

JOINT EXERCISE OF POWERS AGREEMENT

Merced County Board of Education-City of Merced Joint Powers Financing Authority

This JOINT EXERCISE OF POWERS AGREEMENT (this "Agreement") dated as of _____, 2026, is between the MERCED COUNTY BOARD OF EDUCATION, a county board of education duly organized and existing under the laws of the State of California (the "Board of Education"), and the CITY OF MERCED, a chartered city duly organized and existing under the Constitution of the State of California (the "City"). The Board of Education and the City are referred to herein as the "Members."

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 Exercise of Powers Act") are authorized to jointly exercise the common powers of their members and to exercise other powers granted to them under California law; and

WHEREAS, the Board of Education and the City wish to form an agency under the Joint Exercise of Powers Act, to be known as the Merced County Board of Education-City of Merced Joint Powers Financing Authority (the "Joint Powers Authority"), for the purpose of providing an entity that can (i) provide assistance to the Board of Education and the City in their respective financing undertakings, (ii) establish a community facilities district (a "CFD") under the Mello-Roos Community Facilities Act of 1982, as amended (the "Mello-Roos Act") to finance certain real property and improvements to be owned by the Board of Education and the City related to the development of the property included in the Specific Plan for UCP Villages No. 1 and No. 2 (the "Project") to be developed by the Virginia Smith Trust ("Developer") and (iii) from time to time, establish one or more CFDs to finance real property and improvements to be owned by the Board of Education, the City or another public agency identified by the Joint Powers Authority in accordance with the Mello-Roos Act; and

WHEREAS, in connection with the formation of the CFD for the Project, the Board of Education and the City anticipate that the Joint Powers Authority, under Section 53316.2 of the Mello-Roos Act, will enter into (i) a joint community facilities agreement with the City and the Developer and (ii) a joint community facilities agreement with the Board of Education and the Developer;

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

ARTICLE I

GENERAL PROVISIONS

Section 1.01. Purpose. This Agreement is entered into pursuant to the Joint Exercise of Powers Act. The purposes of this Agreement are to (i) provide assistance to the Members from time to time in connection with their financing programs, (ii) provide for the establishment of a CFD under the Mello-Roos Act related to the Project and (iii) from time to time, establish one or more CFDs to finance real property and improvements to be owned by the Board of Education, the City or another public agency identified by the Joint Powers Authority in accordance with the Mello-Roos Act. In furtherance of the purposes of this Agreement, the Members wish to authorize the Joint Powers Authority to exercise the common powers of the Members, to exercise the powers granted to it under the Mello-Roos Act and to exercise the powers granted to it under Article 4 of the Joint Exercise of Powers Act (commencing with Section 6584) (the "Bond Act").

The Members hereby agree that the Joint Powers Authority is not being formed for the purpose of providing municipal services as that term is used in the Joint Exercise of Powers Act.

Section 1.02. Creation of Authority. Pursuant to the Joint Exercise of Powers Act, the Members hereby establish the Joint Powers Authority. The Joint Powers Authority is a public entity separate and apart from the Members, and shall administer this Agreement. The Joint Powers 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 of a resolution approving the execution and delivery of this Agreement by the City Council of the City and the Board of Education.

Section 1.03. Board.

(a) Composition of Board; Chair. The Joint Powers Authority shall be governed by a Board of Directors (the "Joint Powers Authority Board") consisting of four (4) directors (each, a "Director"). Two (2) Directors of the Joint Powers Authority Board shall be appointed by the Board of Education and two (2) Directors of the Joint Powers Authority Board shall be appointed by the City Council of the City.

All voting power of the Joint Powers Authority shall reside in the Joint Powers Authority Board.

At the first meeting of the Joint Powers Authority Board in each calendar year, the directors of the Joint Powers Authority Board shall appoint the Chair and the Vice Chair of the Joint Powers Authority Board by a majority vote. The Chair and the Vice Chair shall perform the duties normal to said office and such duties as may be imposed by the Joint Powers Authority Board.

(b) Call, Notice and Conduct of Meetings. All meetings of the Joint Powers Authority 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) Quorum. A majority of the Directors of the Joint Powers Authority Board shall constitute a quorum for the transaction of business, except that less than a quorum may adjourn from time to time. The affirmative votes of at least a majority of the Joint Powers Authority Board members present at any meeting at which a quorum is present are required to take any action by the Joint Powers Authority Board.

(d) Time and Place of Regular Meetings. The Joint Powers Authority Board shall conduct a regular meeting on _____, 2026, at the hour of _____ p.m. at a location specified by the Executive Director. The date, hour and place of the holding of regular meetings shall be fixed by resolution of the Joint Powers Authority Board and a copy of such resolution shall be filed with each of the Members. Unless otherwise provided in accordance with the preceding sentence, regular meetings shall be held [at the same date, time and location as the regular meetings of the Board of Education]. If the Secretary does not post an agenda for a regular meeting pursuant to Government Code Section 54954.21, then such failure to post shall be deemed to be a determination by the Chair that no items required discussion and, therefore, that the regular meeting should be cancelled, except as otherwise provided in Section 54954.2.

(e) Minutes. The Secretary shall cause to be kept minutes of the meetings of the Joint Powers Authority Board and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each Director and to the Members.

(f) Bylaws. The Joint Powers Authority Board may adopt, from time to time, such bylaws, rules and regulations for the conduct of its meetings as are necessary for the purposes hereof.

Section 1.04. Treasurer. Pursuant to Section 6505.5 of the Joint Exercise of Powers Act, the person performing the functions of the **[identify Board of Education or City staff member]** is hereby designated as the initial Treasurer of the Joint Powers Authority and, as such, shall perform the functions of the treasurer of the Joint Powers Authority, as such functions are set forth in Section 6505.5 of the Joint Exercise of Powers Act. Pursuant to Section 6505.1 of the Joint Exercise of Powers Act, the Treasurer shall have charge of, handle and have access to all accounts, funds and money of the Joint Powers Authority and all records of the Joint Powers Authority relating thereto. As treasurer of the Joint Powers Authority, the Treasurer has custody of all of the accounts, funds and money of the Joint Powers Authority from whatever source.

In the event, but only in the event, that the Treasurer holds moneys for the account of the Joint Powers Authority or the Members, the Treasurer shall verify and report in writing at least quarterly to the Joint Powers Authority Board 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.

The Joint Powers Authority Board, by resolution, may authorize the Treasurer to sign contracts on behalf of the Joint Powers Authority.

Section 1.05. Auditor. Pursuant to Section 6505.5 of the Joint Exercise of Powers Act, the person performing the functions of the **[identify Board of Education or City staff member – this could be the same person appointed Treasurer]** is hereby designated as the initial Auditor of the Joint Powers Authority and, as such, shall perform

the functions of the auditor of the Joint Powers Authority, as such functions are set forth in Sections 6505 and 6505.5 of the Joint Exercise of Powers Act.

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

The Auditory shall be responsible for initiating annual audits of the Joint Powers Authority's accounts and records shall in accordance with Section 3.02.

Section 1.06. Other Officers and Employees of the Joint Powers Authority.

(a) Other Officers. In addition to the Chair, the Vice Chair, the Treasurer and the Auditor, the officers of the Joint Powers Authority shall consist of an Executive Director, a Secretary and a General Counsel, who shall consist of the **[identify Board of Education or City officer]**, **[identify Board of Education or City officer]** (or, in the alternative, the Board of Directors may appoint a Director to act as Secretary) and the **[identify Board of Education or City general counsel]**, respectively. The Joint Powers Authority Board may appoint such assistants to act in the place of the officers of the Joint Powers Authority (other than any Director) as the Joint Powers Authority Board shall from time to time deem appropriate.

(b) Duties of Executive Director. The Executive Director shall perform such functions as are customary in the exercise of such a position, and as may be more specifically provided by the Joint Powers Authority Board from time to time. The Executive Director shall have charge of the day-to-day administration of the Joint Powers Authority and shall execute the directives of the Joint Powers Authority Board. The Executive Director shall sign all contracts on behalf of the Joint Powers Authority, except as may otherwise be provided by resolution of the Joint Powers Authority Board.

(c) Duties of Secretary. The Secretary shall perform such functions as are customary in the exercise of such positions, and as may be more specifically provided by the Joint Powers Authority Board from time to time. The Secretary shall have charge of the records of the Joint Powers Authority and is responsible for recording the minutes of all meetings of the Joint Powers Authority Board.

(d) Duties of General Counsel. The General Counsel shall perform such functions as are customary in the exercise of such positions, and as may be more specifically provided by the Joint Powers Authority Board from time to time.

(e) Other Consultants and Contractors. The Joint Powers Authority Board shall have the power to appoint and employ such other consultants and independent contractors as may be necessary for the purposes of this Agreement.

(f) Miscellaneous. 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 officers, agents, or employees of a public agency 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.

None of the officers, agents, or employees directly employed by the Joint Powers Authority Board shall be deemed, by reason of their employment by the Joint Powers Authority Board to be employed by any of the Members or, by reason of their employment by the Joint Powers Authority Board, to be subject to any of the requirements of any of the Members.

Section 1.07. Bonding of Officers. From time to time, the Joint Powers Authority Board may designate officers of the Joint Powers Authority having charge of, handling or having access to any records, funds or accounts or other assets of the Joint Powers Authority, and the respective amounts of the official bonds of such officers and such other persons pursuant to Section 6505.1 of the Joint Exercise of Powers Act. In the event that any officer of the Joint Powers Authority is required to be bonded pursuant to this Section 1.07, 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 1.07 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 Joint Powers Authority shall exercise the powers granted to it under the Joint Exercise of Powers Act, including but not limited to the powers set forth in the Bond Act, the Mello-Roos Act, as applicable, and the powers common to each of the Members, 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 Exercise of Powers Act, the Joint Powers Authority is a public entity separate and apart from the Members.

Section 2.02. Restrictions on Exercise of Powers. The powers of the Joint Powers Authority shall be exercised in the manner provided in the Joint Exercise of Powers Act, and, in the exercise of the common powers of its Members, shall be subject (in accordance with Section 6509 of the Joint Exercise of Powers Act) 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 Joint Powers Authority shall not be the debts, liabilities and obligations of any of the Members. No member, officer, agent or employee of the Joint Powers Authority is individually or personally liable for the payment of the principal of or premium or interest on any obligations of the Joint Powers Authority or be subject to any personal liability or accountability by reason of any obligations of the Joint Powers Authority. Nothing herein contained relieves 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 Joint Powers 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 Joint Powers 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.

Section 3.02. Accounts and Reports. To the extent not covered by the duties assigned to a trustee chosen by the Joint Powers 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 Joint Powers Authority. The books and records of the Joint Powers 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.

Annual audits of the Joint Powers Authority's accounts and records shall be made by an independent CPA firm, and reports shall be filed in the manner provided in Section 6505 of the California Government Code.

Section 3.03. Funds. Subject to the applicable provisions of any instrument or agreement which the Joint Powers Authority may enter into, which may provide for a trustee to receive, have custody of and disburse Joint Powers Authority funds, the Treasurer shall receive, have the custody of and disburse Joint Powers 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.

Section 3.04. Annual Budget and Administrative Expenses. The Joint Powers Authority Board shall adopt a budget for administrative expenses, which shall include all expenses not included in any financing issue of the Joint Powers Authority, annually prior to July 1st of each year. The estimated annual administrative expenses of the Joint Powers Authority shall be allocated by the Joint Powers Authority to the Members equally.

ARTICLE IV

MISCELLANEOUS PROVISIONS

Section 4.01. Term. This Agreement shall become effective, and the Joint Powers Authority shall come into existence, on the date of execution and delivery hereof, and this Agreement and the Joint Powers Authority shall thereafter continue in full force and effect until terminated by the Members, but in any event so long as either (a) any bonds or other obligations of the Joint Powers Authority remain outstanding or any material contracts to which the Joint Powers Authority is a party remain in effect, or (b) the Joint Powers 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 Joint Powers Authority, both real and personal, including but not limited to surplus money, shall be divided between the Members in such manner as agreed upon by the Members.

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

Merced County Board of Education
632 West 13th Street
Merced, CA 95341
Attention: County Superintendent of
Schools

City of Merced
678 West 18th Street
Merced, CA 95340-4708
Attention: City Manager

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 Joint Powers 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. 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 4.08. Counterpart. This Agreement may be executed in counterparts and be as valid and binding as if each party signed the same copy. A faxed copy of the

executed signature page shall be sufficient to cause the terms of this Agreement to become fully operative. The effective date of the Agreement shall be the latest date that the Board of Education or the City executed the Agreement.

Section 4.09. Electronic Signatures.

(a) The parties hereto acknowledge and agree that this Agreement may be executed by one or more electronic means (hereinafter referred to as "Electronic Signatures"). Each party hereto agrees that Electronic Signatures provided by such party shall constitute effective execution and delivery of this Agreement by such party to the other party to or relying on this Agreement. Each party hereto agrees that Electronic Signatures shall constitute complete and satisfactory evidence of the intent of such party to be bound by those signatures and by the terms and conditions of this Agreement as signed. Each party agrees that Electronic Signatures shall be deemed to be original signatures for all purposes.

(b) Each party hereto agrees to accept Electronic Signatures provided by the other party as (i) full and sufficient intent by such parties to be bound hereunder, (ii) effective execution and delivery of this Agreement and (iii) constituting this Agreement an original for all purposes, without the necessity for any manually signed copies to be provided, maintained or to exist for back up or for any other purpose.

(c) If Electronic Signatures are used to execute this Agreement, each party hereto hereby accepts the terms of, and intends and does sign, this Agreement by its Electronic Signature hereto.

Section 4.10. Successors. This Agreement is binding upon and inures 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.

**MERCED COUNTY BOARD OF
EDUCATION**

By: _____
_____, Chairperson

Dated: _____

CITY OF MERCED

By: _____
Scott McBride,
City Manager

Dated: _____