

**AMENDMENT TO THE SANTA CRUZ LIBRARIES
FACILITIES FINANCING AUTHORITY
JOINT EXERCISE OF POWERS AGREEMENT**

That certain Joint Exercise of Powers Agreement, with an effective date of December 9, 2014 (the "Agreement"), is hereby amended to specify details regarding the terms and provisions upon which the Public Library Improvements will be funded as follows:

1. Section 1 of the Agreement is hereby amended to read as follows:

SECTION 1. *Definitions.* Unless the context otherwise requires, the terms defined in this Section 2 have the meanings herein specified.

"Agreement" means this Joint Exercise of Powers Agreement, as it may be amended from time to time, creating the Facilities Authority.

"Amendment" means an amendment to this Agreement referenced in Background recital 2 above.

"Board" means the governing board of the Facilities Authority.

"Bond" or "Bonds" means any notes, bonds or other obligations issued by the Facilities Authority for the purpose of financing Public Library Improvements payable from the special tax to be levied.

"Cities" means, collectively, the Cities of Santa Cruz, Scotts Valley and Capitola.

"CFD" means a community facilities district formed under the Mello-Roos Act.

"County" means the County of Santa Cruz.

"Directors" means the members of the Board, as set forth in Section 4(b).

"Facilities Authority" means the joint powers authority created by this Agreement.

"Joint Powers Act" means the Joint Exercise of Powers Act, constituting Chapter 5 of Division 7 of Title 1 of the California Government Code, commencing with Section 6500 of said Code.

"Library Operator" means the Library Joint Powers Authority, the Parties or any other entity established to carry out library operations.

"Mello-Roos Act" means the Mello-Roos Community Facilities Act of 1982, constituting Chapter 2.5 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, commencing with Section 53311 of said Code.

"Parties" means, collectively, all the parties to the Agreement, being the Cities and the County.

“Public Library Improvements” means physical improvements to the public library facilities which are operated by the Library Operator and for which bonds may be issued pursuant to Section 6546(p) of the Joint Powers Act.

2. Section 2 of the Agreement is hereby amended to read as follows:

SECTION 2. *Purpose.* This Agreement is entered into under the Joint Powers Act for the purpose of establishing a joint powers authority which is authorized to exercise the powers granted to it under the Joint Powers Act and the Mello-Roos Act for the purpose of:

- (a) Forming a CFD;
- (b) Calling an election under the Mello-Roos Act on, among other things, the issuance of Bonds for the purpose of raising at least \$62,000,000 of net proceeds and net special taxes for the financing of Public Library Improvements;
- (c) Issuing Bonds to finance Public Library Improvements; and
- (d) Carrying out all activities required for the proper management of the Bonds to be issued hereunder.

It is understood and agreed by the Parties that the purpose of the Facilities Authority is to form a single CFD and to conduct a single bond election for the issuance of one or more series of Bonds for the purpose of raising at least \$62,000,000 of net proceeds and net special taxes and that following the initial formation of the CFD and bond election, the purposes of the Facilities Authority shall be to issue the Bonds that have been authorized at such election, to levy a tax to service the debt associated with the issuance and pay for Public Library Improvements on a pay-as-you-go basis and otherwise administer the Bonds and the special tax during the term thereof.

Within ten days of issuance, exclusive of any costs of issuance, which shall be retained by the Facilities Authority to pay costs, and exclusive of any reserve which is funded from the proceeds of the Bonds, the Facilities Authority shall distribute the Bond proceeds to each of the Parties in the amounts or percentages specified below in order to undertake and complete the construction of the Public Library Improvements:

	Amount	Percentage
City of Capitola	\$8,000,000	12.90%
City of Santa Cruz	\$25,000,000	40.32%
City of Scotts Valley	\$3,000,000	4.84%
County of Santa Cruz	\$26,000,000	41.94%
Total	\$62,000,000	100.00%

Changes to the total amount of the Bonds to be issued or to the distribution of Bond proceeds among the Parties shall require an amendment to this Agreement, as set forth in Section 14, and shall be subject to the requirements of the Joint Powers Act.

It is anticipated that the special tax will be levied each year at the maximum amount permitted. Prior to issuance of Bonds, any net special tax collected in excess of amounts needed to administer the CFD shall be distributed twice annually in January and June, or as soon as practical upon receipt (but in no event less than twice annually), to each of the Parties in the percentages shown above. After the issuance of Bonds, any net special tax collected in excess of amounts needed to pay debt service on Bonds and to administer the Bonds and the CFD shall be distributed annually on September 2 to each of the Parties in the percentages shown above. When net special taxes and Bond proceeds distributed to the Parties equals a total of \$62,000,000, further distribution of net special taxes to each of the Parties shall be subject to the affirmative vote of all of the Directors.

Each of the Parties shall deposit or cause to be deposited Bond proceeds into a separate account to track revenues, expenses and fund balance, which will be subject to an independent audit every year during the term of this Agreement. Each of the Parties will be required to execute and deliver certifications and make representations and covenants regarding the administration and investment of Bond proceeds, as may be required by bond counsel in order to ensure compliance with applicable provisions of federal tax law.

Each of the Parties shall deposit or cause to be deposited net special taxes into a separate account to track revenues, expenses and fund balance, which will also be subject to an independent audit every year during the term of this Agreement. Each of the Parties will be required to execute and deliver certifications and make representations and covenants regarding the administration of net special taxes, as may be required by bond counsel in order to ensure compliance with applicable provisions of Mello-Roos Act.

Each of the Parties shall be responsible for overseeing the construction of the Public Library Improvements within its jurisdiction. The Parties shall work with their designated Library Operator to ensure that the Public Library Improvements meet the appropriate minimum deliverables for each project as well as furniture, shelving and signage standards as defined in Attachment A, which may be amended by the affirmative vote of all of the Directors to reflect updated standards.

3. Section 5 of the Agreement is hereby amended to read as follows:

SECTION 5. *Powers.*

The Facilities Authority shall have the power, in its own name, to conduct proceedings under the Mello-Roos Act to form a single CFD within all or a portion of the boundaries of the Parties, to conduct a single bond election for the issuance of one or more series of Bonds for the purpose of raising at least \$62,000,000 of net proceeds and net special taxes to be paid by a special tax within the CFD and to finance Public Library Improvements within the CFD, and to issue Bonds under the Mello-Roos Act for said purposes. The Facilities Authority is not authorized to take any actions inconsistent with or additional to the specific proceedings set forth above.

The Facilities Authority shall have all powers which a joint powers authority may exercise under the Joint Powers Act (including powers which are common to the Parties in accordance with Section 6502 of the Joint Powers Act), and all powers granted to it as a public agency under the laws of the State of California (including but not limited to the powers set forth in Chapter 12, Division 6, Title 1 of the California Government Code, commencing with Section 5920 of said Code), for the purpose of carrying out the purposes

for which the Facilities Authority has been established. The Facilities Authority is hereby authorized, in its own name, to do all acts necessary for the exercise of common powers, including but not limited to making and entering into contracts, suing and being sued in its own name, incurring obligations, and carrying out and enforcing all the provisions of this Agreement.

Notwithstanding anything herein to the contrary, the Facilities Authority shall not complete proceedings under the Mello-Roos Act to form a CFD or to conduct an election for the purpose of authorizing the imposition of a special tax within the CFD and for the purpose of authorizing the issuance of Bonds to finance Public Library Improvements, prior to the execution and delivery of the Amendment to this Agreement by all of the Parties. Such proceedings to form a CFD and call an election on the issuance of bonds shall comply in all respects with the applicable provisions of the Amendment.

All other provisions of the Agreement, in its original form, shall remain the same.

238

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to the Agreement to be executed and attested by their authorized officers on the day and year stated below. This Amendment may be signed in counter-parts, each of which shall be deemed an original, and all of which together shall constitute a single document.

Dated: Dec. 16, 2015


CITY OF SANTA CRUZ

By 
City Manager

ATTESTED


City Clerk

Approved as to Form:


City Attorney

20

239

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to the Agreement to be executed and attested by their authorized officers on the day and year stated below. This Amendment may be signed in counter-parts, each of which shall be deemed an original, and all of which together shall constitute a single document.

Dated: December 16, 2015

CITY OF SCOTTS VALLEY

By [Signature]
City Manager

ATTESTED

[Signature]
City Clerk

Approved as to Form:

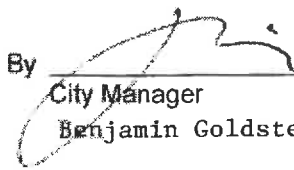
[Signature]
City Attorney

240


IN WITNESS WHEREOF, the parties hereto have caused this Amendment to the Agreement to be executed and attested by their authorized officers on the day and year stated below. This Amendment may be signed in counter-parts, each of which shall be deemed an original, and all of which together shall constitute a single document.

Dated: 12-16-15


CITY OF CAPITOLA

By 
City Manager
Benjamin Goldstein

ATTESTED


City Clerk
Susan Sneddon

Approved as t. Form:


City Attorney

20

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to the Agreement to be executed and attested by their authorized officers on the day and year stated below. This Amendment may be signed in counter-parts, each of which shall be deemed an original, and all of which together shall constitute a single document.

Dated: 12/15/15

COUNTY OF SANTA CRUZ

By 
County Administrative Officer

ATTESTED


Clerk of the Board

Approved as to Form:

 12/8/15
County Counsel