

2015-06-23-1208 P

**JOINT EXERCISE OF POWER AGREEMENT
BETWEEN THE LATHROP-MANTECA FIRE DISTRICT, THE CITY OF LODI,
THE CITY OF MANTECA, AND THE CITY OF STOCKTON
CREATING THE
SAN JOAQUIN COUNTY REGIONAL FIRE DISPATCH AUTHORITY**

2015-06-23-1208 P

JOINT EXERCISE OF POWERS AGREEMENT

This Agreement dated July ^{August 17}, 2015, is made and entered into by and among the LATHROP-MANTECA FIRE PROTECTION DISTRICT, a duly organized fire protection district under the Fire Protection District Law of 1987 ("LATHROP-MANTECA"), the CITY OF LODI, a general law City and municipal corporation in the State of California ("LODI"), the CITY OF MANTECA, a general law City and municipal corporation in the State of California ("MANTECA"), and the CITY OF STOCKTON, a charter City and municipal corporation in the State of California ("STOCKTON") (collectively referred to as "MEMBERS"), to be effective as of July 1, 2015.

RECITALS

1. LATHROP-MANTECA, LODI, MANTECA, and STOCKTON are each authorized by state law or charter to create and maintain a fire department that includes emergency and non-emergency dispatch services.
2. The MEMBERS have determined that creation of a joint power entity to administer emergency and non-emergency dispatch services, including related operations, achieves the needs of each entity for policy input and cost control.
3. The MEMBERS are each a public agency as defined by Government Code section 6500 et seq. and are each authorized and empowered to contract for the joint exercise of powers common to each agency.
4. By this Agreement, the MEMBERS now wish to jointly exercise their powers to provide for regional emergency and non-emergency dispatch services and related services, including but not limited to creation, development, ownership and operation of programs, facilities, and funds therefore through the establishment of the SAN JOAQUIN COUNTY REGIONAL FIRE DISPATCH JOINT POWERS AUTHORITY (the "AUTHORITY").

NOW, THEREFORE, in consideration of the mutual promises and agreements herein contained, the MEMBERS agree as follows:

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SECTION 1. POWERS AND PURPOSES

1.1 Authority Created. The AUTHORITY is formed by this Agreement pursuant to the provisions of Article 1, Chapter 5, Division 7, Title 1 (commencing with section 6500) of the Government Code of the State of California (the "Act"). The AUTHORITY shall be a public entity separate from the parties hereto and its debts, liabilities, and obligations shall not be the debts, liabilities, and obligations of its MEMBERS. The AUTHORITY shall, within 30 days after the Effective Date, cause a notice of this Agreement, and amended notices as necessary, to be prepared and filed with the Office of the Secretary of State, as required by Government Code section 6503.5.

1.2 Purpose of the Agreement; Common Powers to be Exercised. Each agency that is a party to this Agreement individually has the statutory authority to provide emergency and non-emergency dispatch and related services, as well as provide facilities and personnel for such services. In accordance with the Act, the purpose of this Agreement is to jointly exercise the foregoing common powers in the manner set forth in this Agreement.

1.3 Powers. Pursuant to and to the extent required by the Act, the AUTHORITY shall be restricted in the exercise of its powers in the same manner as is each of its MEMBERS. The AUTHORITY shall have the common powers of the MEMBERS, and is authorized, in its own name, to do all acts necessary or convenient for the exercise of such powers, and all other acts authorized by statute, including, but not limited to any or all of the following:

- (a) To exercise the common powers of its MEMBERS in providing emergency and non-emergency dispatch services, including related operational services, and any service to contracting entities and those powers that may be conferred upon it by subsequently enacted legislation.
- (b) To make and enter into contracts, including contracts with its MEMBERS; provided, however, the AUTHORITY may not enter into real property development agreements pursuant to Government Code section 65865.

- (c) To assume any existing applicable contracts of its MEMBERS relating to the provision of emergency and non-emergency dispatch services, including related operational services.
- (d) To determine compensation and working conditions and negotiate contracts with employees and employee organizations of the AUTHORITY, if any.
- (e) To employ such agents, employees, and other persons as it deems necessary to accomplish its purpose and to receive, accept, and utilize the services of personnel offered by any of the MEMBERS, or their representatives or agents.
- (f) To lease, acquire, hold, and dispose of real and personal property.
- (g) To invest AUTHORITY reserve funds.
- (h) To incur debt, liabilities, or obligations, provided that all long-term bonded indebtedness, Certificates of Participation, or other long-term debt financing require the prior consent of the MEMBERS as set out in Section 6.8 hereof.
- (i) To sue and be sued in its own name.
- (j) To apply for grants, loans, or other assistance from persons, firms, corporations, or governmental entities.
- (k) To use any and all financing mechanisms available to the AUTHORITY, subject to the provisions of Section 6 of this Agreement.
- (l) To prepare and support legislation related to the purposes of the Agreement.
- (m) To lease, acquire, construct, operate, maintain, repair, and manage new or existing facilities as well as to close or discontinue the use of such facilities.
- (n) To levy and collect payments and fees for services.

- (o) To impose new special taxes or assessments as authorized by law and in coordination with the underlying jurisdiction.
- (p) To provide related services as authorized by law.
- (q) To contract for the services of attorneys, consultants, and other services as needed.
- (r) To purchase insurance or to self-insure and to contract for risk management services.
- (s) To adopt rules, regulations, policies, bylaws, and procedures governing operation of the AUTHORITY, including the determination of compensation of any Directors and employees of the AUTHORITY.
- (t) To exercise the power of eminent domain.
- (u) To receive, accept, expend, or disburse monies (by contract or otherwise) for purposes consistent with the provisions and purposes specified herein, and maintain at all times a complete and accurate system of accounting for said monies.
- (v) To contract with outside parties, the operating and administrative services of the AUTHORITY.
- (w) Notwithstanding the foregoing, the AUTHORITY shall have any additional powers conferred under the Act or under applicable law, insofar as such additional powers may be necessary to accomplish the purposes set forth herein.

SECTION 2. TERM AND TERMINATION

2.1 **Effective Date.** This Agreement shall become effective as of July 1, 2015, or such later date agreed to in writing by MEMBERS.

2.2 **Term.** This Agreement shall continue in full force and effect without a specific term until it is terminated or rescinded upon the mutual written agreement of the original MEMBERS to this Agreement. The AUTHORITY may by a majority vote of the MEMBERS to

terminate this Agreement, or termination will occur automatically if only one member agency is left in the AUTHORITY.

2.3 Membership Term; Notice of Withdrawal. Original MEMBERS specifically agree to remain members of AUTHORITY for a minimum of ten (10) years after the effective date of the AUTHORITY. Subsequent members approved by the BOARD must specifically agree to remain members of AUTHORITY for a minimum of ten (10) years after joining the AUTHORITY. Any individual member agency can terminate membership in this Agreement after completing the 10th year of membership by providing notice to all other member agencies by resolution of intent to withdraw adopted by the governing board of the withdrawing party. The notice of intent to withdraw shall be given at least one (1) year before the start of the fiscal year in which it shall be effective, but in no circumstance will termination be effective until 10 years after becoming a member of AUTHORITY. The advance notice is intended to give MEMBERS sufficient time to make appropriate arrangements to provide emergency and non-emergency dispatch services. Upon the effective date of withdrawal, the withdrawing agency shall cease to be bound by this Agreement, except for any long-term financing obligations placed upon the withdrawing party under this Agreement.

2.4 Authority Approval. This Agreement may be terminated upon the consent of the AUTHORITY and the consent of each of the governing bodies of the original member agencies to terminate this Agreement. Any such termination shall provide that the effective termination date shall not occur unless MEMBERS have sufficient time to make appropriate arrangements to independently provide emergency and non-emergency dispatch services, but in no case more than 10 years after approval of termination by the governing bodies of the original member agencies.

2.5 Satisfaction of Obligations. Notwithstanding any other provision in this Agreement, in no event shall the exercise of the powers herein granted be terminated until all indebtedness, claims and liabilities incurred, including liability on Certificates of Participation or bonds, are fully and completely satisfied, or provision for the complete satisfaction of such obligations are made and approved by the AUTHORITY and MEMBERS.

2.6 Distribution of Surplus Property. Pursuant to the Act, upon termination of this Agreement, any surplus property owned or held by the AUTHORITY shall be distributed pro rata to the Federal, State, local agency, or member agency that provided the property. The parties shall use good faith efforts and fair dealing in processing and dividing any surplus property that cannot be attributed to any single member agency.

2.7 Distribution of Surplus Funds. Pursuant to the Act, any surplus money on hand after termination of the Agreement shall be returned to the funding source from which funds were furnished, or to the member agency making the contribution. The parties shall use good faith efforts and fair dealing in processing and dividing any surplus funds that cannot be attributed to any single member agency, keeping in mind the position of the parties before they entered into this Agreement.

SECTION 3. ORGANIZATION

3.1 Membership. The MEMBERS of AUTHORITY shall be the original parties to this Agreement that have not withdrawn from the AUTHORITY and those Public Agency Members who have met the minimum criteria as established by the Board and are approved to be added as MEMBERS of AUTHORITY by a majority vote of the MEMBERS (the "Original Member Agency"). In addition, any city or public entity may join the AUTHORITY as non-voting members after execution of this Agreement on terms and conditions approved by the AUTHORITY.

3.2 Board Structure. The AUTHORITY shall be governed by a Board of Directors ("BOARD") consisting of not more than one representative from each Original Member Agency or as set forth in the bylaws adopted by the BOARD. Each Director shall have one vote.

3.3 Appointment of Directors by Member Agencies.

The BOARD members shall be appointed as follows:

- (a) Each Original Member Agency, by resolution of its governing body, shall appoint the Fire Chief or designated Fire Department alternate Director to serve on the AUTHORITY's BOARD. Each Original Member Agency shall also appoint by resolution of its governing body an alternate to act in

each Director's absence. Each Director and alternate shall serve at the pleasure of his or her appointing body and may be removed at any time, with or without cause, at the sole discretion of that appointing body. Any vacancy shall be filled in the same manner as the original appointment of a Director and/or alternate.

- (b) The term of office for Directors shall be July 1 of each year from the Effective Date of the AUTHORITY in the year of its formation, to and including the following June 30 of the following year and from July 1 to and including the following June 30 for every year thereafter. A Director can serve multiple terms at the discretion of the appointing body pursuant to their respective adopted policies.
- (c) The Directors and their alternates shall not receive any compensation for serving as such. However, with approval of the BOARD, a Director or alternate may be reimbursed for reasonable expenses incurred in the conduct of the business of the AUTHORITY.
- (d) Pursuant to Government Code section 6505, the BOARD is designated as the administrator of this Agreement and the AUTHORITY's affairs, and shall perform its duties and responsibilities in accordance with all provisions of this Agreement.

3.4 Principal Office. The principal office of the AUTHORITY shall be the Fire Department Headquarters of the City of Stockton or as may be otherwise designated by the AUTHORITY from time to time.

3.5 Regular Meetings. The BOARD shall hold at least one meeting annually and may hold additional meetings as determined by the BOARD and as may be established by its bylaws. 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 (§§ 54950-54961)) or any successor legislation hereinafter enacted.

3.6 Minutes. The appointed clerk of the AUTHORITY 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 Director of the BOARD and to the respective governing bodies of each of the member agencies.

3.7 Quorum. A majority of the Directors of the BOARD shall constitute a quorum for the transaction of business, except that less than a quorum may adjourn meetings from time to time.

3.8 Officers. The BOARD shall elect from among its Directors a chair and vice-chair and thereafter at the first meeting in each fiscal year, the BOARD shall elect or re-elect a chair and vice-chair. In the event that the chair or vice-chair ceases to be a Director, the resulting vacancy shall be filled in the same manner at the next regular meeting of the BOARD held after such vacancy occurs. In the absence or inability of the chair to act, the vice-chair shall act as chair. The BOARD may also appoint a clerk of the AUTHORITY and such other officers as it deems necessary pursuant to Section 3.12 below.

3.9 Rules. The BOARD may adopt from time to time such bylaws, rules, and regulations for the conduct of its affairs that are not in conflict with this Agreement, as it may deem necessary.

3.10 Committees. The BOARD may establish standing or ad hoc committees or subcommittees composed of BOARD members, staff, and/or the public to make recommendations on specific matters.

3.11 Employer-Employee Relations. The BOARD shall as necessary adopt by majority vote Employer-Employee Relations Procedures and Personnel Rules and Regulations applicable to the AUTHORITY for any employees of the AUTHORITY.

3.12 Officers; Duties; Bonds. As determined by the BOARD, the Officers of the AUTHORITY shall be the Executive Director, General Counsel, Clerk, and Finance Director-Treasurer/Controller.

- (a) An Executive Director may be appointed by the BOARD and shall be an at-will employee that serves at the pleasure of the BOARD. If appointed, the Executive Director shall:
 - (1) Direct all subordinate officers and employees;
 - (2) Appoint and remove all employees of AUTHORITY, if any;
 - (3) Attend all meetings of the BOARD unless excused therefrom;
 - (4) Prepare and submit to the BOARD the annual budget for the AUTHORITY;
 - (5) Promulgate administrative and personnel rules and regulations as necessary for the conduct of the operations of AUTHORITY; and
 - (6) Perform such other duties and exercise such other powers as directed by the BOARD.
- (b) The AUTHORITY shall appoint a Clerk of the BOARD.
- (c) AUTHORITY shall appoint a Finance Director - Treasurer/Controller who shall serve as the depository of the AUTHORITY to have custody of all the money of the AUTHORITY, from whatever source, and, as such, shall have the powers, duties, and responsibilities specified in the Act, and shall be designated as the public officer or person who has charge of, handles, or has access to any property of the AUTHORITY, and such officer shall file an official bond in the amount of \$25,000 as required by the Act; provided, that such bond shall not be required if the AUTHORITY does not possess or own property or funds with an aggregate value of greater than \$500.
- (d) The AUTHORITY shall appoint a General Counsel to serve as primary General Counsel to the AUTHORITY.
- (e) The BOARD may contract with any member agency of MEMBERS to provide necessary administrative and support services to the AUTHORITY as appropriate. Any administrative duties also may rotate

from year to year. The AUTHORITY shall reimburse MEMBERS, or its Officers, for services provided under this section in accordance with the normal and usual rates and/or contractual provisions used by that member agency or its Officers.

- (f) Unless and until changed by resolution of the BOARD, the fiscal year of the AUTHORITY 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 effective date of this Agreement up to and including June 30, 2016.

SECTION 4. TRANSFER OF DISPATCH OPERATIONS; CONTRIBUTIONS AND ADVANCES; CONTRACTING SERVICES

4.1 Transition Team; List of Assets and Liabilities. The MEMBERS shall designate a transition team to plan for and implement the transfer of emergency and non-emergency dispatch services to AUTHORITY. The transition team shall also plan for and implement the transfer of assets and liabilities from the MEMBERS to the AUTHORITY which is necessary to achieve the purposes of this Agreement. An up-to-date list of all personnel, employment agreements, assets (including but not limited to real property, equipment, reserves, contracts, and deposits), and all known liabilities shall be prepared by the transition team and submitted to the BOARD.

4.2 Transfer of Assets and Liabilities. The transition team will prepare a plan for transition of assets, liabilities, and services for approval by the BOARD. Before the transfer of any assets, the AUTHORITY and the MEMBER shall come to an agreement concerning the transfer, use, maintenance, and return of any assets, including transition to a joint asset.

4.3 Personnel. The MEMBERS agree that human resources, administrative, and operational services may be provided through an Operating Agreement with the understanding that the AUTHORITY may provide its own such service at a future date. Pursuant to Government Code section 53291, the AUTHORITY may prescribe the qualifications and conditions under which employees of MEMBERS will become employees of the AUTHORITY. The AUTHORITY shall comply with the provisions of Government Code section 53292 to the extent applicable to the AUTHORITY.

4.4 Public Funds, Personnel, Equipment, or Property. Contributions or advances of public funds and of personnel, equipment, or property may be made to the AUTHORITY by any MEMBERS 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 advances shall be made subject to repayment, and shall be repaid, in the manner agreed upon by MEMBERS and the AUTHORITY at the time of making such advance.

4.5 Assets; Transition Plan; FCC License. All MEMBERS' assets included in the Transition Plan for transfer to AUTHORITY, including but not limited to real property and personal property and equipment and apparatus, shall transfer to the AUTHORITY in their "as is" condition as of the date specified in the Transition Plan. MEMBERS agree to execute any and all documents necessary to affect the transfer of assets and liabilities to the AUTHORITY in accordance with the approved Transition Plan. The Transition Plan shall also address the use/ownership of FCC Radio frequency licenses until such time as the AUTHORITY and Member Agencies, and any contracting entities as applicable, agree to transfer said frequencies to the AUTHORITY. Once transferred, the frequencies are not eligible to be severed from the AUTHORITY.

4.6 Contracts. All existing agreements and contracts involving emergency and non-emergency dispatch services by MEMBERS or its personnel shall be assigned to the AUTHORITY as of the date specified in the approved Transition Plan, with any service or obligation to be provided or performed thereafter by the AUTHORITY as identified in the Transition Plan. A list of all such contracts shall be developed during the transition period. The AUTHORITY agrees to assume all of the obligations, duties, and liabilities of the MEMBERS under said agreements and contracts.

4.7 Capital Expenditures; Equipment; Facilities. Capital improvements shall be funded and insured as provided in the cost-sharing formula adopted by the BOARD and the MEMBERS.

4.8 Contracting With Outside Entities. As part of its operation, outside entities may contract with the AUTHORITY for the provision of emergency and non-emergency services. As

part of its annual budget process, the AUTHORITY shall determine the service charge amounts owing from contracting entities. This amount shall be referred to as the "Service Charge." The Service Charge shall consist of the annual cost for operational services consistent with the cost calculation methodology in place on the Effective Date of the Operating Agreement, or such later date as a contracting entity contracts with the AUTHORITY for service and will include the annual percentage charge in the cost of emergency and non-emergency dispatch system operations. The cost calculation methodology shall include the cost of any proportional share of any long-term debt repayment obligations, maintenance and repairs, and other costs as determined by the BOARD.

SECTION 5. LIABILITY

The AUTHORITY shall assume responsibility for any and all loss, litigation, liability, injury, damage, claim, demand, and tort or workers compensation incidents that occur on or after the date personnel or contracts are transferred to the AUTHORITY. The MEMBERS shall retain responsibility and liability for any and all such incidents that occur prior to the transfer and shall retain all risk management reserves that have been set aside for such prior incidents. The AUTHORITY may contract with an individual Member Agency of MEMBERS to receive risk management services on such terms as agreed to by the AUTHORITY and the Member Agency.

SECTION 6. FUNDING OF OPERATIONS

6.1 Fiscal Year. For financial recordkeeping and operations, the fiscal year of the AUTHORITY shall begin each July 1, and complete the following June 30.

6.2 General Budget. Within sixty (60) days after the first meeting of the BOARD, a preliminary general budget for the initial fiscal year shall be adopted by majority vote of the BOARD. The initial budget and each succeeding budget shall include, but not be limited to, the following:

- (1) The general administrative expenses, operating expenses, and necessary reserves of the AUTHORITY to be incurred during the period covered by the budget.
- (2) The allocation of costs to the MEMBERS in the amounts necessary to cover the budget adopted by the BOARD.

(3) Thereafter, at or prior to the last meeting of the BOARD for each fiscal year, a general budget shall be adopted for the ensuing fiscal year or years by a vote of at least a majority of the BOARD.

(4) All expenditures within the designations and limitations of the approved general budget shall be made on the authorization of a majority vote of the BOARD.

6.3 Operation Costs. Operation costs of the AUTHORITY shall be allocated between MEMBERS and any outside entities in accordance with a cost-sharing formula adopted by the BOARD. The cost-sharing formula shall be set forth annually as part of the approved annual budget.

6.4 - Cost Allocation Formula. Contributions by MEMBERS to the AUTHORITY will be evaluated annually as part of the budget cycle to provide the ability to adjust service levels as determined by a majority vote of the BOARD. MEMBERS shall pay a portion of the costs incurred by the AUTHORITY in providing the services described in this Agreement. The BOARD, in adopting a budget, shall determine each MEMBER's contribution for the fiscal year. The contribution of each MEMBER agency shall be determined by the percentage of number of annual dispatch service calls attributable to each MEMBER agency, divided by the total annual dispatch services calls to all MEMBER agencies during the calendar year preceding the Fiscal Year for which the MEMBER's fair share percentage is being calculated, offset by any applicable revenue received from any contracting entities. Once determined for any budget cycle year, MEMBER contributions shall remain unchanged until the next budget cycle. The use of an alternative method for determining MEMBER contributions requires a two-thirds (2/3) vote of the BOARD.

6.5 Revenue and Tax Sharing Agreements. Any agreements related to funding of emergency and non-emergency dispatch services and related operations existing prior to the Effective Date shall, to the greatest extent practicable, be transferred to the AUTHORITY or integrated into this Agreement, if applicable.

6.6 Alternative Funding Sources. Each MEMBER shall support opportunities for development of alternate funding sources.

6.7 Determination of Level of Technology Funding. The governing body of each MEMBER shall determine the kind and level of technology to enable that MEMBER to receive emergency and non-emergency dispatch services from the AUTHORITY and shall provide funding for the AUTHORITY to provide that service.

6.8 Approval of Bonded Indebtedness. By a two-thirds (2/3) vote of the BOARD, the AUTHORITY may authorize the issuance of any long-term bonded indebtedness. Any MEMBER that withdraws from the AUTHORITY pursuant to Section 2 above shall, after ceasing to be a MEMBER, be responsible for payment of its proportional share of any bonded indebtedness approved by the AUTHORITY while it was a Member.

SECTION 7. ACCOUNTING AND AUDITS

7.1 Maintenance of Books. Full books and accounts shall be maintained for the AUTHORITY in accordance with practices established by, or consistent with, those utilized by the Controller of the State of California for like public entities. In particular, the AUTHORITY's Finance Director - Treasurer/Controller shall comply strictly with requirements governing joint powers agencies pursuant to the Act.

7.2 Audit. The records and accounts of the AUTHORITY shall be audited annually by an independent certified public accountant and copies of the audited financial reports, with the opinion of the independent certified public accountant, shall be filed with the County Auditor, the State Controller, and each MEMBER within six (6) months of the end of the fiscal year under examination.

SECTION 8. INDEMNIFICATION AND INSURANCE

8.1 No Vicarious Liability. Pursuant to Government Code section 820.9, as may be amended, members of the Board of Directors for the AUTHORITY are not vicariously liable for injuries caused by the act or omission of the AUTHORITY or any of its MEMBERS. Nothing in this section exonerates an official from liability for injury caused by that individual's own wrongful conduct. Nothing in this section affects the immunity of any other public official.

8.2 Indemnification of MEMBERS. Except as provided in Section 8.7 below, from and after the Effective Date, the AUTHORITY shall defend, indemnify, and hold harmless the

MEMBERS and its officers, employees, agents, and representatives with respect to any loss, damage, injury, claim, demand, litigation, or liability and all expenses and costs relating thereto (including attorneys' fees) arising out of or in any way related to the performance of services pursuant to this Agreement.

8.3 Indemnification for Services Transferred. Except as provided in Section 8.7 below, from and after the Effective Date, the AUTHORITY shall defend, indemnify, and hold harmless the MEMBERS and its officers, employees, agents, and representatives with respect to any loss, damage, injury, claim, demand, litigation, or liability and all expenses and costs relating thereto (including attorneys' fees) arising out of or in any way related to any contract or agreement assumed by or otherwise transferred to AUTHORITY.

8.4 Indemnification for Transfer of Assets. Except as provided in Section 8.7 below, from and after the date of transfer, the AUTHORITY shall defend, indemnify, and hold harmless the MEMBERS and its officers, employees, agents, and representatives with respect to any loss, damage, injury, claim, demand, litigation, or liability and all expenses and costs relating thereto (including attorneys' fees) arising out of or in any way related to any MEMBER asset transferred to the AUTHORITY, including but not limited to real property, personal property, equipment, and apparatus.

8.5 Worker's Compensation. As to any employees of the AUTHORITY, including any employees transferred to the AUTHORITY, AUTHORITY shall maintain during the term of this Agreement workers compensation insurance as required by law.

8.6 General Liability Insurance. AUTHORITY shall maintain general comprehensive liability insurance in the minimum limit of \$5,000,000 combined single limit per occurrence and annual aggregate. MEMBERS shall be named as an additional insured on the general comprehensive liability policy. Alternatively, the AUTHORITY may self-insure in a minimum amount of \$5,000,000.

8.7 Indemnification by MEMBERS to AUTHORITY. From and after the Effective Date, MEMBERS shall defend, indemnify, and hold harmless the AUTHORITY, the AUTHORITY Directors, officers, employees, agents, and representatives, each individual

MEMBER, and its respective officers, employees, agents, and representatives with respect to any loss, damage, injury, claim, demand, litigation, or liability and all expenses and costs relating thereto (including attorneys' fees) arising out of the MEMBER's actions or omissions prior to the Effective Date of this Agreement that related to the provision of emergency and non-emergency dispatch services and related operations. The MEMBERS agree, pursuant to Government Code sections 895.4 and 6508.1, that MEMBERS shall indemnify and contribute to satisfaction of such judgment against AUTHORITY, the AUTHORITY Directors, officers, employees, agents, and representatives upon any liability arising out of the performance of this Agreement in proportion to that MEMBER's contribution to the AUTHORITY budget in the fiscal year in which an incident causing such liability occurs. The MEMBERS further agree that the provisions of Article 4 (commencing with section 825), Chapter 4, Part 2, Division 3.6, Title 1 of the Government Code shall apply to issues related to indemnification of MEMBERS or AUTHORITY Directors, officers, employees, agents, and representatives.

8.8 No Waiver of Defenses. Notwithstanding Section 8.7 above, the MEMBERS agree that no immunity or defense available to the MEMBERS under State or Federal law or regulation shall be waived with respect to any third party claim.

SECTION 9. CONFLICT OF INTEREST CODE

The AUTHORITY, to the extent required by law, shall adopt a Conflict of Interest Code.

SECTION 10. BREACH

If default shall be made by any MEMBER or the AUTHORITY in any covenant contained in this Agreement or the Operating Agreement, such default shall not excuse the MEMBER or the AUTHORITY from fulfilling its obligations under this Agreement and all MEMBERS shall continue to be liable for the payment of contributions and the performance of all conditions herein contained. MEMBERS hereby declare that this Agreement is entered into for the benefit of the AUTHORITY created hereby and grant to the AUTHORITY the right to enforce by whatever lawful means the AUTHORITY deems appropriate all of the obligations of each of the parties hereunder. Each and all of the remedies given to the AUTHORITY hereunder

or by any law now or hereafter enacted are cumulative and exercise of one right or remedy shall not impair the right of the AUTHORITY to any or all other remedies.

SECTION 11. MISCELLANEOUS PROVISIONS

11.1 Agreement Not Exclusive. This Agreement shall not be exclusive and shall not be deemed to amend or alter the terms of other agreements between MEMBERS, except as the terms of this Agreement shall conflict therewith, in which case the terms of this Agreement shall prevail.

11.2 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.

11.3 Successors and Assignment. This Agreement shall be binding upon and shall inure to the benefit of the successors of the MEMBERS. Except to the extent expressly provided herein, MEMBERS may not assign any right or obligation hereunder without the prior written consent of the BOARD.

11.4 Amendment of Agreement. This Agreement may be amended and the AUTHORITY may be terminated or its powers may be changed, restricted, or eliminated by supplemental agreement executed by MEMBERS at any time.

11.5 Form of Approvals. Whenever an approval is required in this Agreement, unless the context specifies otherwise, it shall be given by resolution duly adopted by the respective governing body of each member agency and in the case of the AUTHORITY, by resolution duly adopted by the BOARD. Whenever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

11.6 Notices. Notices to MEMBERS shall be sufficient if delivered to the City Clerk of each MEMBER.

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11.7 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.

ATTEST:

By: [Signature]

Clerk of the Board

LATHROP-MANTECA FIRE DISTRICT
A Fire Protection District

By: [Signature]

Fire Chief

APPROVED AS TO FORM:

[Signature]
General Counsel

ATTEST:

By: [Signature]

Jennifer M. Ferraiolo, City Clerk

CITY OF LODI
A Municipal Corporation

By: [Signature]

Steve Schwabauer
City Manager

APPROVED AS TO FORM:

[Signature]
Janice Magdich
City Attorney, City of Lodi

ATTEST:

By: [Signature]

City Clerk

CITY OF MANTECA
A Municipal Corporation

By: [Signature]

City Manager

APPROVED AS TO FORM:

[Signature]
City Attorney, City of Manteca

ATTEST:

By: [Signature]

For Bonnie Paige, City Clerk

CITY OF STOCKTON
A Municipal Corporation

By: [Signature]

Kurt Wilson
City Manager

APPROVED AS TO FORM:

[Signature]
Susana Alcala Wood
Assistant City Attorney