



State of California  
Secretary of State

FILE NO. 2282

**NOTICE OF A JOINT POWERS AGREEMENT**

(Government Code section 6503.5)

**FILED**  
Secretary of State  
State of California

**AUG - 8 2014**

(Office Use Only)

## Instructions:

1. Complete and mail to: Secretary of State, P.O. Box 942877, Sacramento, CA 94277-0001.
2. Include filing fee of \$1.00.
3. Do not include attachments, unless otherwise specified.
4. A copy of the full text of the joint powers agreement and amendments, if any, must be submitted to the State Controller's office. For address information, contact the State Controller's office at [www.sco.ca.gov](http://www.sco.ca.gov).

Name of the agency or entity created under the agreement and responsible for the administration of the agreement:

Brea Community Benefit Financing AuthorityAgency's or Entity's Mailing Address: 1 Civic Center Circle, Brea, CA 92821Title of the agreement: Joint Exercise of Powers Agreement

The public agencies party to the agreement are (if more space is needed, continue on a separate sheet and attach it to this form):

- (1) City of Brea
- (2) Industrial Development Authority of the City of Brea
- (3) \_\_\_\_\_

Effective date of the agreement: July 22, 2014

Provide a condensed statement of the agreement's purpose or the powers to be exercised: The purpose of the agreement is to assist in the financing and refinancing of public capital improvements by the members of the Authority by exercising the powers grant to the Authority under the Joint Exercise of Powers Act of the State of California.

RETURN ACKNOWLEDGMENT TO: (Type or Print)

NAME [City of Brea ]  
ADDRESS Attn: City Clerk  
1 Civic Center Circle  
CITY/STATE/ZIP [Brea, CA 92821 ]

July 23, 2014

Date

Signature

Cheryl Balz, City Clerk

Typed Name and Title

## BREA COMMUNITY BENEFIT FINANCING AUTHORITY

### JOINT EXERCISE OF POWERS AGREEMENT

This JOINT EXERCISE OF POWERS AGREEMENT (this "Agreement"), dated July \_\_, 2014, is between the CITY OF BREA, a municipal corporation duly organized and existing under the laws of the State of California (the "City"), and the INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF BREA, a public, corporate instrumentality of the State of California duly organized and existing under the laws of the State of California (the "IDA")

#### BACKGROUND:

1. The City and the IDA are authorized pursuant to the Joint Exercise of Powers Act (California Government Code Section 6500 *et seq.*) of the State of California (the "Joint Powers Act"), to form a joint powers authority as a public agency for the purpose of assisting the financing and refinancing of public capital improvements of local agencies in the State of California.

2. Under the Joint Powers Act and under the provisions of Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Bond Law"), the Authority is authorized to purchase bonds issued by, or to make loans to, its members and other local agencies in the State of California for the purpose of providing financial assistance in connection with the financing or refinancing of public capital improvements whenever there are significant public benefits within the meaning of the Bond Law.

3. The City and the IDA wish to enter into this Agreement for the purpose of forming a joint powers authority under the Joint Powers Act for the purposes of exercising the powers granted to joint powers authorities thereunder, including under the Bond Law, in order to assist in the financing of public capital improvements of the City and the IDA.

#### AGREEMENT:

For and in consideration of the premises and the material covenants hereinafter contained, the parties hereto hereby formally covenant, agree and bind themselves as follows:

SECTION 1. *Definitions.* Unless the context otherwise requires, the terms defined in this Section 2 have the meanings herein specified.

"Agreement" means this Joint Exercise of Powers Agreement, as it may be amended from time to time, creating the Authority.

"Authority" means the joint powers authority created by this Agreement.

"Board" means the governing board of the Authority.

"Bond Law" means Marks-Roos Local Bond Pooling Act of 1985, as amended, constituting Article 4 of the Joint Powers Act, commencing with Section 6584 thereof.

"Bonds" has the meaning given such term in Section 6585 of the Bond Law.

"City" means the City of Brea, a municipal corporation duly organized and existing under the laws of the State of California, its successors and assigns.

"Directors" means the members of the Board, which shall consist of the individuals who serve on the City Council of the City as set forth in Section 4(b).

"IDA" means the Industrial Development Authority of the City of Brea, a public, corporate instrumentality of the State of California duly organized and existing under the laws of the State of California, its successors and assigns.

"Joint Powers Act" means Articles 1, 2 and 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, including the Bond Law.

"Member" means the City and/or the IDA, as appropriate.

"Public Capital Improvements" has the meaning given such term in such term in Section 6585(g) of the Joint Powers Act, as in effect on the date hereof, and as hereafter amended.

SECTION 2. *Purpose.* This Agreement is entered into under the Joint Powers Act for the purpose of assisting the financing and refinancing of Public Capital Improvements of the Members by exercising the powers referred to in the recitals hereof and described in Section 5.

SECTION 3. *Term.* This Agreement takes effect as of the date hereof and continues in full force and effect until terminated by agreement of the Members; *provided, however,* that in no event shall this Agreement terminate while any Bonds or other obligations of the Authority remain outstanding under the terms of any indenture, trust agreement, contract, agreement, lease, sublease or other instrument under which such Bonds are issued or other obligations are incurred. The Authority shall cause all records regarding its formation, existence, any Bonds issued by it, obligations incurred by it and proceedings pertaining to its termination to be retained for at least six years following termination of the Authority or final payment of any Bonds, whichever is later.

SECTION 4. *The Authority.*

(a) Creation of Authority. There is hereby created under the Joint Powers Act an agency and public entity to be known as the "Brea Community Benefit Financing Authority." As provided in the Joint Powers Act, the Authority is a public entity separate from its Members. The debts, liabilities and obligations of the Authority do not and shall not constitute debts, liabilities or obligations of the Members. Within 30 days after the effective date of this Agreement or any amendment hereto, the Authority will cause a notice of this Agreement or amendment to be prepared and filed with the office of the

Secretary of State of the State of California in the manner set forth in Section 6503.5 of the Joint Powers Act.

(b) Governing Board. The Authority shall be administered by the Board whose members shall be, at all times, the members of the City Council of the City of Brea. Board members will not receive any compensation for serving as such, but shall be entitled to reimbursement for any expenses actually incurred in connection with serving as a member if the Board determines that such expenses will be reimbursed and if unencumbered funds are available for that purpose. All voting power of the Authority shall reside in the Board. Each Director shall have one vote.

(c) Meetings of Board.

(i) Time and Place. The Board shall establish the times and dates for regular meetings by resolution adopted by the Board; *provided, however*, that the first regular meeting following the execution and delivery of this Agreement shall be held on August 5, 2014, at the hour of 7:00 p.m. Regular meetings of the Board shall be held in the City Council Chambers of the City of Brea, located at One Civic Center Circle, Brea, California 92821, except as may otherwise be permitted by the laws of the State of California in the case of a meeting held by teleconference. The Board may hold special meetings at any time and from time to time in accordance with the provisions of the Ralph M. Brown Act (Chapter 9 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California), or any successor legislation hereinafter enacted (the "Brown Act").

(ii) Brown Act. All meetings of the Board will be called, noticed, held and conducted in accordance with the applicable provisions of the Brown Act.

(iii) Minutes. The Board will cause minutes of all meetings of the Board to be kept and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each member of the Board and to the Members.

(iv) Quorum. A majority of the members of the Board constitute a quorum for the transaction of business, except that less than a quorum may adjourn meetings from time to time. The affirmative votes of at least a majority of the Directors present at any meeting at which a quorum is present shall be required to take any action by the Board.

(d) Officers; Duties; Bonds

(i) Treasurer. Pursuant to Section 6505.5 of the Joint Powers Act, the person performing the functions as Treasurer of the City is hereby designated as the Treasurer of the Authority and, as such, shall perform the functions of the treasurer and the functions of the auditor of the Authority, as such functions are set forth in Section 6505.5 of the Joint Powers Law. Pursuant to Section 6505.1 of the Joint Powers Act, the Treasurer shall have charge of, handle and have access to all accounts, funds and money of the Authority and all records of the Authority relating thereto. The Treasurer shall have custody of all of the accounts, funds and money of the Authority from whatever source.

The Treasurer of the Authority is hereby designated as the public officer or person who has charge of, handles, or has access to any property of the Authority.

Such officer shall file an official bond in the amount of \$25,000 as required by Section 6505.1 of the Joint Powers Act; provided, that such bond shall not be required if the Authority does not possess or own property or funds with an aggregate value of greater than \$500 (excluding amounts held by a trustee or other fiduciary in connection with any Bonds). So long as required by Section 6505 and Section 6505.5 of the Joint Powers Act, the Treasurer of the Authority shall prepare or cause to be prepared a special audit as required under Section 6505 of the Joint Powers Act every year during the term of this Agreement.

(ii) Other Officers. In addition to the Treasurer, the officers of the Authority shall consist of a Chair, Vice Chair, Executive Director, Assistant Treasurer and Secretary. The Mayor shall serve as the Chair of the Authority, the Mayor Pro Tem shall serve as the Vice Chair of the Authority, the City Manager shall serve as the Executive Director of the Authority, the person performing the functions of chief financial officer of the City shall serve as the Assistant Treasurer of the Authority, and the City Clerk of the City shall serve as the Secretary of the Authority.

Said officers shall perform such functions as shall be customary in the exercise of such positions, and as may be more specifically provided by the Authority from time to time. The Chair shall sign all contracts on behalf of the Authority, except as may otherwise be provided by resolution of the Board. The Vice Chair shall perform the duties of the Chair in the absence or unavailability of the Chair. The Executive Director shall have charge of the day-to-day administration of the Authority and shall execute the directives of the Board. The Assistant Treasurer shall perform the functions of the chief financial officer of the Authority and shall assist the Treasurer in the performance of those statutory duties which are imposed on the Treasurer under subsection (d)(i) of this Section. The Secretary shall have charge of the records of the Authority and shall be responsible for recording the minutes of all meetings of the Board. The City Attorney shall act as the general legal counsel to the Authority, and shall perform such duties as may be prescribed by the Board.

The Board shall have the power to appoint such other officers and employees as it may deem necessary and to retain independent counsel, consultants and accountants.

(iii) Privileges and Immunities. All of the privileges and immunities from liability, exemptions from laws, ordinances and rules, all pension, relief, disability, worker's compensation and other benefits which apply to the activities of officers, agents or employees of the Members when performing their respective functions within the territorial limits of their respective Member, shall apply to them to the same degree and extent while engaged in the performance of any of their functions and duties extraterritorially under the provisions of this Agreement.

(iv) Employees Independent of Members. None of the officers, agents or employees, if any, directly employed by the Authority shall be deemed, by reason of their employment by the Authority, to be employed by any Member or, by reason of their employment by the Authority, to be subject to any of the requirements of any Member.

SECTION 5. *Powers.* The Authority shall have the power, in its own name, to construct, buy, sell or lease property and to issue, sell and deliver Bonds for the purpose of assisting the financing and refinancing of Public Capital Improvements of the Members, and for any other purposes authorized under the Bond Law. Without limiting

the generality of the foregoing, the Authority has the power to provide financial assistance to the Members for the financing or refinancing of Public Capital Improvements by purchasing any bonds issued by the Members for that purpose.

The Authority shall have all powers which a joint powers authority may exercise under the Bond Law and the Joint Powers Act (including powers which are common to the Members in accordance with Section 6502 of the Joint Powers Act), and all powers granted to it as a public agency under the laws of the State of California (including but not limited to the powers set forth in Chapter 12, Division 6, Title 1 of the California Government Code, commencing with Section 5920 of said Code), for the purpose of providing financial assistance to the Members for the financing or refinancing of Public Capital Improvements of the Members. Pursuant to Section 6509 of the Joint Powers Act, all powers herein granted to the Authority shall be subject to the restrictions upon the manner of exercising such powers which are imposed upon the City.

SECTION 6. *Termination of Powers.* The Authority shall continue to exercise the powers herein conferred upon it until the termination of this Agreement in accordance with Section 3.

SECTION 7. *Fiscal Year.* Unless and until changed by resolution of the Board, the fiscal year of the Authority is the period from July 1 of each year to and including the following June 30.

SECTION 8. *Disposition of Assets.* Upon termination of this Agreement under Section 3, any surplus money in possession of the Authority or on deposit in any fund or account of the Authority, and all property of the Authority both real and personal, will be returned in proportion to any contributions made as required by Section 6512 of the Joint Powers Act, and otherwise will be divided equally between the Members. The Board is vested with all powers of the Authority for the purpose of concluding and dissolving the business affairs of the Authority.

SECTION 9. *Contributions and Advances.* Contributions or advances of public funds and of personnel, equipment or property may be made to the Authority by the Members for any of the purposes of this Agreement. Any such advance made in respect of a revenue-producing facility shall be made subject to repayment, and will be repaid, in the manner agreed upon by the affected Member and the Authority at the time of making such advance as provided by 6512.1 of the Joint Powers Act. It is mutually understood and agreed that no Member of the Authority shall have any obligation to make advances or contributions to the Authority to provide for the costs and expenses of administration of the Authority, even though either may do so. Any Member may allow the use of personnel, equipment or property in lieu of other contributions or advances to the Authority.

SECTION 10. *Accounts and Reports.* The Authority will establish and maintain such funds and accounts as may be required by good accounting practice. The books and records of the Authority will be open to inspection at all reasonable times by the Members and their representatives.

SECTION 11. *Conflict of Interest Code.* The Authority shall, by resolution of the Board, adopt a Conflict of Interest Code to the extent required by law.

SECTION 12. *Severability.* If any part, term, or provision of this Agreement is 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 will not be affected thereby.

SECTION 13. *Successors.* This Agreement is binding on and inures to the benefit of the successors of the parties.

SECTION 14. *Amendment.* This Agreement may be amended by supplemental agreement executed by the Members at any time. However, this Agreement may be terminated only in accordance with Section 3 and any such supplemental agreement is subject to any restrictions contained in any Bonds or documents related to any Bonds to which the Authority is a party.

SECTION 15. *Form of Approvals.* Whenever an approval is required in this Agreement, unless the context specifies otherwise, it shall be given by resolution duly adopted by the governing board of the affected Member, and, in the case of the Authority, by resolution duly adopted by the Board. Whenever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

SECTION 16. *Waiver of Personal Liability.* No member, officer or employee of the Authority or the Members is individually or personally liable for any claims, losses, damages, costs, injury and liability of every kind, nature and description arising from the actions of the Authority or the actions undertaken under this Agreement, and the Authority shall defend such members, officers or employees against any such claims, losses, damages, costs, injury and liability. Without limiting the generality of the foregoing, no member, officer or employee of the Authority or of any Member is personally liable on any Bonds or be subject to any personal liability or accountability by reason of the issuance of Bonds under the Joint Powers Act and this Agreement. To the full extent permitted by law, the Board shall provide for indemnification by the Authority of any person who is or was a member of the Board, or an officer, employee or other agent of the Authority, and who was or is a party or is threatened to be made a party to a proceeding by reason of the fact that such person is or was such a member of the Board, or an officer, employee or other agent of the Authority, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding, if such person acted in good faith and in the course and scope of his or her office, employment or agency. In the case of a criminal proceeding, the Board may provide for indemnification and defense of a member of the Board, or an officer, employee or other agent of the Authority to the extent permitted by law.

SECTION 17. *Notices.* Notices to any Member hereunder shall be sufficient if delivered to the Superintendent or other chief executive officer of such Member.

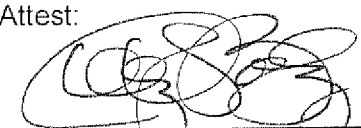
SECTION 18. *Section Headings.* All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Agreement.

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

CITY OF BREA

By   
Mayor

Attest:

 7/17/14  
City Clerk

INDUSTRIAL DEVELOPMENT  
AUTHORITY OF THE CITY OF BREA

By   
Chair

Attest:

 7/22/14  
Secretary

THE FOREGOING INSTRUMENT IS A FULL TRUE AND  
CORRECT COPY OF THE ORIGINAL ON FILE IN THIS OFFICE  
DATE: July 22 2014  
CITY CLERK OF THE CITY OF BREA, CALIFORNIA

ATTEST: 