

JOINT EXERCISE OF POWERS AGREEMENT CREATING THE  
ANTIOCH AREA PUBLIC FACILITIES FINANCING AGENCY

This agreement, dated for convenience as of August 1, 1988, is made by and between the ANTIOCH UNIFIED SCHOOL DISTRICT (the "School District") and the CITY OF ANTIOCH (the "City").

W I T N E S S E T H:

WHEREAS, the Mello-Roos Community Facilities Act of 1982 (Chapter 2.5 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53311), (the "Act"), provides that the legislative bodies of two or more local agencies may enter into a joint exercise of powers agreement pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code to exercise any power authorized by the Act; and

WHEREAS, the Parties hereto desire to form a Community Facilities District under the Act to collectively finance public facilities for each of the Parties; and

WHEREAS, the legislative bodies of the Parties have determined that the entering into of this agreement would be beneficial to the residents of the respective Parties;

NOW, THEREFORE, the Parties hereto, for and in consideration of the mutual promises and agreements herein contained, do agree as follows:

SECTION 1. Definitions

Unless the context otherwise requires, the terms defined in this Section 1 shall for all purposes of this Agreement have the meanings herein specified.

Act. The term "Act" shall mean the Mello-Roos Community Facilities Act of 1982 (California Government Code Sections 53311 and following) as amended.

Agency. The term "Agency" shall mean the Antioch Area Public Facilities Financing Agency created by this Agreement.

Agreement. The term "Agreement" shall mean this Agreement as the same now exists or as it may from time to time be amended by any supplemental agreement entered into pursuant to the provisions hereof.

Board. The term "Board" shall mean the Governing Board of the Agency.

Bonds. See "Special Tax Bonds."

CFD. The term "CFD" shall mean the community facilities district formed by the Agency pursuant to the Act.

Law. The term "Law" shall mean Article 1 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, commencing with Section 6500 thereof, and the Act.

Parties. The term "Parties" shall mean the parties to this Agreement. "Party" shall mean a party to this agreement.

Project. The term "Project" shall mean the acquisition and construction of those facilities set forth on Exhibit A attached hereto and by this reference incorporated herein.

Special Tax Bonds. The term "Special Tax Bonds," or "Bonds," shall mean bonds of the CFD authorized and issued pursuant to the Act, including each and all series of bonds, and shall also include, except where the context shall require otherwise, any other

form of indebtedness of the Agency or CFD authorized and issued pursuant to the Law.

SECTION 2. Purpose. This Agreement is made pursuant to the Law to provide for the exercise of powers possessed by all or any of the Parties. In particular the Parties agree to finance, pursuant to the Act, the construction and acquisition of the Project in the manner set forth in, and subject to the provisions of, Exhibit B attached hereto. Each Party is empowered by the laws of California to exercise those powers assigned to it in

SECTION 3. Creation of Authority. There is hereby created pursuant to the Law an agency and public entity to be known as "Antioch Area Public Facilities Financing Agency." As provided in the Law, the Agency shall be a public entity separate from the Parties. The debts, liabilities and obligations of the Agency shall not constitute debts, liabilities or obligations of the Parties.

SECTION 4. Term. This Agreement shall become effective as of the date hereof and shall continue in full force and effect until all authorized Special Tax Bonds and the interest thereon shall have been paid in full, or provision for such payment shall have been made; provided, however, that unless extended by an agreement supplemental hereto executed by the Parties, this Agreement shall terminate on December 1, 1992, in the event that none of the Bonds shall have been issued and sold on or before such date.

SECTION 5. Powers: Restriction Upon Exercise. The

Agency's powers shall be limited to the implementation of the Mello-Roos financing plan contemplated by this Agreement. Within that limitation the Agency shall have the powers granted to a "local agency" pursuant to the Law including the power to finance the purchase, by condemnation or otherwise, of a site or sites for the Project, and the acquisition, construction, improvement, or equipping and to cause to be acquired, constructed, improved or equipped, and to lease, all or part of the Project; subject, however, to the conditions and restrictions of this Agreement.

The Agency is authorized, in its own name and pursuant to the Law, to do all acts necessary for the exercise of said powers for said purposes.

The Agency shall not own any of the authorized facilities, nor administer any construction contracts or acquisition agreements.

SECTION 6. Termination of Powers. The Agency shall continue to exercise the powers herein conferred upon it until the termination of this Agreement or until the Parties shall have mutually rescinded this Agreement, except that if any Bonds are issued, delivered and outstanding, then in no event shall the exercise of the powers herein granted be terminated until all Bonds so issued, delivered and outstanding, and the interest thereon shall have been paid or provision for such payment shall have been made.

*Revised see first paragraph*  
SECTION 7. Governing Board. The Agency shall be administered by the Board, which shall consist of five members, each serving in his or her individual capacity as a member of the Board. Two members of the Board shall be persons serving as members of the

legislative body of each Party. The fifth member of the Board shall be a "citizen at large" appointed for a two year term by the other four members of the Board.

Each of the first four members of the Board shall be appointed by the legislative body of the respective Party and shall serve at the pleasure of the body appointing the Board member.

Members of the Board shall not receive any compensation for serving as such, but shall be entitled to reimbursement for any expenses actually incurred in connection with serving as a member if the Board shall determine that such expenses shall be reimbursed and there are unencumbered funds available for such purpose.

SECTION 8. Meetings of the Board.

(a) Regular Meetings. The Board shall hold at least one regular meeting each year, and by resolution may provide for the holding of regular meetings at more frequent intervals. The date upon which, and the hour and place at which, each such regular meeting shall be held shall be fixed by resolution or motion of the Board, or by designation of the President.

(b) Special Meetings. Special meetings of the Board may be called in accordance with the provisions of Section 54956 of the Government Code of the State of California.

(c) Legal Notice. All meetings of the Board shall be called, noticed, held and conducted subject to the provisions of the Ralph M. Brown Act (Chapter 9 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, Sections 54950-54961).

(d) Minutes. The Secretary of the Agency shall cause minutes of all meetings of the Board 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 Board and to the Parties.

(e) Quorum. Three of the members of the Board shall constitute a quorum for the transaction of business, provided that at least one Boardmember is present from each party. Less than a quorum may adjourn from time to time.

SECTION 9. Officers; Duties; Bonds

(a) The officers of the Agency shall be a President, a Vice-President, a Treasurer, a Controller and a Secretary. The Board shall elect its President and Vice-President from among its members, each for a one-year term. Annually, after levying the special tax, and at the same meeting, a new President and Vice-President shall be elected. Officers may be re-elected. The Treasurer, Controller and Secretary shall be appointed by the Board and serve at its pleasure. They need not be members of the Board. If either the President or Vice-President shall cease to be a Board member, he or she shall also cease to be an officer. The Board shall promptly elect a replacement officer.

(b) The President shall conduct the meetings of the Agency and shall be authorized to sign contracts, certificates and other appropriate documents on its behalf. The Vice-President shall serve in the President's absence.

(c) The Treasurer and Controller shall have the powers and duties specified in Section 6505.5 of the Law.

(d) No charges shall be made against the Agency for the services of the Treasurer or Controller.

(e) The Treasurer and Controller of the Agency are designated as the public officers or persons who have charge of, handle, or have access to property of the Agency, and each such officer shall file an official bond with the Secretary of the Agency in the amount of \$100,000. To the extent permitted by law, any such officer may satisfy this requirement by filing an official bond obtained in connection with another public office.

(f) The Board shall have the power to appoint such other officers and employees as it may deem necessary and to retain independent counsel, consultants and accountants.

SECTION 10. Fiscal Year

Unless and until changed by resolution of the Board, the fiscal year of the Agency shall be the period from July 1 of each year to and including the following June 30, except for the first fiscal year which shall be the period from the date of this Agreement to June 30, 1989.

SECTION 11. Disposition of Assets

The proceeds of the sale of any bonds issued by the proposed CFD shall be disbursed by the Agency for the costs of the financing and then for the accounts of each of the Parties for the purposes set forth in, and as their interests appear in, Exhibit A hereto, and as further to be specified by the Resolution Providing for the Form, Execution and Issuance of Bonds (the "Bond Resolution"). The specific procedures for the payment of

contractors and vendors or the reimbursement to the Parties or others of their expenditures eligible for reimbursement from the bond proceeds shall be those of the Parties themselves, as may be modified by the Bond Resolution. The Parties agree to use all funds and bond proceeds for the purposes specified under the Agreement and for no other purpose.

The facilities financed shall be owned by the respective Parties as their interests appear on Exhibit A hereto.

Reimbursements for school or other facilities from the State or any other source shall be utilized by the Agency for the benefit of the Community Facilities District and the Project in accordance with the Act.

In the event that Bonds are not issued, then all assets of the Agency shall be distributed to the respective grantors or assignors thereof. After the completion of the purpose of this Agreement, any surplus money on hand shall be returned to the Parties in proportion to their respective contributions made.

#### SECTION 12. Special Tax Bonds

The Agency shall have power to issue Special Tax Bonds in accordance with the provisions of the Act for the purpose of raising funds necessary to carry out its powers under this Agreement.

The Agency shall also have the power to issue any other forms of indebtedness authorized by the Law in accordance with the provisions of the Law for such purposes.

The bonding capacity of the CFD shall be made available to the respective Parties, for elements of the Project which are the



responsibility of the Parties, in accordance with Exhibit A, attached hereto.

The Parties will seek all reasonably available state and federal financing of its facilities under this Agreement, but failure to secure such funds, or to discover them if available, shall not impair the conduct of proceedings or the sale or validity of bonds hereunder.

SECTION 13. Operation of Project

Each Party shall administer the acquisition and construction of its own facilities as those appear on Exhibit A hereto, subject to such requirements as may be imposed by the Bond Resolution.

Costs of the financing and any administrative or other costs attributable directly to the proposed CFD shall be paid directly by the Agency from bond proceeds or, other than bond issuance costs, from special tax proceeds. Any savings realized in the construction or acquisition of any facilities shall be held for the purpose of financing other facilities authorized by the proceedings conducted under the Act.

The Reserve Fund, and any available taxing power to replenish the Reserve Fund, shall be for the benefit of the entire CFD irrespective of where any particular delinquencies may have occurred.

SECTION 14. Agreement Not Exclusive

This Agreement shall not be exclusive and shall not be deemed to amend or alter the terms of other agreements between the

Parties, except as expressly provided herein.

SECTION 15. Contributions and Advances

Contributions or advances of public funds and of personnel, equipment or property may be made to the Agency by the Parties or other persons for any of the purposes of this Agreement. Payment of public funds may be made to defray the cost of any such contribution. Any such advance may be made subject to repayment from either bond proceeds or special taxes, and shall be repaid out of bond proceeds only if a bond financing contemplating such repayment is successfully completed by the Agency.

SECTION 16. Accounts and Reports

The Agency shall establish and maintain such funds and accounts as may be required by good accounting practice and by any provision of any resolution or indenture of the Agency securing the Bonds. The books and records of the Agency shall be open to inspection at all reasonable times by the Parties and their representatives.

The Treasurer of the Agency shall make quarterly reports to the Agency and the Parties in accordance with Section 6505.5(e) of the Law.

The Controller of the Agency shall either make or contract with a certified public accountant or public accountant to make an annual audit of the accounts and records of the Agency. In each case the minimum requirements of the audit shall be those prescribed by the State Controller for special districts under Section 26909 of the Government Code of the State of California and shall conform to

generally accepted auditing standards. When such an audit of accounts and records is made by a certified public accountant or public accountant, a report thereof shall be filed as a public record with the Parties and also with the County Auditor of Contra Costa County. Such report shall be filed within 12 months of the end of the fiscal year under examination.

Any costs of the audit, including contracts with, or employment of, certified public accountants or public accountants in making an audit pursuant to this Section, shall be borne by the Agency and shall be a charge against any unencumbered funds of the Agency available for the purpose, and may be paid out of special tax revenues.

In any year in which the annual budget of the Agency does not exceed five hundred dollars (\$500), the Board may, by unanimous vote, replace the annual special audit with an audit covering a two-year period.

#### SECTION 17. Levy of Special Tax

(a) The rate and method of allocation of any special tax to be submitted to the qualified electors in any proceedings pursuant to the Act conducted by the Agency shall be as set forth in the CFD proceedings.

(b) The Board shall schedule a meeting each year during the month of July. At this meeting the Board shall receive a report which may, at the option of the Board, be prepared by an independent consultant, specifying the funds available in the various accounts established in the resolution or resolutions authorizing issuance of

bonds, including any alternate sources of funds, the debt service needs for the next succeeding fiscal year (including curing any delinquencies on the bonds), the administrative and other expenses of the Agency (including the fees of consultants, if any) anticipated during the next succeeding fiscal year, the amount, if any, necessary to restore the reserve fund or funds on any outstanding bonds to the appropriate reserve requirement, the amount, if any, anticipated to be necessary to meet expected delinquencies or expected calls on the reserve fund or funds in the next succeeding fiscal year, the amount, if any, necessary to be accumulated for future construction or debt service, and any other expenditures authorized by the Agency and under the Act. The Bond Resolutions may require additional elements to be included in the report. The report shall contain a proposed levy of special taxes in accordance with the Resolution of Formation at the minimum level sufficient to meet the total financial needs of the Agency as specified. The Board shall review the report, make any necessary corrections, and levy the special tax for the next succeeding fiscal year in accordance with the report as corrected. The Secretary shall convey the ordinance or resolution levying the special tax to the County in a timely fashion for inclusion on the County tax roll for the next succeeding tax year.

SECTION 18. Breach

If default shall be made by any of the Parties in any covenant contained in this Agreement, such default shall not excuse any Party from fulfilling its obligations under this Agreement and

each Party shall continue to be liable for the performance of all conditions herein contained. The Parties hereby declare that this Agreement is entered into for the benefit of the Agency created hereby and the Parties hereby grant to the Agency the right to enforce by whatever lawful means the Agency deems appropriate all of the obligations of each of the Parties hereunder. Each and all of the remedies given to the Agency hereunder or by any law now or hereafter enacted are cumulative and the exercise of one right or remedy shall not impair the right of the Agency to any or all other remedies.

SECTION 19. Severability

Should any part, term, or provision of this Agreement be decided by the courts 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 or provisions hereof shall not be affected thereby.

SECTION 20. Successors; Assignment

This agreement shall be binding upon and shall inure to the benefit of the successors of the Parties. Except to the extent expressly provided herein, no Party may assign any right or obligation hereunder without the consent of the others.

SECTION 21. Amendment of Agreement

This Agreement may be amended by supplemental agreement executed by the Parties (a) at any time prior to the issuance of any Bonds or (b) at any time after the issuance of Bonds subject to the conditions and restrictions set forth in the Bond Resolutions or

indenture or indentures authorizing the issuance of the Bonds.

SECTION 22. Form of Approvals

Whenever an approval is required in this Agreement, unless the context specifies otherwise, it shall be given by resolution duly and regularly adopted by the board or council of each of the Parties, as the case may be, and, in the case of the Agency, by resolution duly and regularly adopted by the Board. Whenever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

SECTION 23. Section Headings

All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Agreement.

\* \* \*

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.

ANTIOCH UNIFIED SCHOOL DISTRICT

By *Robert William Kratz*  
President of the Board

Attest:

*A. J. Newell*  
Superintendent

CITY OF ANTIOCH

By *[Signature]*  
Mayor

Attest:

*Stephy P. Marks*  
City Clerk

EXHIBIT A

The authorized costs of the authorized facilities include all those set forth in Section 53345.3 of the Act, and all costs necessary to administer the bonds, collect and administer the special taxes, and administer the Agency. The special taxes may be levied not only to pay current debt service on the bonds, but also to accumulate funds for future debt service, to pay amounts delinquent on the bonds (or to become delinquent based upon past special tax delinquencies), to replenish the reserve fund to its proper level (or to reimburse payments to be made from the reserve fund based upon past special tax delinquencies), to pay authorized costs, to pay directly for any authorized facilities or to accumulate funds for that purpose. Special tax proceeds may be accumulated to pay debt service on the bonds so long as such proceeds are handled in such a fashion as not to cause the bonds to become arbitrage bonds under the Tax Reform Act of 1986.

[THE AUTHORIZED FACILITIES ARE TO BE SET FORTH HERE. IF THEY ARE NOT SET FORTH HERE, IT WILL MEAN THAT THE PARTIES TO THIS AGREEMENT HAVE EMPOWERED THE GOVERNING BOARD OF THE JOINT POWERS AGENCY TO MAKE THE FINAL DETERMINATION, IN THE COURSE OF CONDUCTING MELLO-ROOS PROCEEDINGS, OF THE LIST OF AUTHORIZED FACILITIES.]



RESOLUTION NO. 98/158

RESOLUTION OF THE CITY COUNCIL OF THE  
CITY OF ANTIOCH  
APPROVING FIRST AMENDMENT TO  
THE JOINT EXERCISE OF POWERS AGREEMENT  
CREATING THE ANTIOCH AREA PUBLIC FACILITIES  
FINANCING AGENCY

WHEREAS, reference is made to the Joint Exercise of Powers Agreement Creating the Antioch Area Public Facilities Financing Agency (the "Joint Powers Agreement") entered into between the Antioch Unified School District (the "School District") and the City of Antioch (the "City") dated as of August 1, 1988; and

WHEREAS, the City Council of the City (the "City Council") finds it beneficial to the residents of the City of Antioch to amend the Joint Powers Agreement to add two new members to the Governing Board of the Antioch Area Public Facilities Financing Agency and thereby to increase the number of "citizen at large" members to three; and

WHEREAS, a copy of the First Amendment to the Joint Powers Agreement is attached hereto and by reference incorporated herein;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City as follows:

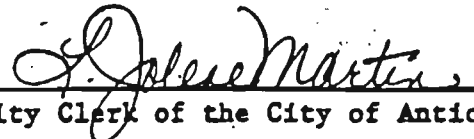
Section 1. The City Council finds and determines that the foregoing recitals are true and correct.

Section 2. The First Amendment to the Joint Powers Agreement dated as of October 27, 1998 is hereby approved and the Mayor is hereby authorized to execute the First Amendment to the Joint Powers Agreement on behalf of the City and the City Clerk is hereby authorized to attest its execution.

Section 3. This resolution shall take effect from and after its adoption.

PASSED AND ADOPTED at a regular meeting of the City Council on the  
27th day of October, 1998 by the following vote:

- AYES: Councilmembers Payton, Soliz, and Mayor Rocha.
- NOES: Councilmembers Hernandez and Sudario.
- ABSENT: Councilmembers None.

  
J. Joseph Martin,  
City Clerk of the City of Antioch

RESOLUTION NO. 1998-99-10

RESOLUTION OF THE BOARD OF TRUSTEES OF THE  
ANTIOCH UNIFIED SCHOOL DISTRICT  
APPROVING FIRST AMENDMENT TO  
THE JOINT EXERCISE OF POWERS AGREEMENT  
CREATING THE ANTIOCH AREA PUBLIC FACILITIES  
FINANCING AGENCY

WHEREAS, reference is made to the Joint Exercise of Powers Agreement  
Creating the Antioch Area Public Facilities Financing Agency (the "Joint Powers Agreement")  
entered into between the Antioch Unified School District (the "School District") and the City of  
Antioch (the "City") dated as of August 1, 1988; and

WHEREAS, the Board of Trustees of the School District (the "Board of  
Trustees") finds it beneficial to the residents residing within the School District to amend the  
Joint Powers Agreement to add two new members to the Governing Board of the Antioch Area  
Public Facilities Financing Agency and thereby to increase the number of "citizen at large"  
members to three; and

WHEREAS, a copy of the First Amendment to the Joint Powers Agreement is  
attached hereto and by reference incorporated herein;

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the School  
District as follows:

Section 1. The Board of Trustees finds and determines that the foregoing  
recitals are true and correct.

Section 2. The First Amendment to the Joint Powers Agreement dated as of  
October 28, 1998 is hereby approved and the President is hereby authorized to execute the  
First Amendment to the Joint Powers Agreement on behalf of the School District and the  
Superintendent of the School District is hereby authorized to attest its execution.

Section 3. This resolution shall take effect from and after its adoption.

PASSED AND ADOPTED at a regular meeting of the Board of Trustees on the 28th day of OCTOBER, 1998 by the following vote:

AYES: Boardmembers Smith, Dille, Seelinger

NOES: Boardmembers Hand

ABSENT: Boardmembers Knapp

Clair Smith  
President of the Board of Trustees

ATTEST:

Annus Galt  
Superintendent

FIRST AMENDMENT TO JOINT EXERCISE OF POWERS AGREEMENT  
CREATING THE ANTIOCH AREA PUBLIC FACILITIES FINANCING AGENCY

This FIRST AMENDMENT TO JOINT EXERCISE OF POWERS AGREEMENT, dated as of October 27, 1998, is made by and between the ANTIOCH UNIFIED SCHOOL DISTRICT and the CITY OF ANTIOCH and amends the Joint Exercise of Powers Agreement Creating the Antioch Area Public Facilities Financing Agency, dated as of August 1, 1988 (the "Joint Powers Agreement").

1. Section 7 of the Joint Powers Agreement is hereby amended as follows:

**SECTION 7. Governing Board.** The Agency shall be administered by the Board, which shall consist of seven members, each serving in his or her individual capacity as a member of the Board. Four members of the Board shall be persons serving as members of the legislative bodies of the Parties, with two from each Party (the "Elected Members"). The fifth, sixth and seventh members of the Board shall be "citizens at large" (the "Citizen Members") each appointed for a two year term by the Elected Members. Citizen Members must be registered voters eligible to vote in elections of at least one Party.

Each of the Elected Members of the Board shall be appointed by the legislative body of the respective Party and shall serve at the pleasure of the body appointing the Board member.

Members of the Board shall not receive any compensation for serving as such, but shall be entitled to reimbursement for any expenses actually incurred in connection with serving as a member if the Board shall determine that such expenses shall be reimbursed and there are unencumbered funds available for such purpose.

2. In all other respects, the Joint Powers Agreement, dated as of August 1, 1988, remains unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be executed and attested by their proper officers thereunto duly authorized, as of the date and year first written above.

ANTIOCH UNIFIED SCHOOL DISTRICT

By Rebecca Hilling  
President

ATTEST:

By Annis [Signature]  
Superintendent

CITY OF ANTIOCH

By Mary Helen Rocha  
Mayor Mary H. Rocha

[SEAL]

ATTEST:

By L. Jolene Martin  
City Clerk L. Jolene Martin

RESOLUTION NO. 88/250

RESOLUTION APPROVING CHANGE TO JOINT POWERS AGREEMENT

COMMUNITY FACILITIES DISTRICT NO. 1988-1  
ANTIOCH AREA PUBLIC FACILITIES FINANCING AGENCY  
CONTRA COSTA COUNTY, CALIFORNIA

The City Council of the City of Antioch hereby resolves:

1. The City Council approves the change in Exhibit A to the Joint Powers Agreement approved by our Resolution No. 88/242 on August 23, 1988 to that attached hereto.

\* \* \*

PASSED AND ADOPTED at a regular meeting of the City Council on the 30th day of August, 1988, by the following vote:

AYES: Councilmembers Price, Freitas, Stone, Rocha  
and Mayor Keller.

NOES: None.

ABSENT: None.

  
\_\_\_\_\_  
Mayor

ATTEST:


  
\_\_\_\_\_  
City Clerk

EXHIBIT A

The authorized costs of the authorized facilities include all those set forth in Section 53345.3 of the Act, and all costs necessary to administer the bonds, collect and administer the special taxes, and administer the Agency. The special taxes may be levied not only to pay current debt service on the bonds, but also to accumulate funds for future debt service, to pay amounts delinquent on the bonds (or to become delinquent based upon past special tax delinquencies), to replenish the reserve fund to its proper level (or to reimburse payments to be made from the reserve fund based upon past special tax delinquencies), to pay authorized costs, to pay directly for any authorized facilities or to accumulate funds for that purpose. Special tax proceeds may be accumulated to pay debt service on the bonds so long as such proceeds are handled in such a fashion as not to cause the bonds to become arbitrage bonds under the Tax Reform Act of 1986.

[THE AUTHORIZED SCHOOL FACILITIES SHALL BE DETERMINED BY THE SCHOOL BOARD AND THE AUTHORIZED PARK FACILITIES SHALL BE DETERMINED BY THE CITY COUNCIL. ANY MITIGATION AGREEMENT GOVERNING THE CONSTRUCTION OF FACILITIES UNDER THE MELLO-ROOS PROCEEDINGS TO BE CONDUCTED BY THE AGENCY, MUST OBTAIN THE SEPARATE AGREEMENT OF THE LEGISLATIVE BODY OF THE PARTY TO THIS AGREEMENT WHICH WILL OWN THE FACILITIES SUBJECT TO THE MITIGATION AGREEMENT.]