

JH Draft 7-24-25

JOINT EXERCISE OF POWERS AGREEMENT

City of Napa Joint Public Finance Authority

This JOINT EXERCISE OF POWERS AGREEMENT (this "Agreement") dated as of _____, 2025, is between the CITY OF NAPA, a charter city duly organized and existing under the Constitution and laws of the State of California (the "City"), and the CITY OF NAPA INDUSTRIAL DEVELOPMENT AUTHORITY, a public body corporate and politic organized and existing under the laws of the State of California (the "Industrial Development Authority");

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 Industrial Development Authority wish to form an agency under the Joint Powers Law, to be known as the City of Napa Joint Public Finance Authority, for the purpose of providing an entity which can provide assistance to the Industrial Development Authority and the City in their respective financing undertakings;

NOW, THEREFORE, in consideration of the above premises and of the mutual promises herein contained, the City and the Industrial Development Authority 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 Industrial Development Authority (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 City of Napa Joint Public Finance Authority (the "Finance Authority"). The Finance Authority is a public entity separate and apart from the Members, and shall administer this Agreement. The Finance Authority shall be deemed to be created and to exist as an entity that 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 Board of Directors of the Industrial Development Authority and the City Council of the City.

Section 1.03. Board.

(a) Composition of Board; Chair and Vice-Chair.

(i) The Finance 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 of the City.

(ii) All voting power of the Finance Authority shall reside in the Board.

(iii) The Mayor of the City shall act as Chair of the Board and the Vice Mayor of the City shall act as Vice-Chair of the Board. The Chair and the Vice-Chair shall perform the duties normal to said office and such duties as may be imposed by 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) Quorum. A majority of the members of the 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 Board members present at any meeting at which a quorum is present are required to take any action by the Board.

(d) Time and Place of Regular Meetings. The Board shall provide for its regular meetings. The date, hour and place of the holding of regular meetings shall be fixed by resolution of the Board and a copy of such resolution shall be filed with each of the Members. Unless otherwise provided in such resolution, regular meetings shall be held on the same date and time as regular meetings of the City Council of the City. 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 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 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 Powers Law, the person performing the functions of the Finance Director of the City (and if there is no longer a City Finance Director, the City Treasurer) is hereby designated as the Treasurer of the Finance Authority and, as such, shall perform the functions of the treasurer of the Finance 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 Finance Authority and all records of the Finance Authority relating thereto. As treasurer of the Finance Authority, the Treasurer has custody of all of the accounts, funds and money of the Finance Authority from whatever source.

In the event, but only in the event, that the Treasurer holds moneys for the account of the Finance Authority or the Members, the Treasurer shall verify and report in writing at least quarterly to the 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 Board, by resolution, may authorize the Treasurer to sign contracts on behalf of the Finance Authority.

Section 1.05. Auditor. Pursuant to Section 6505.5 of the Joint Powers Law, the person performing the functions of the City Auditor of the City is hereby designated as the Auditor of the Finance Authority and, as such, shall perform the functions of the auditor of the Finance Authority, as such functions are set forth in Section 6505.5 of the Joint Powers Law.

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

Section 1.06. Other Officers and Employees of the Finance Authority.

(a) Other Officers. In addition to the Chair, the Vice-Chair, the Treasurer and the Auditor, the officers of the Finance Authority shall consist of an Executive Director, a Secretary and a General Counsel, who shall consist of the City Manager, the City Clerk and the City Attorney, respectively. The deputies and assistants to the City Manager, City Clerk and City Attorney shall constitute the deputies and assistants of the Executive Director and Secretary, and may act in the place of the officers of the Finance Authority (other than any Director) if such officers are unavailable or incapacitated.

(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 Board from time to time. The Executive Director shall have charge of the day-to-day administration of the Finance Authority and shall execute the directives of the Board. The Executive Director shall sign all contracts on behalf of the Finance Authority, except as may otherwise be provided by resolution of the 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 Board from time to time. The Secretary shall have charge of the records of the Finance Authority and is responsible for recording the minutes of all meetings of the 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 Board from time to time.

(e) Other Consultants and Contractors. The Executive Director, Secretary and General Counsel 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.

Section 1.07. Bonding of Officers. From time to time, the Board may designate officers of the Finance Authority having charge of, handling or having access to any records, funds or accounts or other assets of the Finance 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 Finance 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.

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

ARTICLE II

POWERS

Section 2.01. General Powers. The Finance 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, 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 Finance Authority is a public entity separate and apart from the Members.

Section 2.02. Restrictions on Exercise of Powers. The powers of the Finance 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 Finance Authority shall not be the debts, liabilities and obligations of any of the Members. No member, officer, agent or employee of the Finance Authority is individually or personally liable for the payment of the principal of or premium or interest on any obligations of the Finance Authority or be

subject to any personal liability or accountability by reason of any obligations of the Finance 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 Finance 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 Finance Authority for the benefit of such other Member.

ARTICLE III

CONTRIBUTIONS; ACCOUNTS AND REPORTS; FUNDS; ANNUAL BUDGET AND ADMINISTRATIVE EXPENSES

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 Finance 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 Finance Authority. The books and records of the Finance 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 Finance 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.

Section 3.04. Annual Budget and Administrative Expenses. The Board shall adopt a budget for administrative expenses, which shall include all expenses not included in any financing issue of the Finance Authority, annually prior to July 1st of each year. Unless otherwise provided in a resolution of the Board of Directors, the estimated annual administrative expenses of the Finance Authority shall be allocated by the Finance Authority to the City.

Section 3.05. Independent Audit. The Auditor shall cause an independent audit to be performed at the times and in the circumstances provided in the Joint Powers Law.

Section 3.06. Management of Records. The Finance Authority shall manage records in accordance with City policy.

ARTICLE IV

MISCELLANEOUS PROVISIONS

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

Section 4.02. Disposition of Assets. Unless otherwise provided in a resolution of the Board of Directors, upon the termination of this Agreement, all property of the Finance Authority, both real and personal, shall be distributed to the City.

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

City of Napa Industrial Development
Authority
955 School Street
Napa, CA 94559
Attention: Treasurer

City of Napa
955 School Street
Napa, CA 94559
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 Finance 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 this Agreement shall be the latest date that the City executed this Agreement.

Section 4.09. 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 thereunto duly authorized and their official seals to be hereto affixed, as of the day and year first above written.

CITY OF NAPA

By _____
City Manager

[S E A L]

Attest:

City Clerk

Countersigned:

City Auditor

Approved as to Form:

Interim City Attorney

**CITY OF NAPA INDUSTRIAL
DEVELOPMENT AUTHORITY**

By _____
Treasurer

Attest:

Secretary

Countersigned:

City Auditor

Approved as to Form:

Interim General Counsel