

JOINT EXERCISE OF POWERS AGREEMENT
BY AND BETWEEN
THE CITY OF ELK GROVE
AND
THE PARKING AUTHORITY OF THE CITY OF ELK GROVE
CREATING THE
ELK GROVE FINANCE AUTHORITY

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JOINT EXERCISE OF POWERS AGREEMENT

THIS AGREEMENT, dated July 13, 2005, by and between the CITY OF ELK GROVE, a municipal corporation duly organized and existing in the State of California, under and by virtue of the laws of the State of California (the "City"), and the PARKING AUTHORITY OF THE CITY OF ELK GROVE, a public body, corporate and politic, duly organized and existing under and by virtue of the laws of the State of California (the "Parking Authority");

WITNESSETH

WHEREAS, Article 1 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California authorize the City and the Parking Authority to create a joint exercise of powers entity that has the power to jointly exercise any powers common to the City and the Parking Authority;

WHEREAS, the City is authorized to acquire and construct real and personal property for municipal uses pursuant to the California Government Code;

WHEREAS, the Parking Authority is authorized to own, hold, and improve real or personal property and to purchase, lease, obtain an option upon, acquire by gift, grant, bequest, devise, or otherwise, any real or personal property or any interest in property and sell, lease, exchange, transfer, assign, pledge, or dispose of any real or personal property or any interest or right for the purpose of providing and maintaining parking facilities pursuant to the provisions of the California Streets & Highways Code; and

WHEREAS, by this Agreement, the City and the Parking Authority desire to create and establish a joint exercise of powers entity to be known as the Elk Grove Finance Authority (the "Finance Authority") for the purposes set forth herein and to exercise the powers described herein;

NOW, THEREFORE, the City and the Parking Authority, for and in consideration of the mutual promises and agreements herein contained, do agree as follows:

**ARTICLE 1
DEFINITIONS**

SECTION 1.1 Definitions. Unless the context otherwise requires, the terms defined in this Section 1 shall for all purposes of this Agreement have the meanings herein specified.

"Board" means the governing board of the Finance Authority.

"Bonds" has the meaning ascribed thereto in Section 6585 of the Law.

"City" means the existing municipal corporation known as the City of Elk Grove, a city duly organized and existing under and by virtue of the laws of the State of California.

“Finance Authority” means the Elk Grove Finance Authority created by this Agreement.

“Law” means Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, including the Marks-Roos Local Bond Pooling Act of 1985, as amended.

“Parking Authority” means the Parking Authority of the City of Elk Grove, a public body, corporate and politic, duly organized and existing under and by virtue of the laws of the State of California.

ARTICLE 2 GENERAL PROVISIONS

SECTION 2.1 Purpose of Agreement. This Agreement is made pursuant to the Law to provide for the joint exercise of powers common to the City and the Parking Authority for the purpose of financing and refinancing public capital improvements in accordance with the Law.

SECTION 2.2 Term. This Agreement shall become effective as of the date hereof and shall continue in full force and effect until terminated by agreement of the Parking Authority and the City; provided that in no event shall the Agreement terminate while any installment purchase or rental payments are due by the City or the Parking Authority to the Finance Authority under any contract of sale of any real or personal property of, or lease of any real or personal property from, the Finance Authority or while any Bonds of the Finance Authority are outstanding.

ARTICLE 3 THE FINANCE AUTHORITY

SECTION 3.1 Creation of the Finance Authority. The City and the Parking Authority hereby create pursuant to the Law an agency and public entity to be known as the “Elk Grove Finance Authority.”

SECTION 3.2 Relationship of the Finance Authority to City and Parking Authority. As provided in the Law, the Finance Authority shall be a public entity separate from the City and the Parking Authority. The debts, liabilities and obligations of the Finance Authority shall not constitute debts, liabilities or obligations of the City or the Parking Authority.

SECTION 3.3 Governing Board. The Finance Authority shall be administered by the Board, whose members shall be, at all times, the members of the City Council. The term of office of each member of the City Council as a member of the Board shall terminate when such member of the Board shall cease to be a member of the City Council; and the successor to such member of the City Council shall become a member of the Board.

SECTION 3.4 Bylaws. The Board shall establish bylaws and rules of procedure to govern its meetings and all other activities of the Finance Authority.

SECTION 3.5 Custodian of Property. The Treasurer of the Finance Authority is designated as the public officer or person who has charge of, handles, or has access to any property of the Finance Authority, and such officer shall file an official bond in the amount of \$25,000 as required by Section 6505.1 of the Law; provided that such bond shall not be required if (i) the Finance Authority does not possess or own property or funds with an aggregate value greater than \$500, excluding amounts held by a trustee or other fiduciary in connection with any Bonds, or (ii) the Treasurer as Director of Finance of the City already has on file an official bond as may be required by California law.

ARTICLE 4 POWERS

SECTION 4.1 General Powers. The Finance Authority shall have the power to exercise any power common to the City and the Parking Authority as authorized by the Law. The Finance Authority is authorized, in its own name, to do all acts necessary or convenient for the exercise of such powers for its purposes that the City or the Parking Authority could do separately, and all other acts authorized by the Law, including but not limited to any or all of the following:

- 4.1.1 To make and enter into contracts;
- 4.1.2 To employ agents, consultants, attorneys and employees;
- 4.1.3 To acquire real and personal property and any interest therein by purchase, gift, lease, option, grant, bequest, devise or otherwise, and to hold and dispose of such property;
- 4.1.4 To sue and be sued in its own name;
- 4.1.5 To be an applicant, make applications for, and receive grants from governmental and private entities;
- 4.1.6 To borrow or receive advances of funds from the City and the Parking Authority or from other sources as may be permitted by law;
- 4.1.7 To execute leases and installment sale or installment purchase contracts; and
- 4.1.8 To exercise all powers necessary and proper to carry out the terms and provisions of this Agreement or otherwise authorized by law;

SECTION 4.2 Specific Financial Powers. In addition to the above-listed powers, the Finance Authority is authorized to exercise the following powers:

4.2.1 To incur debts, liabilities, and obligations;

4.2.2 To issue bonds, notes, warrants, and other evidences of indebtedness to finance costs and expenses to carry out its powers hereunder;

4.2.3 To purchase, with the proceeds of its Bonds or any other available moneys, bonds or other obligations issued by the Parking Authority, the City, or any other local agency (as defined in Section 6585 of the Law), at public or negotiated sale, for the Finance Authority's purposes.

4.2.4 To hold any such bonds or obligations so purchased or sell them to public or private purchasers at public or negotiated sale, in whole or in part.

4.2.5 To set any terms and conditions on any purchase or sale of bonds or other obligations as it deems to be necessary, appropriate, and in the public interest, in furtherance of the Law.

SECTION 4.3 Additional Powers. Notwithstanding the foregoing, the Finance Authority shall have any additional powers conferred under the Law, insofar as such additional powers may be necessary or convenient to accomplish its purposes.

SECTION 4.4 Manner of Exercise. The powers of the Finance Authority shall be exercised subject only to such restrictions upon the manner of exercising such powers as are imposed upon the City in the exercise of similar powers, as provided in Section 6509 of the Law.

ARTICLE 5 CONTRIBUTIONS; ACCOUNTABILITY; DISPOSITION OF ASSETS

SECTION 5.1 Contributions and Advances. Contributions or advances of public funds and of personnel, equipment, or property may be made to the Finance Authority by the City and the Parking Authority for any of the purposes of this Agreement. Payment of public funds may be made to defray the cost of any such contribution. Any such advance shall be made subject to repayment, and shall be repaid, in the manner agreed upon by the City or the Parking Authority, as the case may be, and the Finance Authority at the time of making such advance. It is mutually understood and agreed that neither the City nor the Parking Authority has any obligation to make advances or contributions to the Finance Authority to provide for the costs and expenses or administration of the Finance Authority, even though either may do so. The City or the Parking Authority may allow the use of personnel, equipment, or property in lieu of other contributions or advances to the Finance Authority. After termination of this Agreement pursuant to Section 2.2 (Term), any surplus money in possession of the Finance Authority shall be returned to the City and the Parking Authority in proportion to the unreimbursed contributions each has made.

SECTION 5.2 Accountability of Funds. All funds of the Finance Authority shall be strictly and separately accounted for, and regular reports shall be rendered to the Parking

Authority and the City. The Finance Authority shall establish and maintain such funds and accounts as may be required by good accounting practice. The books and records of the Finance Authority shall be open to inspection at all reasonable times by the City and the Parking Authority and their representatives. The Finance Authority shall give an audited written report of all financial activities for each fiscal year to the City and to the Parking Authority.

SECTION 5.3 Disposition of Assets. Upon the termination of this Agreement in accordance with Section 2.2 (Term) hereof, all assets of the Finance Authority shall be distributed to the City, subject to the provisions of Section 5.1 (Contributions and Advances).

ARTICLE 6 BREACH

SECTION 6.1 Breach. If default shall be made by the City or the Parking Authority in any covenant contained in this Agreement, such default shall not excuse either the City or the Parking Authority from fulfilling its obligations under this Agreement and the City and the Parking Authority shall continue to be liable for the payment of contributions and the performance of all conditions herein contained. The City and the Parking Authority hereby declare that this Agreement is entered into for the benefit of the Finance Authority created hereby and the City and the Parking Authority hereby grant to the Finance Authority the right to enforce by whatever lawful means the Finance Authority deems appropriate all of the obligations of each of the parties hereunder. Each and all of the remedies given to the Finance Authority hereunder or by any law now or hereafter enacted are cumulative and the exercise of one right or remedy shall not impair the right of the Finance Authority to any or all other remedies.

ARTICLE 7 MISCELLANEOUS

SECTION 7.1 Agreement Not Exclusive. This Agreement shall not be exclusive and shall not be deemed to amend or alter the terms of other agreements between the City and the Parking Authority, except as the terms of this Agreement shall conflict therewith, in which case the terms of this Agreement shall prevail.

SECTION 7.2 Severability. Should any part, term, or provision of this Agreement be decided by the courts to be illegal or in conflict with any law of the State of California, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining parts, terms, or provisions hereof shall not be affected thereby.

SECTION 7.3 Successors; Assignment. This Agreement shall be binding upon and shall inure to the benefit of the successors of each of the parties. Except to the extent expressly provided herein, neither party may assign any right or obligation hereunder without the consent of the other.

SECTION 7.4 Amendment of Agreement. This Agreement may be amended by supplemental agreement executed by the City and the Parking Authority at any time.

SECTION 7.5 Notice of Agreement and Amendments. Within thirty (30) days after the effective date of this Agreement or any amendment hereto, the Finance Authority will cause a notice of this Agreement or amendment to be prepared and filed with the Office of the Secretary of State in the manner set forth in Section 6503.5 of the Law.

SECTION 7.6 Form of Approvals. Whenever an approval is required in this Agreement, unless the context specifies otherwise, it shall be given, in the case of the Parking Authority, by resolution duly and regularly adopted by the members of the Parking Authority, and, in the case of the City, by resolution duly and regularly adopted by the City Council of the City, and, in the case of the Finance Authority, by resolution duly and regularly adopted by the Board. Whenever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

SECTION 7.7 Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Agreement.

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

CITY OF ELK GROVE

Daniel Briggs, Mayor
City of Elk Grove

Attest:

Approved as to Form:

Peggy E. Jackson,
City Clerk

Anthony Manzanetti,
City Attorney

PARKING AUTHORITY OF THE
CITY OF ELK GROVE

By _____
Daniel Briggs, Chairperson of the
Board of Directors

Attest:

Peggy E. Jackson, Secretary