

**JOINT EXERCISE OF POWERS AGREEMENT FOR
THE MEASURE J TRAFFIC CONGESTION RELIEF AGENCY
DBA TRAFFIX**

THIS AGREEMENT is made and entered into as of the Effective Date (set forth in Section 2.3) by and among the Members (defined in Section 1.10 below) signatory hereto, each of which is a public entity duly organized and existing under the Constitution and other laws of the State of California.

WHEREAS, Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (commencing at Section 6500) authorizes the Members to enter into an agreement for the joint exercise of any power common to them and, by that agreement, create an entity that is separate from each of the Members; and

WHEREAS, the Members desire to operate a program to relieve traffic congestion within the San Ramon Valley; and

WHEREAS, pursuant to Measure J, adopted by the voters of Contra Costa County in November 2004, funds are available to the City of San Ramon ("City"), Town of Danville ("Town") and County of Contra Costa ("County") to operate transportation services to relieve school-related traffic congestion within the San Ramon Valley; and

WHEREAS, the San Ramon Valley Unified School District ("School District") operates 34 schools serving over 26,000 students and can provide access to its facilities and communications with the school, parent and student community in support of this service; and

WHEREAS, the City, Town and County, individually and in common, possess the power to study, discuss, recommend and implement policies and programs pertaining to, but not limited to, traffic, traffic-related improvements, and transportation and the expenditure of funds relating those matters within their respective Jurisdictional Area (defined in Section 1.4 herein below); and

WHEREAS, the School District has the legal authority to participate in the Agency's operation of a service to provide transportation to students in order to alleviate traffic congestion within the Agency's Jurisdictional Area; and

WHEREAS, this Agreement is an appropriate means through which the Members may cooperate to undertake a traffic congestion program within the San Ramon Valley under common administration; and

NOW, THEREFORE, for and in consideration of the facts stated above, the mutual advantages to be derived, and the mutual covenants contained herein, it is agreed by and among the Members hereto as follows:

ARTICLE I DEFINITIONS

Section 1. Unless the context otherwise requires, the words and terms defined in this Article shall have the meanings specified.

Section 1.1. Act. "Act" means Article 1, Article 2, Article 3, and Article 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the California Government Code, as it may be amended from time to time.

Section 1.2. Agency. "Agency" means the MEASURE J TRAFFIC CONGESTION RELIEF AGENCY dba TRAFFIX, created pursuant to this Agreement.

Section 1.3 Agreement. "Agreement" means this joint exercise of powers agreement as it now exists or as it may from time to time be amended, supplemented or as it may be modified by the addition of signatory parties or by any other supplemental agreement or amendment entered into pursuant to the provisions of this Agreement.

Section 1.4. Area. "Area" and "Jurisdictional Area" mean that area within the City, Town and unincorporated portions of Contra Costa County that lie within the boundaries of the School District.

Section 1.5. Auditor. "Auditor" means an independent certified accountant selected by the Board to audit the records and accounts of the Agency, as further described in Section 3.4.

Section 1.6. Board of Directors. "Board " or "Board of Directors" means the governing board of the Agency referred to in Section 1.2 and more particularly described in Section 2.5 herein below. "Director" means an individual member of the Board of Directors.

Section 1.7. Fiscal Year. "Fiscal Year" means the period from July 1st to and including the following June 30th.

Section 1.8. Facilities. "Facilities" means the facilities, equipment, resources, and property to be owned, leased, managed and operated by the Agency, and, if and when acquired or constructed, any improvements and additions thereto.

Section 1.9. Legislative Bodies. "Legislative Bodies" means the city or town councils of the Cities, the Board of Supervisors of the County and the Board of Education of the School District. "Legislative Body" means any such individual city or town council.

Section 1.10. Members or Member. "Members" means all of the public agencies signatory to this Agreement, which, as of the initial Effective Date of this Agreement, are the Town, the City, the School District and the County. "Member " means any such individual public entity.

Section 1.11 Program Manager. "Program Manager" means the employee of the Agency primarily responsible for the managerial oversight of the operations of the Agency as further described in Section 3.7.

Section 1.12. Quorum. Except as may otherwise be otherwise required pursuant to the Rules of the Board or by law, "quorum" means the presence of at least four Directors.

Section 1.13. Rules of the Board. "Rules of the Board" means the bylaws, rules, regulations and other operational and organizational directives of the Board of Directors for the conduct of its meetings and other affairs as further described in Section 2.9.

Section 1.14. Secretary. "Secretary" means the Secretary of the Board of Directors as further described in Section 3.2.

Section 1.15. Treasurer. "Treasurer" means the party having the responsibility and accountability for the Agency's funds as further described in Section 3.3.

ARTICLE II GENERAL PROVISIONS

Section 2.1. Purpose. The purpose of this Agreement is to establish an agency that is responsible for owning, managing, operating and maintaining a school transportation service to alleviate traffic congestion within the San Ramon Valley, and to provide related services consistent with the purposes of this Agreement.

Section 2.2. Creation of Agency. Pursuant to the Act, there is hereby created a public entity to be known as the "MEASURE J TRAFFIC CONGESTION RELIEF AGENCY dba TRAFFIX," to be called the "Agency" pursuant to Section 1.2. The Agency, which shall administer this Agreement, is a public entity separate and apart from the Members and each of them, and is formed through the joint exercise of the Member's authorized legal powers.

Section 2.3. Effective Date of Agreement. This Agreement shall become effective when signed and executed by all Members listed in Section 1.10 (the "Effective Date") and shall supercede any prior agreements executed.

Section 2.4. Term. This Agreement shall become effective on the Effective Date set forth in Section 2.3 and shall continue in effect until such time as the Agency and the Members shall have paid all sums due and owing pursuant to this Agreement or pursuant to any contract executed pursuant to this Agreement, and thereafter until terminated pursuant to Article IX.

Section 2.5. Governing Board. The Agency shall be administered by a Board of Directors consisting of seven (7) Directors, as follows: one (1) Director appointed by the Board of Supervisors of the County, two (2) Directors appointed by the Town Council of the Town of Danville, two (2) Directors appointed by the City Council of the City of San Ramon, and two (2) Directors appointed by the Board of Education of the San Ramon Valley Unified School District. The Board shall select the Program Manager and shall provide overall policy guidance for the Agency.

Section 2.5.1. All voting power of the Agency shall reside with the Board of Directors.

Section 2.5.2. The Board of Directors shall be called the "Board of Directors of the Measure J Traffic Congestion Relief Agency dba TRAFFIX."

Section 2.5.3. Each Director shall be a member of the Legislative Body of the Member that appointed that Director.

Section 2.5.4. Each Legislative Body shall appoint an alternate Director for that Member. The alternate Director may act as the Director in the absence of the Director appointed by that Legislative Body. The alternate Director for the City, Town, and School District shall also be a member of the Legislative Body that appointed the alternate Director, but the alternate Director for the County may be an employee of the County.

Section 2.5.5. All Directors and their alternates shall serve at the pleasure of the Member that appointed them.

Section 2.5.6. All vacancies on the Board of Directors shall be filled by the respective Legislative Body within thirty (30) days of the effective date of the vacancy or as soon thereafter as the Legislative Body may legally act. Any Director or alternate Director (except for the alternate Director for the County) shall cease to be a Director when such person ceases to hold office as a member of the respective appointing Legislative Body. If the Director for the County ceases to hold office as a member of the Board of Supervisors, then the person previously appointed as the alternate Director for the County shall cease to be the County's alternate Director. Following the appointment of a new Director by the Board of Supervisors, the Board of Supervisors shall appoint an alternate Director.

Section 2.5.7. Each Director may receive reimbursement for the reasonable and necessary expenses incurred in the performance of their duties, as provided in the Rules of the Board.

Section 2.5.8. The Board shall approve all contracts exceeding \$10,000 in value.

Section 2.6. Meetings of the Board of Directors. All meetings of the Board of Directors shall be public meetings unless a specified closed session is held in accordance with the California Government Code.

Section 2.6.1. Regular Meetings. The Board of Directors shall provide for regular meetings at a date, time, and place fixed by the Rules of the Board, but shall meet at least once every three months.

Section 2.6.2. Special Meetings. Special meetings and emergency meetings of the Board of Directors may be called in accordance with State law.

Section 2.6.3. Call, Notice, and Conduct of Meetings. All meetings of the Board of Directors, including without limitation, regular, adjourned regular, and special meetings, shall be called, noticed, held, and conducted in accordance with the provisions of Section 54950, *et seq.*, of the California Government Code, as may be amended from time to time.

Section 2.7. Required Votes; Approvals. The affirmative votes of a simple majority of the members of the Board of Directors present at any meeting of the Board of Directors at which a quorum is present shall be required for the Board of Directors to take any action other than those described in Section 2.8.

Section 2.8. Supermajority Matters. An affirmative two-thirds (2/3) vote of the entire Board of Directors shall be required for the Board of Directors to propose an amendment to or termination of this Agreement; and to approve the addition of new Members to this Agreement. A vote of a majority of the entire membership of the Board of Directors shall be required for the adoption of any resolution or ordinance.

Section 2.9. Rules of the Board. The Board of Directors shall adopt and from time to time amend the Rules of the Board as are necessary or convenient in the determination of the Board of Directors to achieve or facilitate the purposes hereof.

Section 2.10. Principal Office. The principal office of the Agency shall be designated by the Board and shall be located within the boundaries of one of the Members.

Section 2.11 New Members. Additional public entities may become Members of the Agency upon such terms and conditions as may be provided by the Board, evidenced by the execution of a written amendment to this Agreement signed by all of the Members, including the additional Member.

Section 2.12. Committees. The Agency shall have such committees as the Board may establish pursuant to the Rules of the Board.

Section 2.12.1. Technical Advisory Committee. The Board may establish a Technical Advisory Committee ("TAC"), and may authorize the TAC to supervise the operation of the Agency between meetings of the Board, providing direction to the Program Manager in carrying out the policy directives of the Board. If established, the TAC shall include representatives of each of the Members and may include an ex-officio member from the Contra Costa Transportation Authority. Each Member shall have one vote on the TAC. If established, the TAC shall meet on a regular basis, as defined in the Rules of the Board. In the Rules of the Board, the Board may confer upon the TAC spending approval authority above that granted to the Program Manager.

ARTICLE III ORGANIZATIONAL STRUCTURE OFFICERS AND EMPLOYEES

Section 3.1. Chair and Vice-Chair. The Board of Directors shall elect a Chair and Vice-Chair from among its members. The Chair and Vice-Chair shall each serve a one year term, starting on July 1st of each fiscal year. The first Chair and Vice-Chair shall serve from the date of their appointment until June 30th of the following fiscal year. In the event of the disqualification or permanent inability of the Chair to serve as the Chair during their term, the Vice-Chair shall assume the duties of the Chair for the remainder of that term and the Board of Directors shall elect a new Vice-Chair for the remainder of that term.

Section 3.1.1. The Chair shall be authorized to sign all resolutions of the Board of Directors and all contracts on behalf of the Agency and shall perform such other duties as may be imposed by the Board of Directors, consistent with the terms and provisions of this Agreement and the Rules of the Board.

Section 3.1.2. The Vice-Chair shall be authorized to act as the Chair, exercise all of the powers of the Chair, and perform all of the duties of the Chair in the temporary absence of the Chair.

Section 3.1.3. The Board of Directors, as a part of its approval of any contract, may authorize the Program Manager to execute the contract on behalf of the Agency.

Section 3.2. Secretary. The Secretary shall be the Secretary to the Board of Directors, perform such other duties as may be imposed upon the Secretary by the Board of Directors, and cause a copy of this Agreement to be filed with the California Secretary of State and the State of California pursuant to Section 6503.5 of the Act. The Board may appoint the Program Manager to serve as Secretary.

Section 3.3. Treasurer. The Board shall designate the Treasurer pursuant to Section 6505.5 of the Act. If the treasurer of a Member is to serve as the Treasurer, that Member must be a Member Jurisdiction of the Contra Costa Transportation Authority. The Board may provide for the reimbursement of such Member's costs of serving as Treasurer. The Treasurer shall be the depository, shall have custody of all of the accounts, funds and money of the Agency from whatever source, and shall have the duties and obligations set forth in Section 6505 and 6505.5 of the Act.

Section 3.4. Auditor. An auditor shall be designated pursuant to Section 6505.5 of the Act. The Auditor shall assure that there shall be strict accountability of all funds and reporting of all receipts and disbursements of the Authority. As provided in Section 6505 and Section 6505.5 of the Act, the Auditor shall make arrangements with a certified public accountant or firm of certified public accountants for the annual audit of accounts and records of the Authority.

Section 3.5 Officers in Charge of Property. Pursuant to Section 6505 of the California Government Code, the Treasurer shall have charge of, handle, and have access to all accounts, funds, and money of the Agency and all records of the Agency relating to such accounts, funds and money; and the Secretary shall have charge of, handle, and have access to all other records of the Agency, and the Program Manager shall have charge of, handle, and have access to all physical properties of the Agency.

Section 3.6. Bonding Persons Having Access to Property. From time to time, the Board of Directors may designate persons, such as the Treasurer or Program Manager, as the Agency officer(s) who shall have charge of, handle, or have access to any property of the Agency. The Board of Directors shall also fix the respective amounts of the official bonds of the Treasurer, Program Manager or such other designated persons pursuant to Section 6505.1 of the Act, which bonds shall be filed with the Secretary of the Agency. The actual cost of such bonds shall be a proper charge against the Agency.

Section 3.7. Management. The regular management of the day-to-day operations and activities of the Agency shall be vested in the Program Manager. The Program Manager shall be appointed by the Board of Directors and may be an employee of any Member that is also a Member Jurisdiction of the Contra Costa Transportation Authority. Under the direction of the Board (and the TAC if one is formed by the Board and authorized to do so), the Program Manager shall administer and coordinate the bus program, act as a liaison between the bus service provider and the Agency, complete reports required as conditions of grants or required by Agency contracts with bus service providers. Unless otherwise provided by the Rules of the Board or resolution of the Board of Directors, the Program Manager shall have the following powers:

Section 3.7.1. To provide for the planning, design, and construction of any Facilities or additions or improvements to Facilities; leasing or remodeling of any existing Facilities, or any new Facilities to be operated by the Agency as authorized by the Board of Directors;

Section 3.7.2. In conformance with the restrictions contained in Section 3.7.8, to execute any contracts for capital costs, costs of special services, equipment, materials, supplies, maintenance, or repair that involve an expenditure by the Agency within the limits and in accordance with procedures to be established by the Agency in the manner provided for local agencies pursuant to Article 7, commencing with Section 54201 of Chapter 5 of Part 1 of Division 2 of Title 5 of the California Government Code;

Section 3.7.3. To appoint and employ all personnel of the Agency required for maintenance and operation of the Facilities, and all other employees authorized by the Agency's budget and by the Board of Directors;

Section 3.7.4. To retain any consultants, including labor relations consultants or certified public accountants, as authorized in the Agency's budget and by the Board of Directors;

Section 3.7.5. Subject to approval of the Board of Directors, to appoint and employ all personnel of the Agency or consultants required to be employed or retained in connection with the design of any additions or improvements of Facilities or construction of new Facilities;

Section 3.7.6. To expend funds of the Agency and enter into contracts, whenever required, or for the immediate preservation of the public peace, health, or safety, subject to the subsequent ratification of the Board of Directors;

Section 3.7.7. To dispose of any personal property of the Agency as may be provided in the Rules of the Board or otherwise authorized by the Board of Directors;

Section 3.7.8. To approve and pay demands for payments by the Agency of Ten Thousand Dollars (\$10,000.00), or less, (or such greater amounts as may be authorized in the Rules of the Board), provided they are authorized in the Agency's budget;

Section 3.7.9. To prepare and submit to the Board of Directors in time for revision and adoption by the Agency prior to March 1 of each year, the annual preliminary budget for the next succeeding Fiscal Year referred to in Section 6.2;

Section 3.7.10. Generally, to supervise the acquisition, construction, management, maintenance, and operation of the Facilities and personnel of the Agency;

Section 3.7.11. To perform such other duties as directed by the Board of Directors and report to the Board of Directors at such times and on such matters as the Board of Directors may direct.

Section 3.8. Legal Advisor. The legal advisor of and provider of legal advice and services to the Agency shall be designated by the Board of Directors.

Section 3.9. Other Services. The Board of Directors shall have the power to appoint and employ such other consultants and independent contractors as may be necessary for the purposes of and pursuant to this Agreement.

Section 3.10. Non-Liability of Agencies. None of the officers, agents, or employees directly employed by the Agency shall be deemed, solely by reason of their employment by the Agency, to be employed by any Member or, by reason of their employment by the Agency, to be subject to any of the requirements of any Member. All of the privileges and immunities from liability, exemption from laws, ordinances and rules, all pension, relief, disability, workers' compensation, and other benefits which apply to the activities of the officers, agents, or employees of Members when performing their respective functions shall apply to them to the same degree and extent while engaged in the performance of any of the functions and other duties under this Agreement. Except as expressly provided for in this Agreement, nothing contained in this Article III is intended to nor shall it restrict or limit the rights or abilities otherwise available to the Agency to enter into agreements or other arrangements with any Member in accordance with the terms and conditions of this

Agreement and the Rules of the Board regarding the use of employees of the Member in the operations and activities of the Agency.

Section 3.11. Indemnity and Insurance. The Agency shall defend, indemnify and save harmless each Member to this Agreement and its respective council members, board members, officers and employees, from all claims, losses, damages, costs, injury and liability arising out of the Agency's performance of its powers, duties and responsibilities under this Agreement. The Agency shall obtain and keep in force policies of insurance with coverage and limits sufficient to protect the Agency and its Members from claims for damages arising from the activities of the Agency, its Board of Directors, officers and employees. It is the intent of this Section 3.11 that the policies of insurance described herein include coverage for automobile liability, comprehensive general liability, public officials errors and omissions, workers' compensation, and excess liability and other perils as the Board of Directors shall, from time to time, direct and that the coverage limits of these policies be maintained at levels as the Board of Directors shall direct. Each Member shall be named an "additional insured" on the liability coverages or shall receive equivalent treatment or status under the Agency's insurance program.

Section 3.12. Agreement Not for Benefit of Third Parties. This Agreement shall not be construed as or deemed to be an agreement for the benefit of any third party or parties, and no third party or parties shall have any right of action hereunder for any cause whatsoever. Any services performed or expenditures made in connection with this Agreement by any Member shall be deemed conclusively to be for the direct protection and benefit of the inhabitants and property in the respective Area of such Member.

ARTICLE IV POWERS OF THE AGENCY

Section 4.1. General Powers. The Agency shall exercise in the manner herein provided the powers common to each of the Members, as provided by the Constitution and laws of the State of California, and all incidental, implied, expressed, or necessary powers for the accomplishment of the purposes of this Agreement, subject to the restrictions set forth in Section 4.3. As provided in the Act, the Agency shall be a public entity separate from the Members. The Agency shall have the power to finance, acquire, construct, manage, maintain, and operate the Facilities. The Agency shall have all of the powers provided in Article 2 and Article 4 of the Act, unless specifically prohibited or restricted by this Agreement.

The Agency shall have the powers to do the following in its own name:

Section 4.1.1. To make and enter into contracts;

Section 4.1.2. To employ agents or personnel;

Section 4.1.3. To acquire, construct, manage, maintain, or operate any buildings, works or improvements;

Section 4.1.4. To acquire, hold, manage or dispose of real or personal property;

Section 4.1.5. To sue and be sued in its own name;

Section 4.1.6. To incur debts, liabilities or obligations, subject to the provisions of this Agreement, provided that no debt, liability or obligation shall constitute a debt, liability or obligation upon any Member;

Section 4.1.7. To apply for, accept, receive, and disburse grants, loans, and other aids from any agency for the United States of America or of the State of California;

Section 4.1.8. To invest any money in the treasury pursuant to Section 6505.5 of the Act that is not required for the immediate necessities of the Agency, as the Agency determines is advisable, in the same manner and upon the same conditions as local agencies, pursuant to Section 53601 of the California Government Code;

Section 4.1.9. To secure proper and adequate insurance for public liability, property damage, fire, theft, workers compensation, and other risks or exposures in amounts and in forms prescribed by the Board; and

Section 4.1.10. To exercise a power common to the parties so long as the power is exercised in furtherance of the purposes of the Agreement; and

Section 4.1.11. To perform such other functions as may be necessary or appropriate to carry out this Agreement, so long as such other functions performed are not prohibited by any provision of law.

Section 4.2. Specific Powers. The Agency is hereby authorized, in its own name, to do all acts necessary for the exercise of the foregoing powers, including but not limited to, any of the following:

Section 4.2.1. Prepare and implement a program to relieve traffic congestion within the San Ramon Valley serving public school students in grades K to 12.

Section 4.2.2. Contract with a public or private entity, firm, or person for technical assistance, for bus services or for other purposes of implementing the bus program;

Section 4.2.3 Retain employees necessary to plan and implement a student transportation program and fix their salaries;

Section 4.2.4 Prepare and adopt a general budget for the Agency's administrative functions;

Section 4.2.5 Establish Rules of the Board and such other rules and regulations as may be necessary for its operation and for the conduct of the Agency's business including an appropriate conflict of interest/disclosure policy;

Section 4.2.6 Receive, accept, and expend or disburse moneys for purposes consistent with this Agreement, from federal, state and local sources, or from any other public or private person, agency or organization for the purposes set forth in this Agreement;

Section 4.2.7 Receive, accept and utilize the services of personnel offered by any of its members, or their representatives or agents; receive, accept and use real or personal property, offered by any of the parties;

Section 4.2.8 Receive, accept and utilize other services which may be provided to it.

Section 4.3. Restrictions on Exercise of Powers. The Agency shall exercise in the manner herein provided the powers common to all Members as appropriate to the accomplishment of the purposes of this Agreement.

For purposes of Govt. Code § 6509, the powers of the Agency shall be exercised subject to the restrictions upon the manner of exercising such powers as are imposed upon the City of San Ramon, a charter city. The Agency shall exist as an agency legally and financially self-sufficient from and independent of the parties to this Agreement. The Agency has no authority to impose a debt or obligation upon or incur one for or on behalf of a party to this Agreement.

Section 4.4. Obligations of Agency. The debts, liabilities, and obligations of the Agency shall not be the debts, liabilities, and obligations of any Member.

ARTICLE V METHODS OF PROCEDURE

Section 5.1. Delegation of Powers. Each Member hereby delegates to the Agency the power to purchase and the power and duty to maintain, operate, and manage vehicles or other equipment (the "Facilities").

Section 5.2. Joint Maintenance and Operation Fund. The Board of Directors shall have a joint maintenance and operation fund (herein called the "Operating Fund"). The Agency shall assume responsibility for the maintenance and operation of the Operating Fund and shall pay the administrative and operational expenses of the Agency and all maintenance and operation costs of Facilities from said Operating Fund.

Section 5.3. Capital Acquisition, Improvement and Replacement Fund. The Board of Directors may create a capital acquisition and replacement fund ("Capital Fund") for the purpose of creating a fund for the acquisition and construction of Facilities and any other capital improvements owned or controlled by the Agency, and the replacement and acquisition of capital equipment and property of the Agency.

ARTICLE VI BUDGET/COSTS, MAINTENANCE AND OPERATION COSTS AND OTHER COSTS

Section 6.1. Agency Expenditures. Each expenditure of funds must be authorized or approved by the Board or by a person or entity designated by the Board to authorize expenditures. The Treasurer shall draw warrants to pay demands authorized for payment.

Section 6.2. Annual Budget. The Board of Directors shall adopt a preliminary budget for maintenance and operation costs, capital costs, costs of special services, annually prior to March 1 of each year and shall adopt a final budget prior to June 30 of each year. The Board may revise the budget from time to time by a majority vote of the Board. The Agency may not approve a deficit spending budget in any fiscal year nor may the Agency make any unbudgeted expenditures.

Section 6.3. Member Contributions. No Member is required to contribute funds except those grant funds it may receive under Measure J to operate transportation services to relieve school-related traffic congestion within the San Ramon Valley or such other funds it may collect for providing the services contemplated herein.

Section 6.4. Records and Accounts. The Agency shall cause to be kept accurate and correct books of account, showing in detail the capital costs, costs of special services and maintenance, operation costs of the

Facilities and the provision of the school transportation services, and all financial transactions of the Members relating to the Facilities and the provision of the school transportation services, which books of account shall correctly show any receipts and also any costs, expenses, or charges paid or to be paid by each of the Members. Said books and records shall be open to inspection at all times during normal business hours by any representative of a Member, or by any accountant or other person authorized by a Member to inspect said books or records. The Treasurer shall, in accordance with Sections 6505 and 6505.6 of the Act, cause the books of account and other financial records of the Agency to be audited annually by an independent public accountant or certified public accountant and shall present an annual financial report to the Board and file a copy with any other agencies as required by law.

Section 6.5. Investment of Surplus Funds. The Board may invest reserve surplus funds not necessary for the immediate operation of the Agency in compliance with Government Code Sections 6509.5 and 53601 et seq. Unless otherwise required by agencies providing grant funds to the Agency, the interest earned on any Agency funds shall belong to the Agency.

Section 6.6 Treasurer as Depository. The Treasurer is the depository and custodian of the funds of the Agency.

Section 6.7. Program Manager as Custodian. The Program Manager is designated as property custodian of the Agency.

Section 6.8 Sources of Funds. Each Member may provide the funds to the Agency under this Agreement from any source of funds legally available to such Member for such purpose. In addition, the Agency may accept grants and other contributions of funds by third parties.

Section 6.9 Audit. At the close of each fiscal year, an audit of the accounts and records of the Agency shall be made in accordance with Section 6505 of the Act. Any costs of the audit, including contracts with, or employment of, certified public accountants, shall be borne by the Agency and shall be a charge against any unencumbered funds of the Agency.

ARTICLE VII ENFORCEMENT

Section 7.1. Enforcement by Agency. The Agency 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.

ARTICLE VIII WITHDRAWAL OF A MEMBER

Section 8.1. Agreement Continues. Notwithstanding the provisions of Section 9.1, each Member agrees that the withdrawal of a Member pursuant to this Article VIII is not intended to and will not terminate this Agreement or affect the ability of the Board of Directors or the remaining Members to carry out and fulfill the purposes of this Agreement.

Section 8.2. Withdrawal. A Member may withdraw from the Agency and this Agreement by filing written notice thereof with the Agency. Withdrawal will take effect on July 1 of any year provided there is at least

eighteen months advance notice. The withdrawal of any Member from the Agency shall in no way affect the rights and obligations of the remaining Members. A withdrawing Member shall continue to be responsible for any cost or charge assumed or incurred by the party arising from membership in the Agency, up to and including the effective date of withdrawal.

Section 8.3. Non-Distribution of Assets Upon Withdrawal or Subsequent Dissolution. A withdrawing Member will have no entitlement to any Assets or Cash Reserves (See Section 9.3 for definition of term) of the Agency nor any distribution or reimbursement of any kind from the Agency upon withdrawal or in the event of the Agency's subsequent dissolution.

Section 8.4. Restrictions. Any withdrawal from participation in this Agreement is subject to the restrictions on withdrawal contained in Sections 8.2 and 8.3, above. In addition, each withdrawing Member, upon its withdrawal, waives any right to seek a judicial apportionment of any interest it may have in the Agency, including any interest in any Assets or Cash Reserves of the Agency.

Section 8.5 Reinstatement. A Member that files a notice of withdrawal or actually withdraws from the Agency may seek reinstatement as a member of the Agency. The application for reinstatement shall be made in writing to the Agency. The party seeking reinstatement shall be reinstated upon an affirmative vote of the Board. The Board may require a party seeking reinstatement to meet terms and conditions which the Board considers appropriate to insure equality of treatment and participation.

ARTICLE IX TERMINATION OF THE AGREEMENT AND DISSOLUTION OF THE AGENCY

Section 9.1. Termination. This Agreement shall terminate and the Agency shall be dissolved upon action by two-thirds of the current Members. Upon termination of this Agreement, any obligation of the Agency which continues following dissolution shall be borne as mutually agreed by the Members.

Section 9.2. Effective Date of Termination. Termination shall not under any circumstances become effective until June 30 next succeeding provided such date is a minimum of six (6) months following the effective date of a written notice of termination to the Board of Directors approved by all Legislative Bodies of the current Members.

Section 9.3. Disposition of Assets. Upon dissolution of the Agency, any assets of the Agency shall be disposed of in accordance with the requirements of any funding agreements to which the Agency is a party. In the event funds remain after such disposition, the remaining assets shall be transferred to the Contra Costa Transportation Authority.

Section 9.4. Distribution of Assets. The distribution of assets may be made in kind or assets may be sold and the proceeds thereof distributed to the Members at the time of dissolution after the discharge of all enforceable liabilities, unless such assets are required to be returned to any agency providing funding to the Agency.

Section 9.5. Continued Existence of Agency. Upon dissolution, this Agreement and the Agency shall continue to exist as required or necessary for the limited purpose of distributing the Assets and Cash Reserves and winding up and closing out the business, accounts and affairs of the Agency.

ARTICLE X MISCELLANEOUS

Section 10.1. Section Headings. All section headings in this Agreement are for convenience of reference only and are not to be construed as modifying or governing language in the section referred to or to define or limit the scope of any provision of this Agreement.

Section 10.2. Consent. Whenever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

Section 10.3. Law Governing. This Agreement is made under the Constitution and laws of the State of California and is to be so construed.

Section 10.4. Amendments. This Agreement may be amended at any time, except as limited by Bond covenants, if any. All amendments to the Agreement must be in writing, and must be approved by the Legislative Bodies of the Members prior to becoming effective.

Section 10.5. Severability. In the event any provision of this Agreement is determined to be illegal or invalid for any reason, all other provisions and articles of this Agreement shall remain in full force and effect unless and until otherwise determined. The illegality of any provision of this Agreement shall in no way affect the legality and enforceability of any other provisions of this Agreement.

Section 10.6. 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 written consent of the other Members.

Section 10.7. Notice. Any notice required to be given or delivered by any provision of this Agreement shall be personally delivered or deposited in the U.S. mail, postage prepaid, addressed to the Agency and to the Members at their addresses as reflected in the records of the Agency, and shall be deemed to have been received by the party to which the notice is addressed upon the earlier of receipt or 72 hours after mailing.

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EXECUTION OF AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their proper officers thereupon duly authorized and their official seals to be hereto affixed on the dates as shown herein.

MEMBERS

APPROVED AS TO FORM:

CITY OF SAN RAMON, a Charter City

By: Bryan D. Atwood / P.P. Atwood
Its: City Attorney
Date: 09/26/08

By: N. Bell
Its: Mayor
Date: 9/23/08

ATTEST:

By: Patricia Edwards
Its: CITY CLERK
Date: 09-26-2008

APPROVED AS TO FORM:

TOWN OF DANVILLE, a municipal corporation

By: Robert B. Loring
Its: City Attorney
Date: 10/10/08

By: Carol Ann
Its: Mayor
Date: 10/14/08

ATTEST:

By: Sumner
Its: City Clerk
Date: 10/14/08

APPROVED AS TO FORM:

COUNTY OF CONTRA COSTA, a political subdivision of the State of California

By: Anna
Its: Deputy County Counsel
Date: 10/9/08

By: Paul
Its: COUNTY ADMINISTRATOR
Date: 10/9/08

ATTEST:

By: Katherine Smclair
Its: Clerk of the Board
Date: October 9, 2008

APPROVED AS TO FORM:

SAN RAMON VALLEY UNIFIED SCHOOL

DISTRICT, a public agency

By: 

Its: Attorney

Date: 10-8-08

By: 

Its: Board President

Date: 10/7/08

ATTEST:

By: 

Its: Superintendent / Secretary to Board of

Date: 10/7/08 Education