

**IMPERIAL PUBLIC FINANCING AUTHORITY
JOINT EXERCISE OF POWERS AGREEMENT**

This JOINT EXERCISE OF POWERS AGREEMENT (this "Agreement") dated as of November 20, 2002, is by and between the CITY OF IMPERIAL, a municipal corporation duly organized and existing under and by virtue of the laws of the State of California (the "City"), and the REDEVELOPMENT AGENCY OF THE CITY OF IMPERIAL, a public body corporate and politic organized and existing under the laws of the State of California (the "Agency");

WITNESSETH:

WHEREAS, agencies formed under Article 1 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the "Joint Powers Law") are permitted to provide financing for any of their members in connection with the acquisition, construction and improvement of public capital improvements and other programs of such members; and

WHEREAS, the City and the Agency wish to form an agency under the Joint Powers Law, to be known as the Imperial Public Financing Authority (the "Authority"), for the purpose of providing an entity which can assist in providing financial assistance to the Agency and the City;

NOW, THEREFORE, in consideration of the above premises and of the mutual promises herein contained, the City and the Agency do hereby agree as follows:

ARTICLE I

GENERAL PROVISIONS

Section 1.01. Purpose. This Agreement is entered into pursuant to the Joint Powers Law. The purpose of this Agreement is to provide assistance to the City and the Agency (collectively, the "Members") from time to time in connection with their financing programs, or for any other financing purposes authorized under Article 4 of the Joint Powers Law (commencing with Section 6584) (the "Bond Act").

Section 1.02. Creation of Authority. Pursuant to the Joint Powers Law, there is hereby created a joint powers agency to be known as the "Imperial Public Financing Authority". The Authority shall be a public entity separate and apart from the Members, and shall administer this Agreement. The Authority shall be deemed to be created and to exist as an entity which is authorized to transact business and exercise its powers, upon the adoption by the Agency and the City Council of the City of their respective resolutions authorizing and directing the execution and delivery of this Agreement.

Section 1.03. Board.

(a) Composition of Board. The Authority shall be governed by a Board of Directors (the "Board") consisting of five (5) directors. Each member of the City Council of the City shall be a member of the Board by virtue of being a member of the City Council. All voting power of the Authority shall reside in the Board.

(b) Call, Notice and Conduct of Meetings. All meetings of the Board, including without limitation, regular, adjourned regular and special meetings, shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act of the State of California (constituting Chapter 9 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California).

(c) Time and Place of Regular Meetings. The Board shall conduct a regular meeting on the first (1st) Monday in June of each year commencing in June, 2003, at the hour of 6:00 p.m. in the City Council Chambers, City Hall, 420 South Imperial Avenue, Imperial, California. Notwithstanding the foregoing, no such meeting need be held in any year should the Chairman determine that no business is required to be conducted by the Board at such meeting. The time, date and place established for regular meetings of the Board may be changed from time to time by resolution of the Board or by action of the Board duly recorded in the minutes.

Section 1.04. Treasurer. Pursuant to Section 6505.5 of the Joint Powers Law, the person performing the functions as Finance Director of the City is hereby designated as the Treasurer of the Authority and, as such, shall perform the functions of the treasurer of the Authority and shall cause audits to be made 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 Law, 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. As treasurer of the Authority, the Treasurer shall have custody of all of the accounts, funds and money of the Authority from whatever source.

In the event, but only in the event, that the Treasurer holds moneys for the account of the Authority or the Members, the Treasurer shall verify and report in writing at least quarterly to the Authority and the Members the amount of money so held, the amount of receipts since the last such report, and the amount paid out since the last such report.

As auditor of the Authority, the Treasurer shall draw warrants to pay demands against the Authority when the demands have been approved by the Board and shall assure that there shall be strict accountability of all funds and reporting of all receipts and disbursements of the Authority.

Section 1.05. Other Officers of the Authority. In addition to the Treasurer, the officers of the Authority shall consist of a Chairman, Vice-Chairman, Executive Director and Secretary, who shall consist of the Mayor, Mayor Pro Tem, City Manager and City Clerk of the City, respectively. 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 Chairman shall sign all contracts on behalf of the Authority, except as may otherwise be provided by resolution of the Board. The Vice Chairman shall act, sign contracts and perform the duties of the Chairman in the absence of the Chairman. The Executive Director shall have charge of the day-to-day administration of the Authority and shall execute the directives of the Board. 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 Board shall appoint an attorney, who may also represent either the City or the Agency, to act as the legal advisor of the Authority; such attorney shall perform such duties as may be prescribed by the Board. In the absence of any such appointment, the City Attorney of the City shall act as legal advisor to the Authority.

Section 1.06. Bonding of Officers. From time to time, the Board may designate officers of the Authority having charge of, handling or having access to any records, funds or accounts or other assets of the Authority, and the respective amounts of the official bonds of such officers and such other persons pursuant to Section 6505.1 of the Joint Powers Law. In the

event that any officer of the Authority is required to be bonded pursuant to this Section 1.06, such bond may be maintained as a part of or in conjunction with any other bond maintained on such person by any Member, it being the intent of this Section 1.06 not to require duplicate or over-lapping bonding requirements from those bonding requirements which are otherwise applicable to the Members.

ARTICLE II

POWERS

Section 2.01. General Powers. The Authority shall exercise the powers granted to it under the Joint Powers Law, including but not limited to the powers set forth in the Bond Act and the powers common to each of the Members (including the power of eminent domain), as may be necessary to the accomplishment of the purposes of this Agreement, subject to the restrictions set forth in Section 2.02. As provided in the Joint Powers Law, the Authority shall be a public entity separate and apart from the Members.

Section 2.02. Restrictions on Exercise of Powers. The powers of the Authority shall be exercised in the manner provided in the Joint Powers Law and in the Bond Act, and, except for the exercise of those powers set forth in the Bond Act, shall be subject (in accordance with Section 6509 of the Joint Powers Law) to the restrictions upon the manner of exercising such powers that are imposed upon the City.

Section 2.03. Non-Liability of Members and Directors For Obligations of Authority. The debts, liabilities and obligations of the Authority shall not be the debts, liabilities and obligations of any of the Members. No member, officer, agent or employee of the Authority shall be individually or personally liable for the payment of the principal of or premium or interest on any obligations of the Authority or be subject to any personal liability or accountability by reason of any obligations of the Authority; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law or by the instruments authorizing the issuance of any obligations of the Authority.

In addition, no Member shall assume any liability or responsibility for any debts, liabilities or obligations which may be incurred by the other Member in connection with the issuance of Bonds or other obligations of the Authority for the benefit of such other Member.

ARTICLE III

CONTRIBUTION; ACCOUNTS AND REPORTS; FUNDS

Section 3.01. Contributions. The Members may, but are not required to: (a) make contributions from their treasuries for any of the purposes set forth herein, (b) make payments of public funds to defray the cost of such purposes, (c) make advances of public funds for such purposes, such advances to be repaid as provided herein, or (d) use their personnel, equipment or property in lieu of other contributions or advances. The provisions of Government Code 6513 are hereby incorporated into this Agreement.

Section 3.02. Accounts and Reports. To the extent not covered by the duties assigned to a trustee chosen by the Authority, the Treasurer shall establish and maintain such funds and accounts as may be required by good accounting practice or by any provision of any trust

instrument entered into with respect to the proceeds of any bonds issued by the Authority. The books and records of the Authority in the hands of a trustee or the Treasurer shall be open to inspection at all reasonable times by representatives of any of the Members. The trustee appointed under any trust agreement shall establish suitable funds, furnish financial reports and provide suitable accounting procedures to carry out the provisions of said trust agreement. Said trustee may be given such duties in said trust instrument as may be desirable to carry out this Agreement.

Section 3.03. Funds. Subject to the applicable provisions of any instrument or agreement which the Authority may enter into, which may provide for a trustee to receive, have custody of and disburse Authority funds, the Treasurer shall receive, have the custody of and disburse Authority funds as nearly as possible in accordance with generally accepted accounting practices, shall make the disbursements required by this Agreement or to carry out any of the provisions or purposes of this Agreement.

ARTICLE IV

MISCELLANEOUS PROVISIONS

Section 4.01. Term. This Agreement shall become effective, and the Authority shall come into existence, on the date of execution and delivery hereof, and this Agreement and the Authority shall thereafter continue in full force and effect so long as either (a) any bonds or other obligations remain outstanding or any material contracts to which the Authority is a party remain in effect, or (b) the Authority shall own any interest in any real or personal property.

Section 4.02. Disposition of Assets. Upon the termination of this Agreement, all property of the Authority, both real and personal, shall be divided between the Members in such manner as shall be agreed upon by the Members.

Section 4.03. Notices. Notices hereunder shall be in writing and shall be sufficient if delivered to:

City of Imperial
420 South Imperial Avenue
Imperial, California 92251
Attention: City Manager

Redevelopment Agency of the City
of Imperial
420 South Imperial Avenue
Imperial, California 92251
Attention: Executive Director

Section 4.04. Section Headings. All section headings in this Agreement are for convenience of reference only and are not to be construed as modifying or governing the language in the section referred to or to define or limit the scope of any provision of this Agreement.

Section 4.05. Law Governing. This Agreement is made in the State of California under the Constitution and laws of the State of California, and is to be so construed.

Section 4.06. Amendments. This Agreement may be amended at any time, or from time to time, except as limited by contract with the owners of any bonds issued by the Authority or by applicable regulations or laws of any jurisdiction having authority, by one or more supplemental agreements executed by all of the parties to this Agreement either as required in order to carry out any of the provisions of this Agreement or for any other purpose,

including without limitation addition of new parties (including any legal entities or taxing areas heretofore or hereafter created) in pursuance of the purposes of this Agreement.

Section 4.07. Enforcement by Authority. The Authority is hereby authorized to take any or all legal or equitable actions, including but not limited to injunction and specific performance, necessary or permitted by law to enforce this Agreement.

Section 4.08. Severability. Should any part, term or provision of this Agreement be decided by any court of competent jurisdiction 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 portions or provisions shall not be affected thereby.

Section 4.09. Successors. This Agreement shall be binding upon and shall inure to the benefit of the successors of the respective Members. No Member may assign any right or obligation hereunder without the written consent of the other Member.

* * * * *

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 IMPERIAL

By *Douglas A. Giff*
Mayor

[SEAL]

Attest:

[Signature]
City Clerk

REDEVELOPMENT AGENCY OF THE
CITY OF IMPERIAL

By *Douglas A. Giff*
Chairman

[SEAL]

Attest:

[Signature]
Secretary

CITY CLERK
OF
CERTIFICATE

I, Debra Jackson, City Clerk of the City of Imperial DO HEREBY CERTIFY THAT the foregoing is a true and correct copy of the Imperial Public Financing Authority Joint Exercise of Powers Agreement adopted by the Imperial City Council and the Redevelopment Agency of the City of Imperial at a joint meeting held on November 20, 2002.

Debra Jackson
Debra Jackson
City Clerk

