

APPENDIX B-3

JOINT EXERCISE OF POWERS AGREEMENT
BETWEEN THE COUNTY OF LOS ANGELES,
THE CITIES OF ARCADIA, AZUSA, BALDWIN PARK, BRADBURY,
CLAREMONT, COVINA, DUARTE, EL MONTE, GLENDORA, INDUSTRY,
IRWINDALE, LA HABRA HEIGHTS, LA VERNE, MONROVIA, POMONA,
SAN DIMAS, SOUTH EL MONTE, TEMPLE CITY, WALNUT, and WEST COVINA
CREATING AN AGENCY TO BE KNOWN AS THE
FOOTHILL TRANSIT ZONE

THIS AGREEMENT, dated the 14th day of April 1988
is entered into between the COUNTY OF LOS ANGELES, a political
subdivision of the State of California, the CITIES OF ARCADIA,
AZUSA, BALDWIN PARK, BRADBURY, CLAREHONT, COYINA, DUARTE, EL
MONTE, GLENDORA, INDUSTRY, IRWINDALE, LA HABRA HEIGHTS, LA VERNE,
MONROVIA, POMONA, SAN DIMAS, SOUTH EL MONTE, TEMPLE CITY, WALNUT,
and WEST. COVINA, each a municipal corporation of the State of California,
(collectively referred to as "Cities" herein.)

WITNESSETH:

WHEREAS, Cities and County are empowered by law to plan, contract
for and operate public transit services as authorized by the Los Angeles County
Transportation Commission's approval of the local transportation zone on
December 2, 1987;

WHEREAS, the County and Cities in the San Gabriel Valley are desirous of providing public transit service on a more cost effective basis in the area of the approved transportation zone;

WHEREAS, it is deemed advisable for Cities and County to jointly exercise their common powers in the manner set forth in this Agreement.

NOW, THEREFORE, Cities and County, for and in consideration of the mutual benefits, promises and agreements set forth herein, agree as follows:

Section 1. PURPOSE AND BENEFITS -

The Agreement is made pursuant to the provisions of Article 1, Chapter 5, Division 7, Title 1 of the Government Code of the State of California (commencing with Section 6500, hereinafter referred to as "Act") relating to the joint exercise of powers referred to in the above recitals. Cities and County each possess the powers referred to in the above recitals. The purpose of this Agreement is to exercise such powers jointly by planning, contracting for and operating public transit services as authorized by the Los Angeles County Transportation

more cost effective service. Such purposes will be accomplished and said common powers exercised in the manner set forth in this Agreement.

Section 2. TERM.

This Agreement shall become effective as of the date hereof and shall continue in full force and effect for a period

of three years from the date service begins, unless continued for a longer term by an extension of the approval of the local transportation zone by the LOS Angeles County Transportation Commission, provided that the term shall not expire until all Bonds, as that term is defined in Section 11 herein, are provided for and issued pursuant hereto and the interest thereon shall have been paid in full or adequate provision for such payment have been made as set forth in the proceedings for the issuance thereof, whichever date is earlier.

Section 3. ZONE.

A. Creation of Zone.

Pursuant to the Act, there is hereby created a public entity, separate and apart from the parties hereto, to be known as the "Foothill Transit Zone" (hereinafter referred to as "Zone"). The debts, liabilities and obligations of Zone shall shall not constitute debts, liabilities or obligations of either Cities or County. The Zone will defend, indemnify and hold harmless the Cities and County for liability arising as a result of this Agreement.

B. Zone Members.

Zone shall consist of one elected city council member or mayor from each City and two members appointed by the Board of Supervisors. Each City may also select an alternate who is also an elected city council member or mayor from that City. No person who receives the substance of his/her income from another transit operating agency may sit on the Zone or Executive Board.

C. Board Members.

Zone shall have an administrative entity, the Executive Board, composed of five members of Zone, each serving in his/her individual capacity as a member of the Executive Board. The Executive Board shall be called the "Zone Executive Board" (hereinafter referred to as "Board"). One member of the Board shall be a County appointee. Four members shall be selected from the Zone members from the Cities according to rules which zone may adopt. One-named alternate may be selected for each Board member under rules which the Zone may adopt.

D. Meetings of the Zone and Board.

(1) Regular Meetings

Zone and Board shall provide for regular meetings; provided that the Zone shall hold at least 1 regular meeting in each year and the Board shall hold at least 1 meeting per quarter and there shall be such further meetings as a quorum of the Zone or Board may reasonably request depending upon the pressure of business. The dates upon which and the hour and place at which any regular meetings shall be held shall be fixed by resolution and a copy of such resolution shall be filed with Cities and County. The place of the regular meetings shall be within the zone service area.

(2) Ralph M. Brown Act.

All meetings of the Zone and 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 (commencing with Section 54950 of the Government Code of the State of California),

(3) Minutes.

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

(4) Quorum.

Fifty percent plus one of the members present at a Zone or a Board meeting shall constitute a quorum for the transaction of business, except that lesser number may adjourn for lack of a quorum.

E. Secretary, Treasurer, Auditor and Counsel

The Executive Officer-Clerk of the Board of Supervisors shall be and act as the Secretary of the Board. The County Treasurer shall be and act as the Treasurer of Zone, and the County Auditor-Controller shall be and act as the Controller of Zone. The County Counsel shall, on request, advise the Board in connection with any business relating to the Zone. The Board may employ other counsel to represent the Zone in any manner.

A. Powers of Zone

(1) General Powers of Zone

Zone shall have the powers common to Cities and County set forth in the recitals of this Agreement, to wit: the power to plan, contract for and operate public transit services as authorized by the Los Angeles County Transportation Commission's approval of the local transportation zone. Zone is hereby authorized to do all acts necessary for the exercise of said common powers, including, but not limited to, any or all of the

following: to make and enter into contracts, to acquire, construct, or to provide for maintenance and operation by contract, to maintain and operate any buildings, work, improvements, or facility, to acquire (by condemnation or contract), hold or dispose of property; and, with any required approval of Los Angeles County Transportation Commission to amend this Agreement and to annex to the Zone, to incur debts, liabilities or other a obligations which shall not constitute debts, liabilities or obligations of any party to this Agreement; to insure or obtain insurance for itself and all parties to this agreement and to sue and be sued in its own name and to defend and hold harmless the parties to this Agreement. Said powers shall be exercised in the manner provided in said Act and, except as expressly set forth herein, subject only to such restrictions upon the manner of exercising such powers as are imposed upon County in the exercise of similar powers. Zone may also issue Bonds as defined in Section 11 herein.

(2) Rulemaking Powers of Zone

Zone shall have the power to adopt and implement such rules and regulations as may be necessary to effect the purposes of this Agreement and which do not conflict with any terms of this Agreement, including but not limited to the power to determine qualification and compensation, it any, of Board members, to determine the procedure for selection of Board members, to determine the procedures for selection of Board members representing cities, their terms, their alternates, if any, and related requirements, to select officers of the Zone not provide for in this agreement and to adopt rules relating for fares,

routes, and service modifications including the delegation of specified powers relating to fares, routes and service modifications to Board.

B. Powers of Board.

Board shall have the power to adopt and implement such rules and regulations as may be necessary to effect the purposes of this Agreement and which do not conflict with any terms of this Agreement or rules of Zone, including but not limited to the power to select officers and their terms and related requirements, to establish committees advisory to the Board and the power to adopt parliamentary rules.

Section 5. ROUTES, FARES, AND SERVICE MODIFICATIONS.

Board shall recommend fares and routes and service modifications to Zone subject to such rules Zone may adopt.

Section 6 FISCAL YEAR.

For the purposes of this Agreement, the term "Fiscal Year" shall mean the period from July 1 of each year to and including the following June 30.

Section 7. PAYMENT AND REIMBURSEMENT.

Zone shall, upon request, pay or reimburse Cities or County for reasonable expenses incurred and payments made by Cities or County in connection with the administration of the Zone. Zone specifically agrees to reimburse County as soon as possible for buses which County provides, with interest rates and such other terms as may be mutually agreeable.

Section 8. FINANCIAL CONTRIBUTION.

Operating funds shall be obtained from the Los Angeles County Transportation Commission to the maximum amount possible.

During the initial three years of this Agreement, County shall meet Los Angeles County Transportation Commission's requirement to provide five percent (5%) of the operating budget. If the Zone is required to provide a portion of its operating budget beyond the initial three years, Cities and County may provide funds or assign programs which meet Los Angeles County Transportation Commission eligibility criteria to fulfill such requirements.

Section 9. OPERATIONS.

Zone shall operate in accordance with the operations plan and implementation program approved by the Los Angeles County Transportation Commission on December 2, 1987 and as may be amended from time to time by the Commission.

Section 10. ASSISTANCE TO ZONE.

Cities and County may in appropriate circumstances: (a) Make contributions from their treasuries for the purposes set forth herein, (b) make advances of public funds for such purposes, such advances to be repaid as provided herein, or (c) use their personnel, equipment or property in lieu of other contributions or advances. The provisions of Government Code Section 6513 are hereby incorporated into this Agreement.

Section 11. BONDS

In order to obtain the funds required to finance acquisition and construction of facilities and vehicles, including necessary reserves and incidental expenses, Zone may issue Bonds. The term "Bonds" means bonds or other evidence of indebtedness as authorized by the Act including but not limited to revenue bonds, bond anticipation notes, certificates of

participation, lease purchase agreements or other evidences of indebtedness. The power of the Zone to issue such Bonds shall only be exercised upon the authorization of Cities and County. Such Bonds may be issued in more than one series, shall be sold by competitive bidding or by private sale, to the extent permitted by law, and shall not constitute a debt, liability or obligation of either Cities or County. Any resolutions authorizing the issuance of such Bonds shall be subject to the approval of County and Cities.

The services of bond counsel, financing consultants and other consultants and advisors may be used by Zone in connection with the issuance and sale of such Bonds. The fees and expenses of such counsel, consultants and advisors shall be paid from the proceeds of the Bonds, and Cities or County may be reimbursed from such proceeds for any portion of such fees and expenses which it has paid prior to the issuance of such Bonds.

Section 12. ACCOUNTS AND REPORTS.

To the extent not covered by the duties assigned to any trustee appointed under any resolution authorizing the issuance of bonds by Zone, the Controller of Zone, shall establish and maintain such funds and accounts as may be required by good accounting practice or by the provisions of any resolution authorizing the issuance of Bonds by Zone. The books and records of Zone in the hands of the trustee or the Controller shall be open to inspection at all reasonable times by representatives of Cities and County and Los Angeles County Transportation Commission. The Controller of Zone, within 180

days after the close of each fiscal year, shall give a complete written report of all financial activities for such fiscal year to Cities, County and Zone to the extent such activities are not covered by the report of any trustee.

Any trustee appointed under any resolution or indenture authorizing the issuance of Bonds by Zone shall be required to establish suitable funds, furnish financial reports and provide suitable accounting procedures to carry out the provisions of said resolution and this Agreement.

Additionally, the Treasurer of Zone shall assume the duties (to the extent not covered by the duties assigned to any trustee) required by the laws of the State of California, including the duties described in Section 6505.5 of the Government Code or as said Section may be amended.

Section 13. FUNDS.

The Treasurer of Zone shall have the custody of and disburse Zone funds pursuant to the accounting procedures developed in accordance with the provisions of Section 11 hereof and as nearly as possible in accordance with normal County procedures.

The public officers (namely, the Controller and Treasurer) herein designated as the persons responsible for any moneys of Zone are hereby also designated as responsible for all other property of Zone as required by Government Code Section 6505.1. The parties to this Agreement hereby find and determine that the Controller shall be liable on his official bond in the amount of \$50,000 and the Treasurer shall be liable on his official bond in the amount of \$300,000.

Section 14. DISPOSITION OF SURPLUS.

Upon the termination of this Agreement, all property of Zone shall vest in the respective parties to this Agreement which theretofore transferred, conveyed or leased said property to the Zone. Any other property, funds and assets of the Zone shall be returned to the Cities or County in proportion to their contributions.

Section 15. WITHDRAWAL FROM ZONE.

Cities and County, pursuant to the Transportation Zone Guidelines of Los Angeles County Transportation Commission, have agreed to support Zone for a minimum of one year once service has been initiated. After one year, Cities and County may withdraw from Zone subject to the following conditions and whatever additional conditions Zone may adopt: 1) that withdrawal from Zone requires a minimum 120 day notice and 2) withdrawal from Zone requires acknowledgement that Southern California Rapid Transit District/Los Angeles County are not required to provide replacement service.

Section 16. NOTICES.

Notices hereunder shall be sufficient if sent by regular mail, postage prepaid, to the City Managers of each City at:

ARCADIA: 240 W. Huntington, Box 60, Arcadia, CA 91006

AZUSA: 213 E. Foothill Boulevard, Azusa, CA 91702

BALDWIN PARK: 14403 E. Pacific Avenue, Baldwin Park, CA 91706

BRADBURY: 600 Winston Avenue, Bradbury, CA 91010

CLAREMONT: P.O. Box 880, 207 Harvard Avenue, Claremont, CA 91711

COVINA: 125 E. College Street, Covina, CA 91722

DUARTE: 1600 Huntington Drive, Duarte, CA 91010

EL MONTE: 11333 Valley Boulevard, Box 6008, El Monte, CA 91734

GLENDORA: 116 E. Foothill Boulevard, Glendora, CA 91740

INDUSTRY: Box 3366, Industry, CA 91744

IRWINDALE: 5050 N. Irwindale Avenue, Irwindale, CA 91706

LA HABRA HEIGHTS: 1245 N. Hacienda Boulevard, La Habra Heights, CA 90631

LA VERNE: 3660 "D" Street, La Verne, CA 91750

MONROVIA: 415 South Ivy Avenue, Monrovia, CA 91016

POMONA: P.O. Box 660, 505 South Garey Avenue, Pomona

SAN DIMAS P.O. Box 307, 245 E. Bonita Avenue, San Dimas, CA 91773

SOUTH EL MONTE: 1415 N. Santa Anita Avenue, South El Monte, CA 91733

TEMPLE CITY: 5938 N Kauffman Avenue, Box 682, Walnut, CA 91789

WEST COVINA: P.O. Box 1440, West Covina, CA 91793

COUNTY: Executive Officer- Clerk of the Board of Supervisors
Room 383 Hall of Administration
Los Angeles, California 90012

ZONE: Executive Officer- Clerk of the Board of Supervisors
Room 383 Hall of Administration
Los Angeles, California 90012

Section 17. MISCELLANEOUS.

The section headings herein are for convenience only and are not to be construed as modifying or governing the language in the section referred to. Whenever in this Agreement any consent or approval is required the same shall not be unreasonably withheld. This Agreement is made in the State of California under the Constitution and laws of such state and is to be so construed.

Where reference is made in this Agreement to Controller or Treasurer indicating specific duties to be undertaken by said officers, said officers may independently determine which of them shall undertake any particular duty.

Section 18. SEVERABILITY.

Should any part, term, portion or provisions of this Agreement be by the courts decided 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 parts, terms, portions of provisions shall be deemed severable and shall not be affected thereby, provided such remaining portion or provisions can be construed in substance to continue to constitute the Agreement that the parties intended to enter into the first instance.

Section 19. SUCCESSORS.

This Agreement shall be binding upon and shall inure to the benefit to the successors of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their proper officers.