



**JOINT EXERCISE OF POWERS AGREEMENT (JEPA)
ESTABLISHING THE SAN JOAQUIN JOINT POWERS AUTHORITY
REVISED MARCH 28, 2014**

INTRODUCTION

This Agreement is made and entered into in the State of California by and among the following public agencies that are parties to this Agreement:

- a) Sacramento Regional Transit District (Sac RT)
- b) San Joaquin Regional Rail Commission (SJRRC)
- c) Stanislaus Council of Governments (StanCOG)
- d) Merced County Association of Governments (Merced CAG)
- e) Madera County Transportation Commission (Madera CTC)
- f) Fresno Council of Governments (Fresno COG)
- g) Kings County Association of Governments (Kings CAG)
- h) Tulare County Association of Governments (Tulare CAG)
- i) Kern Council of Governments (Kern COG)
- j) Contra Costa Transportation Authority (Contra Costa TA)
- k) Alameda County

RECITALS

WHEREAS, intercity passenger rail service is environmentally friendly, and the state has a continuing interest in the provision of cost-effective and efficiently administered intercity passenger rail services; and

WHEREAS, with more efficient administration, stronger local and regional support, and the ability to better partner with local agencies, a regionally managed San Joaquin intercity passenger rail service will result in improved service that will attract greater ridership – creating jobs, improving air quality, and promoting sustainable development. Local decision-making will also be more responsive and better adapted to passenger issues; and

WHEREAS, it is in the best interests of the Member Agencies to combine their efforts to protect the existing San Joaquin Rail Corridor services and facilities while seeking to expand service as warranted by ridership and available revenue; and

WHEREAS, as provided by the Intercity Passenger Rail Act of 2012 and other provisions, the Member Agencies possess collectively, the powers, among others, to plan, budget, apply for grants, hire consultants and staff, exercise eminent domain, own, maintain, lease, contract for, and operate railroad services and facilities for the purpose of transporting passengers within and outside their respective boundaries; and

WHEREAS, the Intercity Passenger Rail Act of 2012 providing for, among other things, the San Joaquin Joint Powers Authority (SJPPA) which, if certain requirements are met, principally the execution of an interagency transfer agreement by December 31, 2014 with the State of California, will manage the San Joaquin Rail Service; and

WHEREAS, it is the intention of the Member Agencies to negotiate for, and to enter into an interagency transfer agreement by December 31, 2014; and

WHEREAS, the SJPPA will bring a more focused relationship with the host freight railroads, provide more aggressive advocacy efforts, and afford a governance structure that is more accessible to the public that is served and to the service contractors; and

WHEREAS, the Member Agencies recognize the importance of working in partnership with Caltrans on policy, programming and statewide consistency objectives where the state brings its greatest strengths; and

WHEREAS, the State will maintain funding in an amount to support at least the level of service in the San Joaquin Rail Corridor at the time of the transfer for not less than a three-year period following the transfer of administrative responsibility for the San Joaquin Rail Service to the SJPPA. After that three-year period, it is understood that the State will continue to be responsible for funding of the operating, administrative, and marketing needs of the San Joaquin Rail Service and its feeder bus services; and

WHEREAS, each Member Agency is authorized to contract with each other for the joint exercise of any common power under Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code; and

WHEREAS, the level of service funded by the State shall in no event be less than the current number of intercity round trips currently operated in the San Joaquin Rail Corridor, and shall also include feeder bus service with substantially the same number of route miles as the current feeder system.

NOW THEREFORE, in consideration of the recitals, the parties to this Agreement agree to the following:

1.0 DEFINITIONS

- 1.1 **Board** means the governing body of the SJJPA, which shall assume administrative responsibility for the San Joaquin Rail Service. Each Member Agency will appoint one member as provided in Section 14074.2 (a) of California Government Code. Each Member Agency shall also appoint an alternate.
- 1.2 **Business Plan** means the business plan to be submitted by the SJJPA to the Secretary of the Business, Transportation and Housing Agency, as mandated by Section 14070.4 of the Government Code, and updated and submitted annually thereafter.
- 1.3 **California State Rail Plan** means the plan that is prepared every two years by the California Department of Transportation as an examination of passenger and freight rail transportation in California, in accordance with Section 14036 of the Government Code.
- 1.4 **Executive Director** means the director of SJJPA who shall be an employee of the Managing Agency. The Executive Director reports to and serves at the pleasure of the Board.
- 1.5 **Fiscal Year** means from July 1 to and including the following June 30.
- 1.6 **Interagency Transfer Agreement** means the agreement provided for in Section 14070.2(a) of the Government Code whereby the State of California will transfer all responsibility for administering the San Joaquin Rail Service to the SJJPA.
- 1.7 **Managing Agency** means the agency designated to provide all necessary administrative support to the SJJPA and shall be selected by the Board, consistent with the SJJPA's criteria for selection of a Managing Agency.
- 1.8 **Member Agencies** means the Sacramento Regional Transit District (Sac RT), the San Joaquin Regional Rail Commission (SJRRRC), the Stanislaus Council of

Governments (StanCOG), the Merced County Association of Governments (Merced CAG), the Madera County Transportation Commission (Madera CTC), the Fresno Council of Governments (Fresno COG), the Kings County Association of Governments (Kings CAG), the Tulare County Association of Governments (Tulare CAG), the Kern Council of Governments (Kern COG), the Contra Costa Transportation Authority (Contra Costa TA), and Alameda County that have executed this Agreement and that have not withdrawn from the SJJPA.

- 1.9 **Member Agency** means each of those governmental entities set forth in Section 1.8 to this Agreement that have executed this Agreement and that have not withdrawn from the SJJPA.
- 1.10 **Regional Transportation Planning Agency** means an entity authorized to prepare a regional transportation plan pursuant to Government Code Section 65080.
- 1.11 **San Joaquin Rail Corridor** means the Los Angeles-San Joaquin Valley-Sacramento-Oakland intercity passenger rail corridor.
- 1.12 **San Joaquin Rail Service** means the San Joaquin intercity passenger rail service that operates on the San Joaquin Rail Corridor, and is a 365 mile long intercity rail service, that stretches throughout the Central Valley from Bakersfield to Sacramento, and provides direct rail connection between the Central Valley and Oakland, and utilizes a comprehensive network of connecting buses.
- 1.13 **SJJPA** means the San Joaquin Joint Powers Authority formed by the Member Agencies pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the California Government Code.

2.0 CREATION OF SJJPA

There is hereby created an organization to be known as the San Joaquin Joint Powers Authority, hereafter "SJJPA", which shall be a public entity separate and apart from any Member Agency. The SJJPA shall be governed by the terms of this Joint Exercise of Powers Agreement and any Bylaws passed and adopted by its Board, which do not conflict with this Agreement. The SJJPA is deemed to be organized when at least six of the potential Member Agencies approve this Joint Exercise of Powers Agreement and elect to appoint Board Members and Alternates to serve on the Board by December 31, 2013.

3.0 PURPOSES

The specific purposes for the creation of the SJJPA and the exercise of common powers are as follows:

- 3.1 Develop policy, plan and implement improvements, administer and manage the operations and marketing for the San Joaquin Rail Service as part of the California Passenger Rail System.
- 3.2 To work with state and federal agencies to plan, program, and secure funding for improvements for intercity rail passenger services and facilities in the San Joaquin Rail Corridor, including the acquisition or leasing or use by agreement of right-of-way, stations and station sites; the leasing or acquisition of or use by agreement of equipment; and related activities.
- 3.3 Negotiate for and accept funds to be expended for the purpose of providing and improving intercity rail passenger services and activities.
- 3.4 Review and comment on facility, service, and operational plans and programs of the agency or agencies planning potential commuter rail service in the San Joaquin Rail Corridor.
- 3.5 Coordinate facility, service, and operational plans and programs with other organizations, providing rail service in the San Joaquin Rail Corridor or with whom the SJJPA may share common facilities, including Caltrain, Capitol Corridor, the BNSF Railway and Union Pacific or their successor agencies or corporations.
- 3.6 Advocate before local, regional, state, and federal officials and agencies for improvements to services and facilities for the San Joaquin Rail Corridor.

4.0 POWERS OF THE SJJPA

As may be necessary for the accomplishment of the purposes of this Agreement, the SJJPA shall have the power in its own name to undertake the following:

- 4.1 To exercise in the manner provided by this Agreement the powers common to each of the Member Agencies and necessary to the accomplishment of the purposes of this Agreement. Powers common to each of the Member Agencies shall include any powers granted to all Member Agencies by legislative enactment prior to or subsequent to the date of this Agreement.
- 4.2 To make and enter into contracts.
- 4.3 To employ agents and employees.
- 4.4 To contract for the services deemed necessary to meet the purposes of the SJJPA including the retention of counsel as the Board deems appropriate.
- 4.5 To acquire, by lease, purchase, lease-purchase, or eminent domain, and to hold and dispose of real and personal property necessary to carry out the purposes of this Agreement.

- 4.6 To construct, manage, and maintain facilities and services.
- 4.7 To sue and be sued in its own name.
- 4.8 To incur debts, liabilities, or obligations including, but not limited to certificates of participation and revenue bonds. The debts, liabilities, and obligations of the SJJPA shall not constitute a debt, liability, or obligation of any of the Member Agencies that are parties to this Agreement.
- 4.9 To apply for and execute, and administer grants for financial aid pursuant to any applicable state or federal statutes or local requirements.
- 4.10 Pursuant to the requirements of California Government Code Section 6509, in exercising its powers, the SJJPA shall be subject to the statutory restrictions upon the manner of exercising the powers of its Managing Agency.
- 4.11 To develop procedures for selecting a Managing Agency and to select a Managing Agency.
- 4.12 To exercise other powers and to engage in such other activities as are authorized by law and approved by the Board.
- 4.13 All powers of the SJJPA shall be exercised by the Board.

5.0 SJJPA BOARD

The composition of the membership of the Board of the SJJPA shall be as follows:

- 5.1 The Board is to be composed of not more than eleven members.
- 5.2 One Board Member from each of the eleven potential Member Agencies, appointed by their respective boards as provided in Section 14074.2 of California Government Code. If a Board Member ceases to be a member of the respective Board from which they are appointed, the Board Member's office on the Board will terminate.
- 5.3 Each signatory Member Agency to this Agreement shall have appointed its members to the Board prior to and as a condition of its executing this Agreement. Members so appointed shall serve at the pleasure of their respective appointing boards.
- 5.4 Each Board Member shall have one vote.
- 5.5 Each Member Agency shall appoint an Alternate to serve in the absence of the Board Member. Alternates may attend all Board meetings including closed sessions and participate in discussion but may only vote if the Board Member

representing their respective jurisdiction is absent. Alternates shall have the same qualifications as their respective Board Member. If an Alternate ceases to be a member of the respective Board from which they are appointed, the Alternate's office on the Board will terminate.

- 5.6 If the rail service boundaries of the San Joaquin Rail Corridor are extended, an additional Board Member and an Alternate from each additional county receiving rail service may be added to the Board by the designated potential Member Agency from each county. The addition of new potential Member Agencies must be approved by the Board.
- 5.7 Once the Board is organized, those potential Member Agencies identified in Section 1.8 that have not yet appointed a Board Member and Alternate to serve on the board may do so at any time thereafter and be represented on the Board.
- 5.8 The Board shall elect a chairperson and at least one vice-chairperson from among its members.
- 5.9 Subject to the limitations on the exercise of its powers set forth in Section 6509 of the California Government Code, all actions of the Board shall be taken in accordance with and under the provisions of this Agreement.

6.0 QUORUM

A majority of the voting Member Agencies of the Board shall constitute a quorum for the transaction of business and all official acts of the SJJPA. No action may be taken by the Board except upon the affirmative vote of at least a majority of its Member Agencies.

7.0 VOTING

- 7.1 Matters that require a two-thirds affirmative vote of the members of the Board:
 - a. Recommending changes to the SJJPA's enabling legislation;
 - b. Recommending amendments to the Joint Exercise of Powers Agreement regarding addition of new members pursuant to Government Code section 14074.2(c);
 - c. Recommending amendments to the Joint Exercise of Powers Agreement regarding voting structure of the Board;
 - d. Approval of the Business Plan;
 - e. Revisions to the Business Plan;
 - f. Approval and changes to the SJJPA Bylaws;
 - g. Selection of the Managing Agency; and
 - h. Amendments to this Joint Exercise of Powers Agreement.
- 7.2 All other matters require an affirmative vote of a majority of the members of the Board.

8.0 MANAGING AGENCY

The Board will select a Managing Agency of the SJJPA that shall provide all necessary administrative support to the SJJPA. The Executive Director shall be an employee of the Managing Agency and serve at the pleasure of the Board. Other necessary management employees shall be provided by the Managing Agency. The Managing Agency shall solicit the input and participation of the Board and endeavor to achieve consensus while providing the following administrative support to the SJJPA:

- 8.1 Negotiate and recommend the award of all necessary agreements for the SJJPA, including but not limited to the Interagency Transfer Agreement, agreements for the provision of passenger rail services, and use of tracks and other facilities, subject to approval by the Board;
- 8.2 Manage all agreements entered into by the SJJPA;
- 8.3 Implement projects contained in the approved Business Plan's Capital Improvement Program unless the administration of particular capital projects is more appropriately managed in another manner, for example by an individual Member Agency or a local government, as determined by the Board;
- 8.4 Provide for the maintenance and management of such property as may be owned or controlled by the SJJPA unless the administration of that property is more appropriately managed in another manner, such as by an individual Member Agency or a local government, as determined by the Board;
- 8.5 Provide a risk management program to cover the SJJPA, the Board, the Managing Agency, and each of the Member Agencies in the performance of their duties pursuant to this Agreement, and seek appropriate insurance coverage to implement the risk management program;
- 8.6 Seek, obtain, and administer grants, subject to the provisions of Section 9.0 below;
- 8.7 Develop and implement marketing programs;
- 8.8 Prepare and submit financial reports;
- 8.9 Prepare the Business Plan for approval by the Board;
- 8.10 Report regularly to the Board regarding San Joaquin Rail Corridor issues;
- 8.11 Recommend changes in fares and the collection of fares to the Board;
- 8.12 Recommend changes in scheduling and levels of service to the Board;
- 8.13 Prepare and implement changes in scheduling and fares, subject to required public involvement and Board approval;

- 8.14 Prepare capital and operating budgets for presentation to the Board;
- 8.15 Facilitate interaction with other entities involved in operation, construction and renovation of the San Joaquin Rail Service; and
- 8.16 Negotiate with any other public or private transportation providers as necessary to ensure coordinated service with the San Joaquin Rail Service.

9.0 SOLICITATION OF GRANTS

The Managing Agency shall pursue any and all sources of funding for the SJJPA; provided, however, that neither the Managing Agency, on behalf of the SJJPA, nor the Board shall apply for existing sources of transit funding, including funds derived from the Transportation Development Act Funds as defined in Chapter 4 (commencing with Section 99200) of Part 11 of Division 10 of the California Public Utilities Code or for any conflicting funding, for which any Member Agency is also an applicant or approving Member Agency without the express written consent of that Member Agency.

10.0 BUDGET AND FUNDING

- 10.1 The Managing Agency shall prepare and submit to the Board for approval a preliminary operating and capital budget for the succeeding fiscal year by April 1 of each year which is consistent with the prior Business Plan submitted. Upon receipt of an annual allocation from the State, the Board shall by resolution adopt a final budget at the next regularly scheduled meeting of the Board. The fiscal year shall be July 1 of each year to and including the following June 30. The budget shall include separate components for Managing Agency administration costs, operations, and capital costs anticipated to be incurred by the SJJPA during the fiscal year. The annual budget resolution shall set forth the authority of the Managing Agency to make capital and operating expenditures during the fiscal year, subject to the policy guidelines the Board may establish.
- 10.2 It is the goal of the SJJPA to fully fund its annual budget from State and other non-Member Agency funding sources. The SJJPA shall not operate at a deficit. The SJJPA or local or regional entities may, but shall not be required to, augment state-provided resources to expand intercity passenger rail services, or to address funding shortfalls in achieving agreed-upon performance standards only if dedicated by a vote of a local agency providing funds, with the concurrence of the Board. The SJJPA may identify and secure new supplemental sources of funding for the purpose of expanding or maintaining intercity rail passenger service levels, which may include state and federal intercity rail resources. Local resources are not required to offset any redirection, elimination, reduction, or reclassification of state resources for operating intercity rail services.
- 10.3 No funding, debt, or financial obligation is created against any Member Agency solely as a consequence of executing this Agreement and no funding, debt, or

financial obligation approved by the Board and/or incurred by the SJJPA shall be binding against a Member Agency unless and until specifically ratified by that Member Agency's governing body.

11.0 ANNUAL BUDGET AND CAPITAL IMPROVEMENT PROGRAM

The Board shall approve a preliminary administrative budget and a Capital Improvement Program for the succeeding fiscal year no later than April 1 of each year. The Board shall adopt a final budget no later than June 30 of each year. No funding or financial obligations are created against any Member Agency solely as a consequence of executing this Agreement.

12.0 LIABILITY OF SJJPA, OFFICERS AND EMPLOYEES

The debts, liabilities, and obligations of the SJJPA shall not be the debts, liabilities and obligations of any of the Member Agencies, the Managing Agency, the Board or any of their respective members, officers, directors, employees, or agents. Any obligations incurred by any bonds issued by the SJJPA as set forth in Section 4.8 above shall not constitute general obligations of the SJJPA but shall be payable solely from the moneys pledged to the repayment of such obligations or the repayment of principal or interest on such bonds under the terms of the resolution, indenture, trust agreement, contract or other instrument pursuant to which the obligation is incurred or the bonds are issued. The Board and the Managing Agency, their directors, officers, employees, staff and agents shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Agreement. No Member Agency or Board Member, officer, director or employee shall be responsible for any action taken or omitted by any other Member Agency or Board Member, officer, director or employee. The SJJPA shall indemnify, defend and hold harmless the Board, the individual Member Agencies, their members, officers, directors, employees and agents from and against any and all liability, loss, damage, expenses, costs (including, without limitation, costs and fees of litigation or arbitration) of every nature, arising out of any act or omission related to this Agreement, except such loss or damage which was caused by the willful misconduct of the Board, a Board Member, or any individual Member Agency. The SJJPA's duty to indemnify each Member Agency shall survive that Member Agency's withdrawal from the SJJPA.

13.0 SERVICES BY MANAGING AGENCY

Subject to the provisions of Section 8.0 above, the SJJPA shall enter into a formal contract with the Managing Agency for the services it will perform pursuant to this Agreement, and the compensation for such services. The initial duration of the Managing Agency contract shall not exceed five years. At the conclusion of the initial contract and subsequent Managing Agency contracts, the Board may, through procedures that it determines, select the same Managing Agency or another existing public rail transportation agency for a period that shall not exceed five years.

14.0 EFFECTIVE DATE OF AGREEMENT

This Agreement shall take effect upon its execution by the Member Agencies pursuant to Section 2.0, and shall remain in full force and effect until dissolved pursuant to the provisions herein.

15.0 CUSTODIAN OF PROPERTY

- 15.1 Pursuant to the requirements of California Government Code Section 6505.1, the Managing Agency's Controller and Treasurer shall have charge of, handle, and have access to any property of the SJJPA, and shall amend the official bond with the Managing Agency to provide for coverage, in the same amount, for the duties of the Controller and the Treasurer set forth in this Agreement.
- 15.2 The Treasurer of the Managing Agency shall be the Treasurer of the SJJPA and serves at the pleasure of the Board. Subject to the applicable provisions of any indenture, trust agreement or resolution providing for a trustee or other fiscal agent, the Treasurer is designated as the depository of the SJJPA to have custody of all the money of the SJJPA, for whatever source, and, as such, shall have the powers, duties and responsibilities specified in Section 6505.5 of the California Government Code.
- 15.3 The Controller of the Managing Agency, who performs the functions of auditor and controller for the Managing Agency, shall be the Controller of the SJJPA, and, as such, shall have the power, duties and responsibilities specified in Sections 6500 and 6505.5 of the California Government Code. The Controller shall draw checks to pay demands against the SJJPA when the demands have been approved by the Board, or in accordance with any purchasing and/or procurement policies adopted by the Board.
- 15.4 Upon providing reasonable notice, any Member Agency shall have the right to review any records maintained by the Managing Agency or the Managing Agency's Controller and Treasurer relating to the performance of their duties pursuant to this Agreement.

16.0 RALPH M. BROWN ACT

All meetings of the SJJPA shall be called, noticed, held, and conducted in accordance with the provisions of the Ralph M. Brown Act (commencing with Section 54950 of the California Government Code).

17.0 FILING WITH SECRETARY OF STATE

As required by Section 6503.5 of the California Government Code, an appropriate notice of this Agreement shall be filed with the Secretary of State within 30 days of its effective date.

18.0 BYLAWS

The Board may adopt and amend from time to time Bylaws as may be required for the conduct of its meetings and the orderly operation of the SJJPA, subject to the terms of Section 7.1 above.

19.0 COMMITTEES

19.1 The Steering Committee of the California Department of Transportation (Caltrans) Rail Task Force shall remain in existence and shall become the Steering Committee of the SJJPA for the purpose of advising the SJJPA. The Steering Committee will advise the SJJPA on technical issues associated with the improvements in passenger rail service and related facilities in the San Joaquin Rail Corridor, including stations and rights-of-way, the coordination of public mass transit services and facilities, the coordination of passenger and freight services in the Corridor, and other technical matters. Members of the Board may not also concurrently serve as a member of the Steering Committee of the Caltrans Rail Task Force. Future appointments to the Steering Committee will be made by the Board.

19.2 The Board shall form other committees as are necessary.

20.0 WITHDRAWAL BY MEMBER AGENCY

20.1 Notwithstanding any other provision of this Agreement, any Member Agency may withdraw from the SJJPA by giving 90 days advance written notice to the SJJPA. Any withdrawal from the SJJPA will also constitute withdrawal from the Board.

20.2 A withdrawing Member Agency shall remain liable for all financial liabilities incurred during its membership in the SJJPA, but shall not be liable for any new financial liabilities incurred after submitting written notice of its withdrawal.

21.0 DURATION OF AGREEMENT AND TERMINATION

This Agreement shall continue in full force and effect until such time as the Member Agencies determine that it is in the public interest to dissolve the SJJPA. Notwithstanding the foregoing, any of the Member Agencies may exercise its prerogative to terminate its membership in the SJJPA as set forth in Section 20.0, above. Upon termination of this Agreement by mutual consent of all the Member Agencies, all assets, liabilities and equity of the SJJPA shall be distributed in accordance with the provisions of the Interagency Transfer Agreement and any other agreements authorized by the SJJPA governing such distribution, and any remaining money or assets in possession of the SJJPA after the payment of all liabilities, costs, expenses, and charges validly incurred under this Agreement shall be returned to the Member Agencies in proportion to their contributions, if any, determined as of the time of termination.

22.0 NOTICE

Addresses of the parties to the Agreement for the purpose of formal communications among the signatories which may be changed by written notice to the other Member Agencies.

Sacramento Regional Transit District
P.O. Box 2110
Sacramento, CA 95816
(916) 321-2811

San Joaquin Regional Rail Commission
949 East Channel Street
Stockton, CA 95202
(209) 944-6220

Stanislaus Council of Governments
1111 I Street, Suite 308
Modesto CA, 95354
(209) 525-4600

Merced County Association of Governments
369 West 18th Street
Merced, CA 95340
(209) 723-3153

Madera County Transportation Commission
2001 Howard Road, Suite 201
Madera CA 93637
(559) 675-0721

Fresno Council of Governments
2035 Tulare Street, Suite 201
Fresno, CA 93721
(559) 233-4148

Kings County Association of Governments
339 West D Street, Suite B
Lemoore, CA 93245
(559) 852-2654

Tulare County Association of Governments
210 N. Church Street, Suite B
Visalia, CA 93291
(559) 623-0450

Kern Council of Governments

1401 19th Street, Suite 300
Bakersfield, CA 93301
(661) 861-2191

Contra Costa Transportation Authority
2999 Oak Road, Suite 100
Walnut Creek, CA 94597
(925) 256-4700

Alameda County
1221 Oak Street
Oakland, CA 94612
(510) 208-9770

23.0 AUDIT

The SJJPA shall provide for the accountability of all funds and shall provide for an annual independent audit pursuant to Section 6506 of the Government Code.

24.0 AMENDMENTS TO THE AGREEMENT

This Agreement may be amended at any time by two-thirds approval of the voting Member Agencies and effectuated through a fully-executed written amendment to this Agreement.

25.0 ARBITRATION

25.1 In the event of a dispute between the SJJPA, the Board, the Managing Agency, one or more Member Agencies or any other agency/agencies, which cannot be satisfactorily resolved by the parties involved, the dispute shall be submitted to arbitration by a panel of three arbitrators who shall conduct the arbitration pursuant to the rules of the American Arbitration Association. The panel of arbitrators shall consist of one arbitrator appointed by each of the parties involved, the third arbitrator to be appointed by mutual consent of the other two arbitrators. The arbitration panel shall resolve the dispute in accordance with the terms of this Agreement, and such resolution shall be final and binding upon the parties. Each party shall bear its own costs of arbitration, including reasonable attorney's fees. The cost of the third arbitrator shall be divided equally between the disputants.

25.2 Unless otherwise expressly agreed in writing by the disputants, only disputes regarding a disputant's rights and obligations arising under the terms of: (i) this Agreement, or (ii) any other agreement between the disputants in which this arbitration provision is incorporated by reference shall be subject to arbitration pursuant to Section 25.1, above.

26.0 CONFLICT OF INTEREST CODE

The SJJPA by resolution shall adopt a conflict of interest code as required by law.

27.0 SUCCESSOR STATUTES

All statutes cited herein shall be deemed to include amendments and/or successor statutes to the cited statutes as they presently exist.

28.0 AGREEMENT, COMPLETE

This Agreement constitutes the full and complete Agreement of the parties, superseding and incorporating all prior oral and written agreements relating to the subject matter of this Agreement.

29.0 COUNTERPARTS

This Agreement may be executed in counterparts, each of which shall constitute an original and all of which together shall constitute one and the same agreement.

30.0 SEVERABILITY

If any one or more of the terms, provisions, promises, covenants, or conditions of this Agreement, were to any extent, adjudged invalid, unenforceable, void, or voidable for any reason whatsoever by a court of competent jurisdiction, each and all of the remaining terms, provisions, promises, covenants, and conditions of this Agreement shall not be affected and shall be valid and enforceable to the fullest extent permitted by law.