

On Company Letterhead

Industrial Development Authority
Community Development Department
City of Los Angeles
1200 West Seventh 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 "Authority") requesting the Authority to issue its industrial development bonds (the "Bonds") to assist the Company in financing the:

1. Acquisition of real property and rehabilitation of buildings at _____, Los Angeles, California, (the "Project Site")
2. Purchase and installation of certain manufacturing equipment at the Project Site, and
3. Payment of capitalized interest and certain costs of issuance in connection with the manufacture by the Company of _____ (the "Project").

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

The Company understands that the Authority may enter into one or more contracts with certain individuals and firms to assist the Authority in the sale and issuance of the Bonds, including bond counsel, financial advisors, investment bankers, trustee and any other experts the Authority 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, including, but not limited to, fees and expenses of the Finance Team, application and issuance fees of the California Debt Limit Allocation Committee ("CDLAC") and the California Industrial Development Financing Advisory Commission ("CIDFAC"), printing costs and fees of rating agencies, from the proceeds of the sale of the Bonds or from other available sources. 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 Authority 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 Authority 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 inducement resolution. In contemplation of such understanding, the Company agrees to indemnify, defend and hold harmless the Authority, 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 inducement 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 any other person or party whatsoever.

4. The Company understands that any money it pays to CDLAC, CIDFAC, the Authority 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 Authority nor the City is responsible for the Company's decision or any action of CDLAC or CIDFAC 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 Here)

By:

Title:

Date: