

NOTICE

SPECIAL MEETING OF THE GOVERNING BOARD

TRACY UNIFIED SCHOOL DISTRICT

DATE: THURSDAY, MARCH 31, 2011

**PLACE: DISTRICT EDUCATION CENTER
BOARD ROOM
1875 WEST LOWELL AVENUE
TRACY, CALIFORNIA**

**TIME: 5:30 PM Open Session
5:45 PM Closed Session**

A G E N D A

1. Call to Order

2. Roll Call – Establish Quorum

Board: J. Costa, G. Crandall, W. Gouveia, T. Guzman, G. Silva, B. Swenson, J. Vaughn.
Staff: J. Franco, C. Goodall, S. Harrison and B. Etcheverry.

3. Call to Order and Pledge of Allegiance

4. Hearing of Delegations: Anyone wishing to address the Governing Board on a non-agenda item may be heard at this time. Presentations shall be held to a reasonable length, normally not to exceed five (5) minutes. If formal action is required, the item will be placed on a future agenda and action will be taken at a future date. If information or a report is requested, the request for it must also be submitted in writing to the superintendent. (Please complete a speaker's card at the secretary's desk).

This is a period in which members of the public may address the Board on any subject within the Board's jurisdiction that is not on the agenda. The Brown Act does not allow the Board to take action or discuss items which are not on the agenda. This is because other members of the public have not been notified through the agenda that the subject of the statement would be discussed at this Board meeting.

The Board may ask for the item to be placed on a future agenda, direct the speaker to a person who can help, or provide the speaker with the correct procedure to follow to address his/her problem. All speakers have a constitutional right to free speech. As a protective measure, we would like to remind you that if you say something which might give another person the right to pursue legal recourse against you. There is a record of this meeting. This does not mean you cannot criticize employees of the District. However, we would suggest that you do it without using names. We would also suggest that you use the personnel complaint procedures. The board can only hear and address complaints which have been processed in line with the policy. You may obtain copies of the policy from Human Resources, and staff will assist you.

5. **Action Items:** Action items are considered and voted on individually. Trustees receive background information and staff recommendations for each item recommended for action in advance of scheduled meetings and are prepared to vote with knowledge on the action items.

5.1 Administrative & Business Services:

- 5.1.1 Adopt Resolution No. 10-27 Approving, Authorizing, and Directing
Execution of a Joint Exercise of Powers Agreement Relating to the
California Municipal Finance Authority

1-19

Action: Motion ___; Second ___. **Vote:** Yes ___; No ___; Absent ___; Abstain ___.

6. **Adjourn to Closed Session**

7. **Closed Session:** Opportunity to Address the Board Regarding Closed Session Items which follow. Closed session is limited to consideration of items specifically authorized under the Government Code and/or the Education Codes.

7.1 Human Resources:

- 7.1.1 Consider Public Employee/Employment/Discipline/Dismissal/Release

Action: Motion ___; Second ___. **Vote:** Yes ___; No ___; Absent ___; Abstain ___.

- 7.1.2 Conference with Labor Negotiator

Agency Negotiator: Sheila Harrison

Assistant Superintendent of Educational Services & Human Resources

Employee Organization: CSEA, TEA

8. **Adjourn to Open Session/Report Out**



BUSINESS SERVICES MEMORANDUM

TO: Dr. James C. Franco, Superintendent
FROM: Dr. Casey Goodall, Associate Superintendent for Business Services
DATE: March 11, 2011
SUBJECT: **Adopt Resolution 10-27 Approving, Authorizing, and Directing Execution of a Joint Exercise of Powers Agreement Relating to the California Municipal Finance Authority**

BACKGROUND: On March 8, 2011, the Board of Education heard a presentation regarding the financing plan for the issuance of an additional series of bonds to finance Measure S projects. The financing plan calls for the formation of an agency under the Joint Powers Act by and between the California Municipal Finance Authority (“CMFA”) and Tracy Joint Unified School District to be known as the Tracy School Facilities Financing Authority (the “Authority”).

At the March 22, 2011 Board of Education meeting, the Board approved Resolution No. 10-25, which authorized the execution and delivery of a Joint Exercise of Powers Agreement (the “Agreement”) which creates and establishes the “Authority”. The purpose of the Agreement is to establish a public entity for the exercise of additional powers given to a joint powers entity under the Joint Powers Act; including, but not limited to, the issuance of Bonds for the purpose of aiding in the financing and refinancing of public capital improvements for the benefit of the District.

RATIONALE: It is the policy of CMFA that the District must become a member of their existing JPA before they will form a new JPA with the District. This process involves TUSD making an application and paying a fee of \$2,500 to CMFA. CMFA will then approve the application and will also approve the formation of the new JPA.

Resolution No 10-27 authorizes the school district to make application to and enter into CMFA’s existing JPA. Once this is complete, CMFA will then form a new JPA exclusively with Tracy Unified School District, forming Tracy School Financing Authority (TSFA). Also attached is a copy of the Joint Exercise of Powers Agreement relating to the California Municipal Finance Authority and application.

FUNDING: The application fee will be funded by General Fund Unrestricted Facilities Funds; Improvements will be funded by Measure S Bond Funds, QSCB Bond Funds, Deferred Maintenance, Redevelopment and the State School Building Program Funds

RECOMMENDATION: **Adopt Resolution 10-27 Approving, Authorizing, and Directing Execution of a Joint Exercise of Powers Agreement Relating to the California Municipal Finance Authority**

Prepared by: Bonny Carter, Director of Facilities



**TRACY UNIFIED SCHOOL DISTRICT
RESOLUTION NO. 10-27**

**RESOLUTION OF THE BOARD OF TRUSTEES OF THE
TRACY JOINT UNIFIED SCHOOL DISTRICT
APPROVING, AUTHORIZING, AND DIRECTING
EXECUTION OF A JOINT EXERCISE OF POWERS
AGREEMENT RELATING TO THE CALIFORNIA
MUNICIPAL FINANCE AUTHORITY**

WHEREAS, pursuant Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act"), certain public agencies (the "Members") entered into a Joint Exercise of Powers Agreement Relating to the California Municipal Finance Authority, dated as of January 1, 2004 (the "Agreement") in order to form the California Municipal Finance Authority (the "Authority"), for the purpose of promoting economic, cultural and community development and in order to exercise any powers common to the Members, including the issuance of bonds, notes or other evidences of indebtedness; and

WHEREAS, the Tracy Joint Unified School District (the "District") has determined that it is in the public interest and for the public benefit that the District become a Member of the Authority in order to facilitate the promotion of economic, cultural and community development activities in the District, including the financing of capital projects therefor; and

WHEREAS, there is now before this Board of Trustees of the District (the "Board") the form of the Agreement and the members of the Board of Trustees, with the assistance of its staff, have reviewed said document;

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Tracy Joint Unified School District as follows:

Section 1. The Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, is hereby approved. The President of the Board of Trustees, or such other member of the Board of Trustees as the President may designate, the Superintendent of the District and the Associate Superintendent of Business Services of the District, or such other officer or employee of the District as the Superintendent may designate (each an "Authorized Officer") are, and each of them is, hereby authorized and directed, for and

in the name of the District, to execute and deliver the Agreement in substantially said form, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution and delivery of the Agreement by such Authorized Officer.

Section 3. The Superintendent and the other officers and employees of the District, are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the action herein authorized, and otherwise to carry out, give effect to, and comply with the terms and intent of this Resolution. Any such actions heretofore taken are hereby approved, confirmed and ratified.

Section 4. The Superintendent shall forward a certified copy of this Resolution and an originally executed signature page to the Agreement to the Authority in care of its counsel:

Harriet M. Welch, Esq.
Squire, Sanders & Dempsey LLP
555 South Flower St., Suite 3100
Los Angeles, CA 90071-2300

Section 4. This Resolution shall take effect from and after its date of adoption.

PASSED AND ADOPTED by the Board of Trustees of the Tracy Joint Unified School District this day, March 31, 2011, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED:

President of the Board of Trustees
of the Tracy Joint Unified School District

ATTEST:

Clerk of the Board of Trustees of
the Tracy Joint Unified School



Application Number: _____

APPLICATION FOR ASSISTANCE / FINANCING

I. APPLICANT PROFILE

Borrower's Name:	Tracy Joint Unified School District		
Street Address:	1875 W. Lowell Avenue		
City / State / Zip Code:	Tracy / CA / 95376-4095		
Contact Name:	Bonny Carter	Title:	Director of Facilities and Planning
Contact Phone:	209-830-3245	Fax:	209-830-3249
Contact E-Mail:	bcarter@tusd.net		

Corporate Structure:	<input type="checkbox"/> S Corporation <input type="checkbox"/> C Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> 501(c)(3) <input checked="" type="checkbox"/> Other		
Date of Incorporation:		State of Incorporation:	

Guarantor's Name:	Same as above		
Street Address:			
City / State / Zip Code:			
Contact Name:		Title:	
Contact Phone:		Fax:	
Contact E-Mail:			

II. TYPE OF ACTIVITY (Check appropriate box or boxes)

- Nonprofit or Public Benefit
 Housing
 Manufacturing or Pollution Control
 Government
 Other

III. FINANCING INFORMATION

Maximum Amount of Bonds:	\$19.77 million	Approximate Date of Sale of Bonds:	April 26, 2011
Scheduled Maturity of Bonds:	approximately 20 years		
Type of Financing:	<input checked="" type="checkbox"/> New Money <input type="checkbox"/> Refunding	If Refunding, State Volume Cap Required:	\$
Type of Offering:	<input type="checkbox"/> Public <input checked="" type="checkbox"/> Private		
Credit Enhancement:	<input type="checkbox"/> Letter of Credit <input checked="" type="checkbox"/> None <input type="checkbox"/> Bond Insurance <input type="checkbox"/> Other: _____		
Expected Rating on Bonds:	No rating (private placement); District's underlying rating is Aa2 (Moody's)		

IV. PROJECT DESCRIPTION

Is this Application related to another previously submitted project? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Provide Detailed Description of Project:	See attached project list
Activity/Products Manufactured:	N.A.
Provide Detailed Summary of Public Benefits Associated with Project:	Public school facilities modernization and new construction projects.

V. PROJECT SITE LOCATION (Please attach separate sheet labeled "Project Site Locations" for multiple site projects.)

Street Address:	Various school sites within District		
City:		County:	
State:		Zip Code:	
Current # of Employees at this site:		Full-Time Jobs Created/Retained:	

VI. SUMMARY OF PROJECT COSTS

Sources of Funds:	Amount
Tax-Exempt Bond Proceeds:	\$ 6,000,000*
Taxable Bond Proceeds:	19,770,000
Other*: _____	
Other*: _____	
Other*: _____	
Other*: _____	
Equity:	
Total Source of Funds:	\$ 25,770,000

Summary of Project Costs:	Amount
Land Acquisition:	\$
Building Acquisition:	
Rehabilitation:	
New Construction:	
New Machinery & Equipment:	
Used Machinery & Equipment:	
Architectural & Engineering:	
Legal and Professional:	
Other: _____	
Other: _____	
Other: _____	
Other: _____	
Costs of Issuance:	
Total Project Costs:	\$

* Identify other sources: Equity, Bank Financing, use of Federal, State or Local Financing Programs, etc.

VII. FINANCING TEAM

BORROWER'S COUNSEL:		Kronick Moskowitz Tiedemann & Girard			
Street Address:		400 Capitol Mall, 27 th Floor			
City / State / Zip Code:		Sacramento / CA / 95814			
Contact Name:		P. Addison Covert	Title:	Attorney	
Contact Phone:	(916) 321-4500	Fax:	(916) 321-4555	E-Mail:	acovert@kmtg.com

FINANCIAL ADVISOR:		KNN Public Finance			
Street Address:		1333 Broadway, Suite 1000			
City / State / Zip Code:		Oakland / CA / 94612			
Contact Name:		Ruth Alahydoian	Title:	Vice President	
Contact Phone:	510-208-8203	Fax:	510-208-8282	E-Mail:	ralahydoian@knninc.com

UNDERWRITER:		JP Morgan Chase (Commercial Bank - Private Placement)			
Street Address:		560 Mission Street			
City / State / Zip Code:		San Francisco / CA / 94105-2907			
Contact Name:		John Spillane	Title:	Senior Vice President, Public Sector Banking	
Contact Phone:	415-315-3968	Fax:	415-315-8385	E-Mail:	john.spillane@chase.com

UNDERWRITER'S COUNSEL:		Kutak Rock, LLP			
Street Address:		225 Peachtree Street, N.E., Peachtree Center South Tower, Suite 2100			
City / State / Zip Code:		Atlanta / GA / 30303-1731			
Contact Name:		Eric Sender	Title:		
Contact Phone:	404-222-4633	Fax:	404-222-4654	E-Mail:	eric.sender@kutakrock.com

BOND COUNSEL:		Orrick			
Street Address:		777 South Figueroa Street, Suite 3200			
City / State / Zip Code:		Los Angeles / CA / 90017			
Contact Name:		Don Field	Title:	Esq.	
Contact E-Mail:		dfield@orrick.com			
Contact Phone:	213-612-2287	Fax:	213-612-2499	E-Mail:	

CREDIT ENHANCEMENT PROVIDER:		NONE			
Street Address:					
City / State / Zip Code:					
Contact Name:			Title:		
Contact Phone:		Fax:		E-Mail:	

ADDITIONAL REQUIREMENTS:

1. \$2,500.00 Non-Refundable Application Fee made payable to the **California Municipal Finance Authority**.
2. Provide Description of Borrower and/or its Affiliates.
3. Provide Description of Developer's Experience (including a summary of other multi-family housing development projects completed within past five years).
4. Financial Statements (or Annual Report) for most recent three years and most recent quarterly statement.
5. Provide Financial Forecast of the Project (including income statement, balance sheet, summary of cash flows, and forecasted sources and uses of financing).
6. For Housing Applications only – please complete Section VIII.

CERTIFICATION

I hereby represent that all the information contained in this documentation and attachments are true and correct to the best of my knowledge.

Signature: _____

Date: _____

Print Name: _____

Print Title: _____

**FOR MORE INFORMATION OR TO SUBMIT AN APPLICATION
PLEASE CONTACT:**

CALIFORNIA MUNICIPAL FINANCE AUTHORITY
 Attention: John P. Stoecker
 2111 Palomar Airport Road, Suite 320
 Carlsbad, CA 92011
 Tel: (760) 930-1221 • Fax: (760) 683-3390
 E-Mail: jstoecker@cmfa-ca.com

VIII. HOUSING ADDENDUM (For Housing Applications Only)

PROJECT NAME:			
Street Address:			
City:		County:	
State:		Zip Code:	
Land Owned / Date Acquired or Option:		Land Leased or Lease Option Date:	
Current Zoning of Project Site:		Will Project Require a Zoning Change: <input type="checkbox"/> Yes <input type="checkbox"/> No	
If Yes, Describe Changes Required:			
Other Entitlements:			
Number of Units:	Restricted:	Market:	
% of Restricted Units:	% of Area Median Income for Low Income Housing:		
Describe Amenities:			
Describe Services:			

Please provide a breakdown of the following information:

Unit Size	No. of Units	Market	Restricted Rents	% of AMI
		\$	\$	
		\$	\$	

**JOINT EXERCISE OF POWERS AGREEMENT
RELATING TO THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY**

THIS AGREEMENT, dated as of January 1, 2004, among the parties executing this Agreement (all such parties, except those which have withdrawn as provided herein, are referred to as the "Members" and those parties initially executing this Agreement are referred to as the "Initial Members"):

WITNESSETH

WHEREAS, pursuant to Title 1, Division 7, Chapter 5 of the California Government Code (in effect as of the date hereof and as the same may from time to time be amended or supplemented, the "Joint Exercise of Powers Act"), two or more public agencies may by agreement jointly exercise any power common to the contracting parties; and

WHEREAS, each of the Members is a "public agency" as that term is defined in Section 6500 of the Joint Exercise of Powers Act; and

WHEREAS, each of the Members is empowered by law to promote economic, cultural and community development, including, without limitation, the promotion of opportunities for the creation or retention of employment, the stimulation of economic activity, the increase of the tax base, and the promotion of opportunities for education, cultural improvement and public health, safety and general welfare; and

WHEREAS, each of the Members may accomplish the purposes and objectives described in the preceding preamble by various means, including through making grants, loans or providing other financial assistance to governmental and nonprofit organizations; and

WHEREAS, each Member is also empowered by law to acquire and dispose of real property for a public purpose; and

WHEREAS, the Joint Exercise of Powers Act authorizes the Members to create a joint exercise of powers entity with the authority to exercise any powers common to the Members, as specified in this Agreement and to exercise the additional powers granted to it in the Joint Exercise of Powers Act and any other applicable provisions of the laws of the State of California; and

WHEREAS, a public entity established pursuant to the Joint Exercise of Powers Act is empowered to issue or execute bonds, notes, commercial paper or any other evidences of indebtedness, including leases or installment sale agreements or certificates of participation therein (herein "Bonds"), and to otherwise undertake financing programs under the Joint Exercise of Powers Act or other applicable provisions of the laws of the State of California to accomplish its public purposes; and

WHEREAS, the Members have determined to specifically authorize a public entity authorized pursuant to the Joint Exercise of Powers Act to issue Bonds pursuant to the Joint Exercise of Powers Act or other applicable provisions of the laws of the State of California; and

WHEREAS, it is the desire of the Members to use a public entity established pursuant to the Joint Exercise of Powers Act to undertake the financing and/or refinancing of projects of any nature, including, but not limited to, capital or working capital projects, insurance, liability or retirement programs or facilitating Members use of existing or new financial instruments and mechanisms; and

WHEREAS, it is further the intention of the Members that the projects undertaken will result in significant public benefits to the inhabitants of the jurisdictions of the Members; and

WHEREAS, by this Agreement, each Member desires to create and establish the “California Municipal Finance Authority” for the purposes set forth herein and to exercise the powers provided herein;

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

Section 1. Purpose.

This Agreement is made pursuant to the provisions of the Joint Exercise of Powers Act. The purpose of this Agreement is to establish a public entity for the joint exercise of powers common to the Members and for the exercise of additional powers given to a joint powers entity under the Joint Powers Act or any other applicable law, including, but not limited to, the issuance of Bonds for any purpose or activity permitted under the Joint Exercise of Powers Act or any other applicable law. Such purpose will be accomplished and said power exercised in the manner hereinafter set forth.

Section 2. Term.

This Agreement shall become effective in accordance with Section 17 as of the date hereof and shall continue in full force and effect until such time as it is terminated in writing by all the Members; provided, however, that this Agreement shall not terminate or be terminated until all Bonds issued or caused to be issued by the Authority (defined below) shall no longer be outstanding under the terms of the indenture, trust agreement or other instrument pursuant to which such Bonds are issued, or unless a successor to the Authority assumes all of the Authority’s debts, liabilities and obligations.

Section 3. Authority.

A. CREATION AND POWERS OF AUTHORITY.

Pursuant to the Joint Exercise of Powers Act, there is hereby created a public entity to be known as the “California Municipal Finance Authority” (the “Authority”), and said Authority shall be a public entity separate and apart from the Members. Its

debts, liabilities and obligations do not constitute debts, liabilities or obligations of any Members.

B. BOARD.

The Authority shall be administered by the Board of Directors (the “Board,” or the “Directors” and each a “Director”) of the California Foundation for Stronger Communities, a nonprofit public benefit corporation organized under the laws of the State of California (the “Foundation”), with each such Director serving in his or her individual capacity as a Director of the Board. The Board shall be the administering agency of this Agreement and, as such, shall be vested with the powers set forth herein, and shall administer this Agreement in accordance with the purposes and functions provided herein. The number of Directors, the appointment of Directors, alternates and successors, their respective terms of office, and all other provisions relating to the qualification and office of the Directors shall be as provided in the Articles and Bylaws of the Foundation, or by resolution of the Board adopted in accordance with the Bylaws of the Foundation.

All references in this Agreement to any Director shall be deemed to refer to and include the applicable alternate Director, if any, when so acting in place of a regularly appointed Director.

Directors may receive reasonable compensation for serving as such, and shall be entitled to reimbursement for any expenses actually incurred in connection with serving as a Director, if the Board shall determine that such expenses shall be reimbursed and there are unencumbered funds available for such purpose.

The Foundation may be removed as administering agent hereunder and replaced at any time by amendment of this Agreement approved as provided in Section 16; provided that a successor administering agent of this Agreement has been appointed and accepted its duties and responsibilities under this Agreement.

C. OFFICERS; DUTIES; OFFICIAL BONDS.

The officers of the Authority shall be the Chair, Vice-Chair, Secretary and Treasurer (defined below). The Board, in its capacity as administering agent of this Agreement, shall elect a Chair, a Vice-Chair, and a Secretary of the Authority from among Directors to serve until such officer is re-elected or a successor to such office is elected by the Board. The Board shall appoint one or more of its officers or employees to serve as treasurer, auditor, and controller of the Authority (the “Treasurer”) pursuant to Section 6505.6 of the Joint Exercise of Powers Act to serve until such officer is re-elected or a successor to such office is elected by the Board.

Subject to the applicable provisions of any resolution, indenture, trust agreement or other instrument or proceeding authorizing or securing Bonds (each such resolution, indenture, trust agreement, instrument and proceeding being herein referred to as an “Indenture”) providing for a trustee or other fiscal agent, and except as may otherwise be

specified by resolution of the Board, the Treasurer is designated as the depository of the Authority to have custody of all money of the Authority, from whatever source derived and shall have the powers, duties and responsibilities specified in Sections 6505, 6505.5 and 6509.5 of the Joint Exercise of Powers Act.

The Treasurer of the Authority is designated as the public officer or person who has charge of, handles, or has access to any property of the Authority, and such officer shall file an official bond with the Secretary of the Authority in the amount specified by resolution of the Board but in no event less than \$1,000.

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.

The Board shall have the power, by resolution, to the extent permitted by the Joint Exercise of Power Act or any other applicable law, to delegate any of its functions to one or more of the Directors or officers, employees or agents of the Authority and to cause any of said Directors, officers, employees or agents to take any actions and execute any documents or instruments for and in the name and on behalf of the Board or the Authority.

D. MEETINGS OF THE BOARD.

(1) Ralph M. Brown Act.

All meetings of the Board, including, without limitation, regular, adjourned regular, special, and adjourned special meetings shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act (commencing with Section 54950 of the Government Code of the State of California), or any successor legislation hereinafter enacted (the "Brown Act").

(2) Regular Meetings.

The Board shall provide for its regular meetings; provided, however, it shall hold at least one regular meeting each year. The date, hour and place of the holding of the regular meetings shall be fixed by resolution of the Board. To the extent permitted by the Brown Act, such meetings may be held by telephone conference.

(3) Special Meetings.

Special meetings of the Board may be called in accordance with the provisions of Section 54956 of the Government Code of the State of California. To the extent permitted by the Brown Act, such meetings may be held by telephone conference.

(4) Minutes.

The Secretary of the Authority shall cause to be kept minutes of the regular, adjourned regular, special, and adjourned special meetings of the Board and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each Director.

(5) Quorum.

A majority of the Board shall constitute a quorum for the transaction of business. No action may be taken by the Board except upon the affirmative vote of a majority of the Directors constituting a quorum, except that less than a quorum may adjourn a meeting to another time and place.

E. RULES AND REGULATIONS.

The Authority may adopt, from time to time, by resolution of the Board such rules and regulations for the conduct of its meetings and affairs as may be required.

Section 4. Powers.

The Authority shall have the power, in its own name, to exercise the common powers of the Members and to exercise all additional powers given to a joint powers entity under any of the laws of the State of California, including, but not limited to, the Joint Exercise of Powers Act, for any purpose authorized under this Agreement. Such powers shall include the common powers specified in this Agreement and may be exercised in the manner and according to the method provided in this Agreement. The Authority is hereby authorized to do all acts necessary for the exercise of such power, including, but not limited to, any of all of the following: to make and enter into contracts; to employ agents and employees; to acquire, construct, provide for maintenance and operation of, or maintain and operate, any buildings, works or improvements; to acquire, hold or dispose of property wherever located; to incur debts, liabilities or obligations; to receive gifts, contributions and donations of property, funds, services, and other forms of assistance from person, firms, corporations and any governmental entity; to sue and be sued in its own name; to make grants, loans or provide other financial assistance to governmental and nonprofit organizations (e.g., the Members or the Foundation) to accomplish any of its purposes; and generally to do any and all things necessary or convenient to accomplish its purposes.

Without limiting the generality of the foregoing, the Authority may issue or cause to be issued Bonds, and pledge any property or revenues as security to the extent permitted under the Joint Exercise of Powers Act, or any other applicable provision of law; provided, however, the Authority shall not issue Bonds with respect to any project located in the jurisdiction of one or more Members unless the governing body of any such Member, or its duly authorized representative, shall approve, conditionally or unconditionally, the project, including the issuance of Bonds therefor. Such approval may be evidenced by resolution, certificate, order, report or such other means of written approval of such project as may be selected by the Member (or its authorized representative) whose approval is required. No such approval shall be required in

connection with Bonds that refund Bonds previously issued by the Authority and approved by the governing board of a Member.

The manner in which the Authority shall exercise its powers and perform its duties is and shall be subject to the restrictions upon the manner in which a California general law city could exercise such powers and perform such duties. The manner in which the Authority shall exercise its powers and perform its duties shall not be subject to any restrictions applicable to the manner in which any other public agency could exercise such powers or perform such duties, whether such agency is a party to this Agreement or not.

Section 5. Fiscal Year.

For the purposes of this Agreement, the term “Fiscal Year” shall mean the fiscal year as established from time to time by resolution of the Board, being, at the date of this Agreement, the period from July 1 to and including the following June 30, except for the first Fiscal Year which shall be the period from the date of this Agreement to June 30, 2004.

Section 6. Disposition of Assets.

At the end of the term hereof or upon the earlier termination of this Agreement as set forth in Section 2, after payment of all expenses and liabilities of the Authority, all property of the Authority both real and personal shall automatically vest in the Members in the manner and amount determined by the Board in its sole discretion and shall thereafter remain the sole property of the Members; provided, however, that any surplus money on hand shall be returned in proportion to the contributions made by the Members.

Section 7. Bonds.

From time to time the Authority shall issue Bonds, in one or more series, for the purpose of exercising its powers and raising the funds necessary to carry out its purposes under this Agreement.

The services of bond counsel, financing consultants and other consultants and advisors working on the projects and/or their financing shall be used by the Authority. The expenses of the Board shall be paid from the proceeds of the Bonds or any other unencumbered funds of the Authority available for such purpose.

Section 8. Bonds Only Limited and Special Obligations of Authority.

The Bonds, together with the interest and premium, if any, thereon, shall not be deemed to constitute a debt of any Member or pledge of the faith and credit of the Members or the Authority. The Bonds shall be only special obligations of the Authority, and the Authority shall under no circumstances be obligated to pay the Bonds except from revenues and other funds pledged therefor. Neither the Members nor the Authority shall be obligated to pay the principal of, premium, if any, or interest on the Bonds, or other costs incidental thereto, except from the revenues and funds pledged therefor, and neither the faith and credit nor the taxing power of the Members nor the faith and credit of the Authority shall be pledged to the payment of the

principal of, premium, if any, or interest on the Bonds nor shall the Members or the Authority in any manner be obligated to make any appropriation for such payment.

No covenant or agreement contained in any Bond or related document shall be deemed to be a covenant or agreement of any Director, or any officer, employee or agent of the Authority in his or her individual capacity and neither the Board of the Authority nor any Director or officer thereof executing the Bonds shall be liable personally on any Bond or be subject to any personal liability or accountability by reason of the issuance of any Bonds.

Section 9. Accounts and Reports.

All funds of the Authority shall be strictly accounted for. The Authority shall establish and maintain such funds and accounts as may be required by good accounting practice and by any provision of any Indenture (to the extent such duties are not assigned to a trustee of Bonds). The books and records of the Authority shall be open to inspection at all reasonable times by each Member.

The Treasurer of the Authority shall cause an independent audit to be made of the books of accounts and financial records of the Authority by a certified public accountant or public accountant in compliance with the provisions of Section 6505 of the Joint Exercise of Powers Act. In each case the minimum requirements of the audit shall be those prescribed by the State Controller for special districts under Section 26909 of the Government Code of the State of California and shall conform to generally accepted auditing standards. When such an audit of accounts and records is made by a certified public accountant or public accountant, a report thereof shall be filed as a public record with each Member and also with the county auditor of each county in which a Member is located; provided, however, that to the extent permitted by law, the Authority may, instead of filing such report with each Member and such county auditor, elect to post such report as a public record electronically on a website designated by the Authority. Such report if made shall be filed within 12 months of the end of the Fiscal Year or Years under examination.

The Treasurer is hereby directed to report in writing on the first day of July, October, January, and April of each year to the Board and the Members which report shall describe the amount of money held by the Treasurer for the Authority, the amount of receipts since the last such report, and the amount paid out since the last such report (which may exclude amounts held by a trustee or other fiduciary in connection with any Bonds to the extent that such trustee or other fiduciary provided regular reports covering such amounts.)

Any costs of the audit, including contracts with, or employment of, certified public accountants or public accountants in making an audit pursuant to this Section, shall be borne by the Authority and shall be a charge against any unencumbered funds of the Authority available for that purpose.

In any Fiscal Year the Board may, by resolution adopted by unanimous vote, replace the annual special audit with an audit covering a two-year period.

Section 10. Funds.

Subject to the applicable provisions of any Indenture, which may provide for a trustee or other fiduciary to receive, have custody of and disburse Authority funds, the Treasurer of the Authority shall receive, have the custody of and disburse Authority funds pursuant to the accounting procedures developed under Sections 3.C and 9, and shall make the disbursements required by this Agreement or otherwise necessary to carry out any of the provisions of purposes of this Agreement.

Section 11. Notices.

Notices and other communications hereunder to the Members shall be sufficient if delivered to the clerk of the governing body of each Member; provided, however, that to the extent permitted by law, the Authority may, provide notices and other communications and postings electronically (including, without limitation, through email or by posting to a website).

Section 12. Additional Members/Withdrawal of Members.

Qualifying public agencies may be added as parties to this Agreement and become Members upon: (1) the filing by such public agency with the Authority of an executed counterpart of this Agreement, together with a copy of the resolution of the governing body of such public agency approving this Agreement and the execution and delivery hereof; and (2) adoption of a resolution of the Board approving the addition of such public agency as a Member. Upon satisfaction of such conditions, the Board shall file such executed counterpart of this Agreement as an amendment hereto, effective upon such filing.

A Member may withdraw from this Agreement upon written notice to the Board; provided, however, that no such withdrawal shall result in the dissolution of the Authority so long as any Bonds remain outstanding. Any such withdrawal shall be effective only upon receipt of the notice of withdrawal by the Board which shall acknowledge receipt of such notice of withdrawal in writing and shall file such notice as an amendment to this Agreement effective upon such filing.

Section 13. Indemnification.

To the full extent permitted by law, the Board may authorize indemnification by the Authority of any person who is or was a Director or an officer, employee of 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 Director or an officer, employee or other agent of the Authority, against expenses, including attorneys fees, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding, if such person acted in good faith in a manner such person reasonably believed to be in the best interests of the Authority and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful and, in the case of an action by or in the right of the Authority, acted with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

Section 14. Contributions and Advances.

Contributions or advances of public funds and of the use of personnel, equipment or property may be made to the Authority by the Members for any of the purposes of this Agreement. Payment of public funds may be made to defray the cost of any such contribution or advance. Any such advance may be made subject to repayment, and in such case shall be repaid, in the manner agreed upon by the Authority and the Member making such advance at the time of such advance. It is mutually understood and agreed to that no Member has any obligation to make advances or contributions to the Authority to provide for the costs and expenses of administration of the Authority, even though any Member may do so. The Members understand and agree that a portion of the funds of the Authority that otherwise may be allocated or distributed to the Members may instead be used to make grants, loans or provide other financial assistance to governmental units and nonprofit organizations (e.g., the Foundation) to accomplish any of the governmental unit's or nonprofit organization's purposes.

Section 15. Immunities.

All of the privileges and immunities from liabilities, exemptions from laws, ordinances and rules, and other benefits which apply to the activity of officers, agents or employees of Members when performing their respective functions within the territorial limits of their respective public agencies, shall apply to the same degree and extent to the Directors, officers, employees, agents or other representatives of the Authority while engaged in the performance of any of their functions or duties under the provisions of this Agreement.

Section 16. Amendments.

Except as provided in Section 12 above, this Agreement shall not be amended, modified, or altered, unless the negative consent of each of the Members is obtained. To obtain the negative consent of each of the Members, the following negative consent procedure shall be followed: (a) the Authority shall provide each Member with a notice at least sixty (60) days prior to the date such proposed amendment is to become effective explaining the nature of such proposed amendment and this negative consent procedure; (b) the Authority shall provide each Member who did not respond a reminder notice with a notice at least thirty (30) days prior to the date such proposed amendment is to become effective; and (c) if no Member objects to the proposed amendment in writing within sixty (60) days after the initial notice, the proposed amendment shall become effective with respect to all Members.

Section 17. Effectiveness.

This Agreement shall become effective and be in full force and effect and a legal, valid and binding obligation of each of the Members on the date that the Board shall have received from two of the Initial Members an executed counterpart of this Agreement, together with a certified copy of a resolution of the governing body of each such Initial Member approving this Agreement and the execution and delivery hereof.

Section 18. Partial Invalidity.

If any one or more of the terms, provisions, promises, covenants or conditions of this Agreement shall to any extent be adjudged invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, each and all of the remaining terms, provisions, promises, covenants and conditions of this Agreement shall not be affected thereby, and shall be valid and enforceable to the fullest extent permitted by law.

Section 19. Successors.

This Agreement shall be binding upon and shall inure to the benefit of the successors of the parties hereto. Except to the extent expressly provided herein, no Member may assign any right or obligation hereunder without the consent of the other Members.

Section 20. Miscellaneous.

This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

The section headings herein are for convenience only and are not to be construed as modifying or governing the language in the section referred to.

Wherever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

This Agreement shall be governed under the laws of the State of California.

This Agreement is the complete and exclusive statement of the agreement among the Members, which supercedes and merges all prior proposals, understandings, and other agreements, whether oral, written, or implied in conduct, between and among the Members relating to the subject matter of this Agreement.

IN WITNESS WHEREOF, the Tracy Joint Unified School District has caused this Agreement to be executed and attested by its duly authorized representatives as of the ____ day of _____, 2011.

Member:

TRACY JOINT UNIFIED SCHOOL DISTRICT

By _____

Name:

Title:

ATTEST:

Clerk