
ICFA, President
Debbie Smith
ICFA Secretary/Program Administrator
Marc Paskulin
George K. Baum & Company, Senior Vice President

Independent Cities Finance Authority
 2005 Meyers Street - Lancaster, CA 93559

Agenda

- Introduction
- Southern California Housing Market Trends
- Primary Obstacles to Homeownership
- State and Local Down Payment Assistance Programs
- ICFA ADVANTAGE Down Payment Assistance Program
 - Eligible ICFA Cities and Counties
 - Borrower Eligibility
 - Income Limits, Loan Limits

Presentation prepared for
Independent Cities Finance Authority

Southern California Housing Market Trends

Sales of new and existing homes, median home prices, are both up...

- 23,034 new and existing homes sales volume in May 2013 was the highest level in 7 years.
- \$368,000 median home prices in May 2013 was the highest level in 5 years.
- The 23,034 sales volume in May 2013 is still below the 25,600 25-year average.
- Median home prices reached \$505,000 in April 2007, crashed to \$249,000 in April 2009.

	Sales Volume			Median Home Prices		
	May-12	May-13	% Change	May-12	May-13	% Change
Los Angeles	7,295	7,707	1.06%	\$329,000	\$329,000	31.20%
Orange	3,279	3,648	11.26%	\$435,000	\$420,000	5.20%
Riverside	1,972	1,365	-30.9%	\$205,000	\$232,000	32.90%
San Bernardino	7,978	8,645	10.86%	\$268,000	\$276,000	28.10%
San Diego	4,761	4,716	-0.9%	\$335,000	\$406,000	21.20%
Ventura	999	1,019	2.00%	\$300,000	\$435,000	45.0%
SoCal	22,992	23,034	1.80%	\$295,000	\$368,000	24.70%

- Sales volume increase mostly in the move-up buyer segment (\$300,000-\$800,000). Sales of \$800,000+ homes increased 46.7%.
- Sales of more affordable homes (less than \$300,000) actually decreased by 27.1%, not because of demand but because of limited inventory.

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Southern California Housing Market Trends

Defaults & foreclosures continue their downward trend in all local SoCal markets.

- 13.5% of existing homes sold in April, 2013 were foreclosures, compared to 30.3% in April, 2012, 58% in 2009.

	2012 Q1	2012 Q4	2013 Q1	Q1-Q4 % Change	YoY % Change
Los Angeles	21,213	3,300	1,984	-92.50%	-65.50%
Orange	1,773	3,062	1,386	-20.00%	-25.90%
Riverside	5,112	1,385	1,307	-54.50%	-69.40%
San Bernardino	4,212	1,362	1,609	-62.30%	-24.70%
San Diego	4,485	2,055	1,073	-44.60%	-61.90%
Ventura	1,455	728	411	-35.60%	-67.30%
SoCal	30,850	20,794	19,022	-38.70%	-45.60%

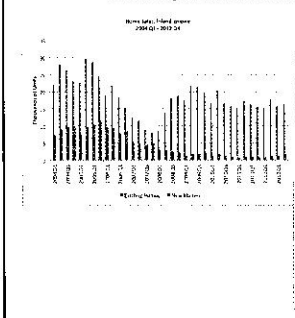
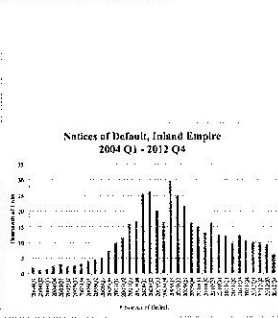
New Construction in Southern California, Economic Engine for Growth and Jobs

- Median home prices for newly constructed homes increased to \$401,000 in February, 2013, a 19% year to year increase.
- Builders started construction on 2,097 new single family homes in SoCal during the fourth quarter of 2012 – a 56% increase from the same quarter the previous year.
- Comparisons to a 2011 and 2012 are misleading since the entire construction industry was at a standstill.

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Southern California Housing Market Trends

Inland Empire has rebounded from its severe downturn...

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Southern California Housing Market Trends

Declining Home Inventory + Influx of Cash Buyers = Higher Home Prices

Metropolitan Area	# of Homes for Sale	Yearly Change	Monthly Change
Austin	1,084	-25.7%	-12.2%
Baltimore	5,696	-23.5%	-11.2%
Boise	1,719	-31.1%	10.8%
Chicago	21,880	-19%	8.2%
Denver	3,007	-31.8%	-15.3%
Inland Empire	7,582	-27.0%	-7.3%
Los Vegas	13,015	-27.2%	-6.5%
Long Beach	12,081	-19.5%	-16.1%
Los Angeles	1,074	-51.2%	-12.6%
Phoenix	18,884	5.2%	6.2%
Portland	3,003	-28.1%	-8.2%
San Francisco	2,507	-27.0%	-17.2%
San Diego	3,045	-22.7%	-16.7%
San Francisco Bay Area	1,386	-48.7%	20.6%
San Jose	60	-42.9%	22.2%
Seattle	1,708	-26.8%	-12.1%
Tampa	754	-46.8%	-10.2%
Washington	1,427	-21.6%	-12.1%
National	132,097	-20.6%	-11.5%

Cash: Number of Homes Purchased with No Mortgage Financing

	2011	2013	% Change
Los Angeles	39,938	31,245	-21.50%
Orange	8,349	10,760	28.90%
Riverside	14,330	15,000	4.70%
San Bernardino	1,16,483	109,924	-5.60%
San Diego	9,552	12,000	25.20%
Ventura	1,493	2,417	62.0%
Imperial	58	50	-13.8%
SoCal	68,824	72,072	4.70%

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ICFA ADVANTAGE: Down Payment Assistance Program

Lender Based Program

- Lenders must be approved by ICFA.
- Homebuyers must apply through a local lender to qualify.
- ICFA Grant is made available at the loan closing for the benefit of each homebuyer.

Loan Financing

- First Mortgage loan limit of up to \$417,000.
- FHA insured fixed rate 30-year fixed mortgage loans (up to 96.5% of the home purchase price), requires 3.5% down payment. Adjustable rate loans are not permitted.
- FNMA My Community Mortgage 30-year fixed mortgage loans (up to 97% of the home purchase price), requires 3% down payment.

Loan Rates

- 60-day rate locks are available and reset daily.

FHA and FNMA Loan Qualifying

- Sufficient credit history
- Sufficient employment history
- Must satisfy mortgage to income and debt to income ratios.
- Not all homebuyer applicants will qualify.

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ICFA ADVANTAGE: Down Payment Assistance Program

ICFA Assistance

- 3% sized ICFA Grant, never repaid by the homebuyer, may be used towards the homebuyer's down payment and/or closing costs.
- Up to 1% in additional funds towards the homebuyer's closing costs.
- The 3% Grant is transferred directly by ICFA to the loan closing agent prior to loan closing for the benefit of the homebuyer.

Minimum Borrower Investment

- For FHA loans, 5% of the purchase price from their own financial resources, minimum 1% for FNMA loans.
- Verified reserves and assets per FHA and FNMA guidelines.
- Remaining cash to close may be covered by a gift from a relative or from the seller.
- Homebuyer education required for first-time homebuyers.

	\$250,000	\$250,000	\$350,000
FHA			
Down Payment	3.50%	3.50%	3.50%
Closing Costs	2%	2%	2.50%
Cash to Close (\$)	\$11,250	\$16,250	\$21,000
4% ICF Assistance	(6,000)	(6,000)	(14,000)
Net Cash to Close (\$)	\$5,250	\$10,250	\$7,000
FNMA			
Down Payment	1%	1%	1%
Closing Costs	2%	2%	2.50%
Cash to Close (\$)	\$10,500	\$15,000	\$19,250
4% ICF Assistance	(6,000)	(6,000)	(14,000)
Net Cash to Close (\$)	\$4,500	\$9,000	\$5,250
Min Borrower Investment	\$5,250	\$9,000	\$5,250

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ICFA ADVANTAGE: Down Payment Assistance Program

ICFA ADVANTAGE Down Payment Assistance Program may be combined with other State and Local down payment assistance programs to increase the affordability of targeted homebuyers.

The ICFA Grant may be combined with:

- Other Grant Programs (FHLB)
- Second Loan Programs (CHDAP, NSP, HOME)
- Mortgage Credit Certificates

Homebuyers are subject to the qualifying criteria established by the ICFA and partner programs.

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Thank You!

Not an ICFA Member? Interested local governments (cities, counties, housing authorities, government agencies) should contact Debbie Smith at 877-906-0941 or email debbie@icfaauthority.org.

If you are contacted by any interested lenders, please refer them to Marc Paskulin at 916-486-2548 or email paskulin@gbbaum.com for more information.

If you are an ICFA member, and are contacted by a homebuyer seeking information about an available down payment assistance program, please refer them to ICFA's first lender, InterCap Lending, at 800-571-4669.

Questions?

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INDEPENDENT CLERK FINANCE AUTHORITY Presentation prepared for
Independent Clerk Finance Authority

**FIRST AMENDMENT TO
AGREEMENT TO PROVIDE LEGAL SERVICES
TO THE INDEPENDENT CITIES FINANCE AUTHORITY**

This First Amendment to the Agreement to Provide Legal Services ("First Amendment") is made as of __ day of July 2013 by and between the Independent Cities Finance Authority (herein also "ICFA") and Best Best & Krieger LLP (hereinafter, "BB&K" or "Attorney(s)").

RECITALS

WHEREAS, the ICFA and BB&K entered an Agreement to Provide Legal Services ("Agreement") on April 29, 2009, for BB&K to serve as General Counsel and to perform legal services as may be required from time to time by ICFA and any of its related entities, including the Independent Cities Finance Corporation (collectively the "Authority") and its officers as set forth therein.

WHEREAS, the ICFA and BB&K wish to amend the Agreement to include a CPI increase.

TERMS

NOW, THEREFORE the parties enter into this First Amendment to the Agreement:

1. CPI Increase. Section 3.2 is hereby added to the Agreement to read as follows:

3.2. CPI Increase. In recognition of the general increase in the cost of doing business, the parties agree to an increase in the monthly retainer as of July 1st of each calendar year (commencing July 1, 2013), in an amount equal to the increase in the U.S. Department of Labor Consumer Price Index "CPI" for the previous calendar year (January 1 through December 31) for all urban consumers in the Los Angeles - Riverside - Orange County, California area; provided that the CPI adjustment shall be rounded up to the nearest full dollar, and further provided that the CPI adjustment shall not exceed five percent (5%) for any year. Notwithstanding any provision herein to the contrary, BB&K may request, on or before March 31st of each year, an increase in the rates over and above the CPI adjustment upon a showing of good cause for such increase; provided that the approval or disapproval of any such request shall be made by ICFA in its sole and absolute discretion.

2. Modification: No alteration or variation of the terms of this First Amendment to the Agreement shall be valid unless made in writing and signed by the parties hereto.
3. All other terms of the Agreement remain in full force.

Dated this _____ of July, 2013.

INDEPENDENT CITIES FINANCE
AUTHORITY

By _____
W. Michael McCormick, President

BEST BEST & KRIEGER LLP

ATTEST:

Board Secretary

By _____
Scott Campbell, Partner

**ADMINISTRATIVE SERVICES AGREEMENT
BETWEEN THE
INDEPENDENT CITIES FINANCE AUTHORITY ~~AUTHORITY~~
AND
SMITH, ALVAREZ & CASTILLO, INC.**

This Administrative Services Agreement (the ~~AAgreement@~~"Agreement"), is entered into between the Independent Cities Finance Authority and any of its related entities, including the Independent Cities Finance Corporation (collectively, the ~~AAuthority@~~"Authority") and Smith, Alvarez & Castillo, Inc. ~~(AContractor@)~~. ~~The Authority enters into this contract with Contractor for the purpose of having Contractor conduct the day to day administration, management and operation of the Authority, including, without limitation, coordination of the Authority's housing programs., a California corporation ("Contractor").~~

I. EMPLOYMENT

~~The Authority shall provide all information required of it by Contractor in carrying out duties pursuant to this Agreement. In addition, The Authority shall appoint Contractor as program administrator Executive Director of the Authority and shall notify all agencies, members, and firms doing business with the Authority of such appointment and that Contractor is authorized to conduct Authority business.~~

Contractor shall devote such time, interest, and effort to the performance of the duties as may be reasonably necessary to fulfill the requirements contained herein. Contractor agrees to perform such services to the best of its ability, in an efficient and competent manner consistent with the standards of the profession.

II. I. ~~TIME FRAME~~TERM OF CONTRACT

May 1, 2009 through June 30, 2013. ~~July 1, 2013 through June 30, 2016.~~

This Agreement shall be effective as of July 1, 2013.

The term of this Agreement shall be for three (3) years, through June 30, 2016, unless sooner terminated or extended by the parties as set forth in this Agreement.

This Agreement is subject to early termination as provided in Section ~~XVIXIX~~. This Agreement may be

extended following the initial period for any length of time, upon the mutual consent of both of the signatories hereto. Extension of this Agreement is subject to additional fees to be negotiated at the time the Agreement is extended.

III. ~~II.~~ ADDRESS

Contractor will maintain an Authority office at 41900 Bonita Drive, Palmdale, California 93551 (Post Office Box ~~1750, Palmdale, California 93590-1750~~ 6740, Lancaster, California 93539-6470).

IV. ~~III.~~ PRINCIPAL STAFF

As the official representative of Contractor, Deborah J. Smith will be assigned as staff appointed as the Executive Director.

V. ~~IV.~~ SERVICES TO BE PROVIDED

This Agreement is entered into with specific, but not exclusive, reference to housing programs anticipated to be offered as well as ongoing obligations of the previous programs of the Authority. The services to be provided by Contractor are as follows:

- A. Facilitate the Authority serving as bond issuer for non-profit corporations.
- B. Continue the partnering concept with Millennium Housing Corporation and other similar groups, secure participation, facilitate planning meetings and facilitate approval of all bond issues.
- C. Assist in identifying and selecting consultants and professional services, as required, and coordinate all such professional services agreements.
- D. Assist in coordinating the preparation of all necessary legal documents, i.e. the distribution to public entity participants, and timely execution and return.
- E. Arrange for marketing of all Authority programs.
- F. Prepare agendas and agenda back-up materials and staff all Board of Directors/Executive Committee meetings and other meetings as determined by the Board of Directors any other requirements for the Executive Director as set forth in the ICFA Joint Powers Agreement and Bylaws.
- G. Facilitate required governmental filings.
- H. Provide assistance to the ~~Authority's~~ Authority's Treasurer regarding the ~~Authority's~~ Authority's financial affairs, including the preparation of the annual budget as set forth in the ICFA Bylaws.

- I. See Section ~~XIII~~XVI for the distribution of responsibilities relating to accounting and banking, and collection of fees.
- J. No additional services shall be rendered by Contractor unless such services shall be first authorized in writing by the Authority and funds have been appropriated and authorized for such additional services.
- K. In the event that the Authority, after approval of additional programs, authorizes Contractor to perform such additional services, then Contractor shall be paid an additional fee agreed upon by both parties for the extra work performed thereby.
- L. Other duties and functions as shall, from time to time, be assigned by the Board.
- M. Conduct the day-to-day administration, management and operation of the Authority, including, without limitation, coordination of the Authority's programs and activities.

VI. ~~V.~~ TELEPHONE

The existing ICFA number will be utilized.

VII. ~~VI.~~ STATIONERY

Letterhead will be provided by the Authority.

VIII. ~~VII.~~ PAPER, SUPPLIES, POSTAGE, TRAVEL, AND CLERICAL ASSISTANCE

Not including official letterhead, Contractor will provide all other paper, supplies, postage, travel, clerical assistance, and other necessary supplies and services ~~for~~as part of the fee set forth in Section XIXIII of this Agreement. Contractor will not bill the Authority for additional expenditures, except as specifically authorized herein or as authorized by the Board of Directors in Section IX below.

IX. EXPENSE REIMBURSEMENTS

Notwithstanding Section VIII above, Contractor shall be reimbursed for reasonable business expenses, not including mileage for driving, incurred during the performance of its duties as Executive Director. Contractor must provide copies of receipts or other detail to the Board of Directors prior to receiving reimbursement of any business expenses.

X. VIII.—EQUIPMENT, UTILITIES, AND FACILITIES

Contractor will provide equipment, utilities, and facilities foras part of the fee set forth in Section ~~XIX~~XII of this agreement. Contractor will not bill the Authority for additional expenditures, except as specifically authorized herein or as authorized by the Board of Directors.

XI. IX.—MAINTENANCE OF RECORDS

All Authority records, with the exception of certain financial and investment records, will be maintained in the offices of Contractor on a permanent basis and will be available for inspection during normal office hours, upon reasonable notice. However, all such records shall remain the property of the Authority. Should this Agreement be terminated or discontinued, the records will be transferred to the Authority within ~~ten (10)~~thirty (30) working days of the date of such termination.

XII. X.—SUBCONTRACTS AND VENDORING

Contractor may subcontract to another firm, individual, or vendor any service outlined in this Agreement, with prior Board of Directors=' approval. Printing, copying, preparation of graphics, and other services/activities not normally conducted in-house are not considered to be a service outlined in this Agreement and do not require prior Board of Directors=' approval so long as these funds are available and authorized in the ICFA budget.

XIII. XI.—FINANCIAL TERMS

For its services hereunder, Contractor will be paid the following fees:

~~Fifty percent of all fees that accrue to the Authority up to \$200,000.00, minus fees received exclusively for legal services and audit reports.~~

\$225,000 per year or \$18,750.00 per month. In recognition of the general increase in the cost of doing business, the parties agree to an increase in the monthly retainer as of July 1st of each year hereafter (commencing July 1, 2014), in an amount equal to five percent (5%).

~~\$250,000 per year or \$16,666.66 per month.~~

XIV. ~~I.~~ COST OVERRUNS

Contractor will not bill the Authority for any operational/management expenditures in addition to the fees stated in Section ~~XIX~~XIII of this Agreement. However, Contractor will also not be required to make any expenditures for non-operational/management activities such as trophies, plaques, resolutions, name tags, dinners, luncheons, banquets, speakers, speakers=' expenses, etc. Contractor will also not be required to front money for the organization or cities, i.e. pay bills and be reimbursed later. (If financial liabilities are incurred by Contractor to expedite the activities/items noted in this Section, said expenditures shall be reimbursable over and above the fee specified in Section ~~XIX~~XIII of this Agreement.)

XV. TERMINATION

A. Termination Not for Cause

In the event Contractor is terminated without cause during the term of this Agreement, and at such time as Contractor is willing and able to perform his duties under this Agreement, Authority shall pay to Contractor a severance payment ("Severance Payment") equivalent to three (3) months of Contractor's then-current salary as described in Section XIII of this Agreement. The Severance Payment shall be Contractor's sole remedy for a termination without cause. The Severance Payment shall be paid as directed by the Authority's Board of Directors after Contractor executes a waiver and release agreement prepared by the General Counsel.

B. Termination for Cause

If Contractor is terminated for cause, then Contractor shall not be entitled to any severance benefits. Termination shall be for "cause", and for the purpose of this paragraph, shall mean only if Contractor: (i) refuses or fails to act in accordance with any specific direction or order of the Board of Directors, after a majority of the Council has provided Contractor an opportunity to reconsider its refusal or failure to act; (ii) exhibits misconduct or dishonesty in regard to its employment; (iii) is convicted of a misdemeanor or felony crime, including but not limited to, crimes involving moral turpitude as defined by relevant case law substantially related to the functions and duties of the Executive Director; (iv) steals or embezzles; (v) unlawfully discriminates against any person; (vi) commits gross insubordination to the Board of Directors; (vii) willful destroys property or public documents; (viii) has repeated unexcused absences or any other significant acts or omissions determined by the Board of Directors to render the Contractor unfit to continue his employment with the Authority; (ix) willful unauthorized taking of Authority funds or property; (x) failure to carry out the primary duties and responsibilities of his position for a period in excess of 30 days (but excluding time periods when Contractor is disabled or on authorized leave) (xi) death; (xii) indictment by a state or federal grand jury; (xiii) conviction of a

felony, or (xiv) gross misconduct.

C. Resignation

If Contractor desires to voluntarily resign its position, it will provide the Board of Directors with at least thirty (30) calendar day notice in writing. In the event Contractor resigns from its employment with the Authority, the Contractor shall not be entitled to any severance pay.

D. Death

In the event Ms. Smith as the appointed Executive Director dies or resigns without 30 day notice during the term of this Agreement, the Contractor shall not be entitled to any severance pay and this Agreement shall be automatically terminated.

XVI.

~~F.~~ ACCOUNTING AND BANKING

The appointed Treasurer of the Authority will be responsible for developing specific policy relating to investments and said policy will be adopted by the Governing Board.

Required and/or desired audits, annual reports, and other financial record-keeping will be the responsibility of a Certified Public Accountant to be retained by the Authority.

It is understood that the financial record keeping process will be reviewed periodically by the Board of Directors.

The Authority covenants and agrees to hold Contractor harmless from any liability directly or indirectly related to late payment or non-payment of any fees related to The Authority.

The Authority also covenants and agrees to hold Contractor harmless from any liability directly or indirectly resulting from a claim against any individual member of the Authority or Authority itself.

XVII. ~~II.~~ COLLECTION OF FEES

All Authority bills relating to ~~the housing~~ ICFA programs and activities will be paid by the Authority solely through proceeds received.

XVIII. ~~III.~~ COMMUNICATIONS, GRIEVANCES, AND DISAGREEMENTS

All disagreements, complaints, and alleged improprieties between the Authority and Contractor will be resolved through negotiation between the governing body and/or the designated representative(s) of the governing body and the President of Contractor and/or his/her designated representative(s).

Should any litigation occur relating to the enforcement and/or interpretation of this Agreement or any part thereof, the prevailing party shall be entitled to reasonable attorneys' fees. The determination of whom, if anyone, is the prevailing party as well as what shall constitute reasonable attorneys' fees shall be made by the judge presiding over said litigation.

XIX. ~~I.~~ DISCONTINUATION OF CONTRACT

The initial term of this Agreement will be as set forth in Section ~~II~~ III above. This Agreement may be terminated at any time by either the Authority or Contractor upon not less than sixty (60) days prior written notice to the other. This Agreement may be extended from time to time pursuant to the provisions of Section ~~II~~ III.

XX. ~~I.~~ CONTRACT RESTRICTIONS

The Authority will not assign to Contractor and Contractor assumes no responsibility for or obligation respecting actions and/or the omission of required actions by the Authority,

including but not limited to: any State and/or Federal-tax obligations; any requirements of the Information Practices Act of 1977 and/or the Political Reform Act, including the failure of any Board Member, Alternate, or Committee Member to file an entering office statement, annual statement, or leaving office statement required by the ~~Authority~~Authority's Conflict of Interest Code; any failure to file appropriate documents with the State and/or Federal government regarding the status of the Authority; and any failure to file lobbying information reports.

The responsibility of advising the Board of Directors regarding the aforementioned legal matters and others not specifically set forth herein lies with the ~~Authority~~Authority's legal counsel.

Contractor will serve as the facilitator for the above matters, pursuant to the direction of the Authority.

~~The Authority shall not assign to Contractor and Contractor assumes no responsibility for or obligation respecting any task(s) related to any organization(s) other than the Authority.~~

~~The Authority shall provide technical assistance in the person of city management personnel, city attorneys, finance officers, etc. when the Authority is dealing with issues that demand specific expertise. Contractor will not be responsible for and has no obligation respecting the providing of the type of expertise noted.~~

XXI.

II. HOLD HARMLESS FROM LIABILITY

Contractor agrees to hold the Authority free and harmless from any and all liability and claims for damages by reason of any injury to person or persons including, but not limited to, ~~Contractor's~~Contractor's employees/agents, or property of any kind whatsoever and to whomsoever belonging including, but not limited to, ~~Contractor's~~Contractor's employees/agents, from any cause or causes whatsoever arising from the performance by Contractor of its obligations under the provisions of this Agreement; provided, however, that Contractor shall not be liable to the Authority for any injury to persons or property to the extent it

results from the negligence, action or non-action of
the Authority, ~~or its~~board of directors, officers, or
employees of the Authority.

XXII. ~~III.~~ LIABILITY ERRORS AND OMISSIONS

The Authority agrees to provide general liability, directors and officers, or errors and omissions liability insurance to Contractor naming Contractor as a named insured at the ~~Authority's~~ Authority's expense, or specifically indemnify Contractor from any general liability, directors or officers, or errors and omissions liability incurred under the terms of this Agreement. Should the Authority obtain other insurance related to the exposures of the Authority, it agrees to name Contractor as an additional insured on each other insurance, as well as for claims incurred under the terms of this Agreement.

XXIII. ~~IV.~~ INSURANCE

Should Contractor hire ~~employees~~ subcontractors to perform any portion of the work contemplated by this contract, Contractor shall obtain, and maintain in full force and effect, workers= compensation insurance covering said ~~employees~~ subcontractors at Contractor's expense. Contractor shall hold the Authority harmless against any liability which it may incur toward said ~~employees~~ subcontractors, specifically, including liability for the payment of workers= compensation benefits.

XXIV. ~~V.~~ NOTICES

All notices that may or are required to be given pursuant to this Agreement may be served by mail or in person on Contractor at Post Office Box 1750, Palmdale, ~~California 93590-1750~~ 6740, Lancaster, California 93539-6740 or at such other address as Contractor may designate in writing, and to the Authority by and through the then current President of the Authority at the ~~President's~~ President's business address.

XXV. ~~VI.~~ ENTIRE AGREEMENT

The Authority and Contractor each binds itself, its partners, successors, assigns and legal representative to the other party to this Agreement and to the partners, successors, assigns, and legal representatives of such other party with respect to all covenants of this Agreement. Neither the Authority nor Contractor shall assign, sublet, or transfer its interest in this Agreement without the written consent of the other, which consent the other is under no obligation to give.

This Agreement constitutes the entire agreement of the parties and it ~~superecedessupersedes~~ supersedes all prior or contemporaneous negotiations and agreements of the parties, whether written or oral, with respect to ~~its~~ subject matter. ~~This Agreement cannot be amended or modified except by an instrument in writing signed by each of the~~ employment of Contractor by ICFA, and contains all of the covenants and agreements between the parties with respect to the employment of Contractor by ICFA.

XXVI. BONDING

ICFA shall bear the full costs of any fidelity or other bonds required of the Contactor under any law or ordinance.

XXVII. GENERAL PROVISIONS

1. Each party agrees and acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein and that any agreement, statement, or promise not contained in this Agreement shall not be valid or binding on either party.
2. Any modification of this Agreement will be effective only if made in writing and signed by both Contractor and ICFA.
3. If any provision of this Agreement is held by a

court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force and effect without being impaired or invalidated in any way.

4. This Agreement shall be governed by and construed in accordance with the law of the State of California.
5. This Agreement shall be construed as a whole, according to its fair meaning, and not in favor or against any party. By way of example and not in limitation, this Agreement shall not be construed in favor of the party receiving a benefit nor against the party responsible for any particular language in this Agreement.
6. Contractor acknowledges that it has had the opportunity to consult legal counsel in regard to this Agreement, that it has read and understands this Agreement, that it is fully aware of its legal effect, and that it has entered into it freely and voluntarily and based on its own judgment and not on any representations or promises other than those contained in this Agreement.

IN WITNESS HEREOF, the parties hereto have executed this amended Agreement on this 31st day of July 2013.

**INDEPENDENT CITIES FINANCE
AUTHORITY**

W. Michael McCormick
President

SMITH, ALVAREZ & CASTILLO, INC.

Deborah J. Smith
President

Secretary