

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



**ITEM  
3.23  
(ID # 2953)**

**FROM :** ECONOMIC DEVELOPMENT AGENCY (EDA):

**MEETING DATE:**  
Tuesday, March 7, 2017

**SUBJECT:** ECONOMIC DEVELOPMENT AGENCY (EDA): Adopt Resolution No. 2017-003 Authorizing and Approving Formation and Activation of a New Nonprofit Affiliate of the Riverside County Library System Established Under Nonprofit Public Benefit Corporation Law; Approve the Articles of Incorporation and Bylaws; Approve the Agreement for Use of Staff and Resources; All Districts, [\$965] Riverside County Library, 100%, Policy Item

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Adopt Resolution No. 2017- 003 Authorizing and Approving Formation and Activation of a New Nonprofit Affiliate of the Riverside County Library System (RCLS) Established Under Nonprofit Public Benefit Corporation Law;
2. Appoint the Riverside County Board of Supervisors to serve as Directors of the Board of a new nonprofit affiliate of the RCLS (New Library Nonprofit Corporation);
3. Approve the form of the attached Articles of Incorporation and Bylaws for the New Library Nonprofit Corporation;
4. Authorize the Assistant County Executive Officer/EDA, or designee, to obtain and approve of a name for the New Library Nonprofit Corporation;
5. Approve the attached form of Agreement for Use of Staff and Resources (Staff Agreement), which will memorialize the agreement between the New Library Nonprofit Corporation and RCLS regarding the New Library Nonprofit Corporation's use of RCLS staff and resources;
6. Authorize the Assistant County Executive Officer/EDA, or designee, to sign the Staff Agreement on behalf of the County; and
7. Authorize the Assistant County Executive Officer/EDA, or designee, to take all necessary steps to implement and administer the Staff Agreement, including, but not limited to, signing subsequent and necessary documents, subject to approval by County Counsel.

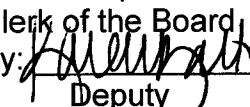
  
Robert White, Assistant County Executive Officer/EDA 1/30/2017

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**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Jeffries, seconded by Supervisor Ashley and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

**Ayes:** Jeffries, Tavaglione, Washington and Ashley  
**Nays:** None  
**Absent:** None  
**Date:** March 7, 2017  
**xc:** EDA, Recorder

Kecia Harper-Ihem  
Clerk of the Board  
By:   
Deputy

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STATE OF CALIFORNIA**

<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$965	\$0	\$965	\$0
<b>NET COUNTY COST</b>	\$0	\$0	\$0	\$0
<b>SOURCE OF FUNDS:</b> Riverside County Library 100%			<b>Budget Adjustment:</b>	No
			<b>For Fiscal Year:</b>	2016/17

**C.E.O. RECOMMENDATION:** Approved

**BACKGROUND:**

**Summary**

The Riverside County Library System (System) has identified a need to engage in innovative approaches to generate funds for its administration and operation. This need may be addressed by establishing an affiliated nonprofit corporation for the purpose of accessing private as well as local, state and federal funding sources that are available to nonprofits. Such funding sources would enable provision of programs and services that support System's objectives. Furthermore, an affiliated nonprofit would allow for acceptance of tax deductible donations and bequeaths from members of the community for the benefit of the System.

Staff proposes the formation of a new entity affiliated with the System that would function as a non-profit public benefit corporation (New Library Nonprofit Corporation). The general purpose of the New Library Nonprofit Corporation is to support and promote the System as a means of promoting the common good and general welfare of the people of the County of Riverside. Estimated costs associated with the formation of a New Library Nonprofit Corporation are itemized in the section below titled Additional Fiscal Information.

Should the Board of Supervisors authorize formation of a New Library Nonprofit Corporation, its activation is subject to a meeting of its Board of Directors. Staff recommends that the Board of Supervisors authorize the Assistant County Executive Officer/EDA, or designee, to take any necessary actions to facilitate the initial meeting of the New Library Nonprofit Corporation's Board of Directors.

At this time, a name for the New Library Nonprofit Corporation has not been selected. The process for obtaining a corporate name entails providing three name choices, in order of preference, to the California Secretary of State (SOS). If the SOS determines that any of the preferred names are available, the corporation must file separately to obtain that name. If none of the three names is available, an additional request must be submitted with three new, proposed names. In order to expedite the process of reserving a corporate name, staff recommends that the Board of Supervisors authorize the Assistant County Executive Officer/EDA, or designee, to approve of the corporate name.

Resolution Number 2017-003 Authorizing Formation and Activation of a New Nonprofit Affiliate of the Riverside County Library System Established under Nonprofit Public Benefit Corporation Law, attached hereto as Exhibit A, memorializes the foregoing actions. Staff recommends that

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,  
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the Board of Supervisors approve Resolution Number 2017-003, which has been approved as to form by County Counsel.

**Articles of Incorporation and Bylaws**

Should the Board of Supervisors authorize formation and activation of the New Library Nonprofit Corporation, the corporation's governing documents must be established. Staff recommends that the Board of Supervisors approve the form of the proposed Articles of Incorporation and Bylaws for the New Library Nonprofit Corporation, attached hereto as Attachments B and C, respectively. The proposed Articles of Incorporation and Bylaws have been approved as to form by County Counsel.

**Agreement for Use of Staff and Resources**

Should the Board of Supervisors authorize formation and activation of the New Library Nonprofit Corporation, staff and other resources, such as office space, equipment, supplies and other related resources, are necessary for commencement of corporate operations. The System has staff and resources available for such purposes. An agreement for use of staff and resources between the New Library Nonprofit Corporation and the System would allow the New Library Nonprofit Corporation access to personnel to run the day-to-day operations of the corporation along with a business location and resources to support such efforts. Staff recommends that the Board of Supervisors approve the proposed template Agreement for Use of Staff and Resources (Staff Agreement), attached hereto as Attachment D and approved as to form by County Counsel. The term of the proposed Staff Agreement commences upon the document's execution and is ongoing through March 7, 2032 or until terminated by either party upon 30 days written notice.

Because the New Library Nonprofit Corporation's name has not yet been established and approved by the California Secretary of State, the proposed Staff Agreement is a template that will be available for execution upon approval of the New Library Nonprofit Corporation's name. To expedite the Staff Agreement and reduce costs, staff recommends that the Board of Supervisors authorize the Assistant County Executive Officer/EDA, or designee, to sign the Staff Agreement on behalf of the County and to take all necessary steps to implement and administer the Staff Agreement, including, but not limited to, signing subsequent and necessary documents, subject to approval by County Counsel.

**Impact on Citizens and Businesses**

Approving this item will have a positive impact on businesses in and residents of Riverside County by forming and activating a non-profit corporation designed to support and promote the County's library system.

**SUPPLEMENTAL:**

**Additional Fiscal Information**

Estimated Costs to Form the New Library Nonprofit Corporation:

Item	Payee	Amount
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Request corporate name from CA Secretary of State	CA Secretary of State	\$10
Initial registration of CA Attorney General's Registry of Charitable Trusts	CA Attorney General	\$25
Application fee- state Tax Exempt Status	CA Franchise Tax Board	\$25
Filing fee- Statement of Information for officers and Agent for service of process	CA Secretary of State	\$20
Filing fee- initial filing of Articles of Incorporation	CA Secretary of State	\$35
Application fee- federal Tax Exempt Status	Internal Revenue Service	\$850
<b>Total:</b>		<b>\$965</b>

**ATTACHMENTS**

- A. Resolution 2017-003 Authorizing and Approving Formation and Activation of a New Nonprofit Affiliate of the Riverside County Library System Established Under Nonprofit Public Benefit Corporation Law
- B. Articles of Incorporation
- C. Bylaws
- D. Agreement for Use of Staff and Resources

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Rekini Dasika, Principal Management Analyst 2/27/2017 Gregory J. Priamos, Director County Counsel 2/17/2017

1 BOARD OF SUPERVISORS

RIVERSIDE COUNTY LIBRARY SYSTEM

2  
3 RESOLUTION NUMBER 2017-003

4 AUTHORIZING FORMATION AND ACTIVATION OF A NEW NONPROFIT AFFILIATE  
5 OF THE RIVERSIDE COUNTY LIBRARY SYSTEM ESTABLISHED UNDER  
6 NONPROFIT PUBLIC BENEFIT CORPORATION LAW  
7

8 WHEREAS, the Riverside County Library System ("Library System") desires to  
9 identify innovative approaches to generate funds for the administration and operation  
10 of the Library System;

11 WHEREAS, a non-profit corporation would meet the foregoing needs of the  
12 Library System;

13 WHEREAS, the Library System desires to form and activate a new, affiliated  
14 entity that would function as a non-profit corporation ("New Library Nonprofit  
15 Corporation"), the purpose of such New Library Nonprofit Corporation is to support  
16 and promote the Library System as a means of promoting the common good and  
17 general welfare of the people of the State of California. The proposed form of Bylaws  
18 and Articles of Incorporation are attached hereto as Exhibits "A" and "B" respectively  
19 and incorporated herein by this reference;

20 WHEREAS, The New Library Nonprofit Corporation will be established under  
21 the California Nonprofit Public Benefit Corporation Law (California Corporations Code  
22 section 5110 et seq.);

23 WHEREAS, activation of the New Library Nonprofit Corporation requires a  
24 meeting of its Board of Directors and approval of a corporate name; and

25 WHEREAS, the Board of Supervisors desires to approve and authorize the  
26 formation and activation of a New Library Nonprofit Corporation primarily to support  
27 the Library System as a means of promoting the common good and general welfare  
28 of the people of the State of California, and, in particular, to allow access to innovative

FORM APPROVED COUNTY COUNSEL  
BY: NEAL R. KIPNIS DATE 03/07/17

03.07.17 3.23

1 funding sources for the Library System.

2 **NOW THEREFORE, BE IT RESOLVED, FOUND, DETERMINED AND**  
3 **ORDERED** by the Board of Supervisors in regular session assembled on March 7,  
4 2017, as follows:

5 1. That the Board of Supervisors hereby finds and declares that the above  
6 recitals are true and correct.

7 2. That the Board of Supervisors hereby authorizes and approves  
8 formation and activation of a new entity that will function as a non-profit corporation  
9 affiliated with the Riverside County Library System ("New Library Nonprofit  
10 Corporation"), which shall be established under the California Nonprofit Public Benefit  
11 Corporation Law (California Corporations Code section 5110 et seq.).

12 3. That the Board of Supervisors hereby authorizes and approves the form  
13 of Bylaws and Articles of Incorporation attached hereto as Exhibits "A" and "B"  
14 respectively and incorporated herein by this reference.

15 4. That the Board of Supervisors hereby appoints the Riverside County  
16 Board of Supervisors to serve as the Board of Directors of the New Library Nonprofit  
17 Corporation.

18 5. That the Board of Supervisors authorizes the Assistant County Executive  
19 Officer/EDA, or designee, to take any and all actions necessary and/or required to  
20 create, form, activate, and initially operate the New Library Nonprofit Corporation, as  
21 authorized and approved herein, subject to review of documentation by County  
22 Counsel.

23 6. That the Board of Supervisors authorizes the Assistant County Executive  
24 Officer/EDA, or designee, to take any and all necessary and required actions to  
25 facilitate the initial meeting of the New Library Nonprofit Corporation's Board of  
26 Directors.

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EXHIBIT A  
FORM OF BYLAWS  
(Behind this page)

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**BYLAWS OF**  
**CORPORATION NAME**  
A California Nonprofit Public Benefit Corporation  
*As of date here*

**ARTICLE 1**      **NAME**

Section 1.1      Corporate Name

The official name of this corporation is Corporation name (“Corporation”).

**ARTICLE 2**      **OFFICES**

Section 2.1      Principal Office

The principal office for the transaction of the activities and affairs of the Corporation is located at 3403 10<sup>th</sup> Street, Suite 300, Riverside, California. The location of the principal office may be changed by resolution of the Board of Directors (“Board”) from one location to another within the County of Riverside.

Section 2.2      Other Offices

The Board may, at any time, establish branch or subordinate offices at any place or places where the Corporation is qualified to conduct its activities.

**ARTICLE 3**      **PURPOSES**

Section 3.1      General Purpose

This corporation is a Nonprofit Public Benefit Corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for public, charitable, literary and educational purposes.

Section 3.2      Specific Purpose

The specific purpose of this Corporation is to support and augment the Riverside County Library System as a means of promoting the common good and general welfare of the people of the State of California.

**ARTICLE 4**      **LIMITATIONS**

Section 4.1      Political Activities

The Corporation has been formed under the Nonprofit Corporation Law of California (“California Nonprofit Corporation Law”) and is organized and operated exclusively for charitable, literary and educational purposes within the meaning of Section 501 (c) (3) of the Internal Revenue Code of 1986, as amended (“Internal Revenue Code”). The Corporation shall be nonprofit and non-partisan. No substantial part of the activities of the Corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in or intervene in any

political campaign (including the publishing or distribution of statements) on behalf of, or in opposition to, any candidate for public office.

Section 4.2

Prohibited Activities

The Corporation shall not, except in any insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes described in Article 3. The Corporation may not carry on any activity for the profit of its Officers, Directors or other persons or distribute any gains, profits or dividends to its Officers, Directors or other person as such. Furthermore, nothing in Article 3 shall be construed as allowing the Corporation to engage in any activity not permitted to be carried on:

1. By a corporation exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code.
2. By a corporation, contributions to which are deductible under Section 170 (c) (2) of the Internal Revenue Code.

**ARTICLE 5**

**DEDICATION OF ASSETS**

Section 5.1

Property Dedicated to Nonprofit Purposes

The property of the Corporation is irrevocably dedicated to charitable, literary and educational purposes within the meaning of Section 501 (c) (3) of the Internal Revenue Code. No part of the net income or assets of the Corporation shall ever inure to the benefit of any of its Directors or Officers or to the benefit of any private person, except that the Corporation is authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article 3 hereof.

Section 5.2

Distribution of Assets upon Dissolution

Upon the dissolution or winding up of the Corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of the Corporation shall be distributed to a nonprofit fund, foundation, or corporation which is organized and operated exclusively for charitable, literary and educational purposes and which has established its tax exempt status under Section 501 (c) (3) of the Internal Revenue Code of 1986, as amended.

**ARTICLE 6**

**MEMBERSHIPS**

Section 6.1

Members

This Corporation shall have no members within the meaning of Section 5056 of the California Nonprofit Corporation Law. Any action of this Corporation which would otherwise require approval by a majority of members or approval by the members shall require only approval of the Board, any

provision of the Bylaws to the contrary notwithstanding. All rights that would otherwise vest in the members shall vest in the Board.

**ARTICLE 7**  
Section 7.1

**DIRECTORS**

Corporate Powers Exercised by the Board

Subject to the provisions and limitations of the California Nonprofit Corporation Law and all other applicable laws, the Corporation's activities and affairs shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board.

Without prejudice to the general powers set forth in these Bylaws but subject to the same limitation, the Directors shall have the power to:

1. Appoint and remove, at the pleasure of the Board, all the Corporation's Officers, agents, employees and volunteers; prescribe powers and duties for them that are consistent with law, with the Articles of Incorporation, and with these Bylaws; fix their compensation, if any; and require from them security for faithful performance of their duties.
2. Change the principal office or the principal business office from one location to another in the County of Riverside; and designate any place within the County of Riverside for holding any meeting.
3. Adopt and use a corporate seal and alter the forms of the seal from time to time as the Board may deem appropriate.
4. Enter into such contracts, ventures, associations or other arrangements as may be necessary or convenient to carry out the purposes of the Corporation.
5. Borrow money and incur indebtedness on behalf of the Corporation and cause to be executed and delivered for the Corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.
6. Receive, hold, invest, donate, transfer and administer real and personal property for the benefit of the Corporation and its purposes to the extent consistent with Section 501(c) (3) of the Internal Revenue Code and Section 509(a) (2) of the Internal Revenue Code.
7. Undertake all activities lawfully open to nonprofit corporations organized under the California Nonprofit Corporation Law, subject to any restrictions or conditions stated elsewhere in these Bylaws, to the extent such activities may be conducted by organizations organized and operated

exclusively for charitable, literary and educational purposes as described in Section 501(c)(3) of the Internal Revenue Code.

8. Do everything necessary, proper, advisable and convenient for the accomplishment of the purposes set forth above, and to do all other things incidental thereto or connected therewith which are not forbidden by the Internal Revenue Code, the Corporations Code, the Articles of Incorporation, these Bylaws or any other applicable law or regulation.

The Board may delegate the management of the activities of the Corporation to any person or persons, management company or committee however composed, provided that the activities and affairs of the Corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board.

Section 7.2      Number and Qualification of Directors

The authorized number of Directors shall be five (5). The Riverside County Board of Supervisors shall be the Board of Directors of the Corporation.

Section 7.3      Election, Designation and Term of Office

All Directors' terms shall be concurrent with their term as Supervisor on the Riverside County Board of Supervisors.

Section 7.4      Vacancies on Board

A vacancy or vacancies on the Board shall be filled in the same manner and process as such vacancies are filled for the Riverside County Board of Supervisors.

Section 7.5      Removal

Removal of a Director from the Board shall be conducted in the same manner and process as such action is conducted for the Riverside County Board of Supervisors.

Section 7.6      Reduction of Number of Directors

No reduction of the authorized number of Directors shall have the effect of removing any Director before that Director's term of office expires unless the reduction also provides for the removal of that specified Director in accordance with these Bylaws and California Nonprofit Corporation Law.

Section 7.7      Meetings

7.7.1      Place of Meeting

The Board shall hold meetings at any place within Riverside County, California that has been designated by resolution of the Board or in the Notice of the Meeting or, if not so designated, at the Riverside County Administrative Center, 4080 Lemon Street, 1st Floor, Riverside, California. The Corporation may hold its meetings at such other locations as the Corporation may from

time to time designate by resolution, in the order of adjournment, or notice of call of any special meeting. Meetings of the Board of Directors shall be in the manner provided in the Ralph M. Brown Act (Government Code Section 54940, et seq., as such sections now exist or may be hereafter amended; "Brown Act").

7.7.2 Regular meetings

The Board shall hold regular meetings semi-annually on a date and at a time specified by the Board in the manner provided in the Brown Act. One such meeting shall occur during the month of May or June of each year and another such meeting shall occur during the month of September or October of each year.

7.7.3 Special Meetings

Special Meetings of the Board for any purpose may be called at any time by the Chairperson of the Board, or by a majority of the members of the Board in the manner provided for in the Brown Act.

7.7.4 Meetings to be Open and Public

All of the Corporation's Board meetings, defined as any congregation of a majority of the Board members to hear, discuss, deliberate, or take action on any item concerning the Corporation, shall be open to the public and noticed to the extent required by law, including but not limited to, the provisions of the Brown Act.

7.7.5 Closed Session

Nothing contained in these Bylaws shall be construed to prevent the Board from holding closed sessions during a regular or special meeting concerning any matter permitted by law to be considered in a closed session. All closed session meetings and notice thereof shall be conducted in the manner provided for in the Brown Act.

7.7.6 Emergency Meetings

Nothing contained in these Bylaws shall be construed to prevent the Board from holding an emergency meeting when prompt action is needed due to the actual or threatened disruption of public facilities. An emergency situation exists if the Board determines that a work stoppage, crippling disaster, or other activity may endanger public health, safety or both. All emergency meetings and notice thereof shall be conducted in the manner provided for in the Brown Act.

7.7.7 Public Hearings

All public hearings held by the Board shall be held during regular or special meetings of the Corporation.

7.7.8 Order of Business

The Board may establish the general order of business at Board meetings. At any meeting, the Board may, by vote of a majority of the Board members present, change the order of business.

7.7.9

Agenda

An agenda for the Board meetings must be posted at least 72 hours before a regular meeting in a location freely accessible to members of the public, in accordance with the Brown Act. It shall state the meeting time and place and must contain a brief general description of each item of business to be transacted or discussed at the meeting, including items to be discussed in closed session.

Section 7.8

Quorum

A majority of the Directors currently in office shall constitute a quorum for the transaction of business at any meeting of the Board, except to adjourn, unless the presence of a greater number is required by law, in which event the quorum shall be such number as the law requires. Every action taken or decision made by a majority of Directors present at a duly held meeting at which a quorum is present shall be the act of the Board, subject to the more stringent provisions of California Nonprofit Corporation Law, including, without limitation those provisions related to:

1. Approval of contract or transactions in which a Director has a direct or indirect material financial interest;
2. Approval of certain transactions between corporations having common directorships;
3. Creation of an appointment to Committees of the Board; and
4. Indemnification of Directors.

A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of Directors, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.

Section 7.9

Adjournment

A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. In adjourning any meeting, there shall be compliance with all procedures of the Brown Act, including, but not limited to, providing notice of the adjournment by posting a copy of the order of adjournment at or near the door of the place where the meeting was held, within 24 hours after the adjournment.

**ARTICLE 8**  
Section 8.1

**COMMITTEES**  
Committees of the Board

The Board may, by resolution adopted by a majority of the Directors then in office, provided a quorum is present, create one or more Committee(s) of the Board, each consisting of two or more Directors to serve at the pleasure of the Board.

Section 8.2

Composition of Committees of the Board

Only Directors may be appointed to the Committee(s) of the Board. Appointments to the Committee(s) of the Board shall be by majority vote of the Directors currently in office. The Board may appoint one or more Directors as alternate members of any such Committee(s), who may replace any absent member at any meeting.

Section 8.3

Powers Exercised by Committees of the Board

Any such Committee(s), to the extent provided in the Board resolution, shall have all the authority of the Board, except that no Committee(s) of the Board, regardless of Board resolution, may:

1. Fill vacancies on the Board or on any Committee(s) of the Board that has the authority of the Board;
2. Fix compensation of the Directors for serving on the Board or on any Committee(s) of the Board;
3. Amend or repeal Bylaws or adopt new Bylaws;
4. Amend or repeal any resolution of the Board that by its expressed terms is not so amendable or repealable;
5. Create any other Committees of the Board or appoint the members of Committees of the Board;
6. Approve any contract or any transaction
  - a) between the Corporation and one or more of its Directors; or
  - b) to which the Corporation is a party and in which one or more of its Directors has a material financial interest, except as special approval is provided for in Section 5233 (d) (3) of the Corporations Code.

Section 8.4

Meetings and Action of Committees

Meetings and actions of Committee(s) of the Board shall be governed by, held, and taken in accordance with the provisions of these Bylaws concerning meetings and other Board actions, except that the time for regular meetings of such Committee(s) and the calling of special meetings of such Committee(s)

may be determined either by Board resolution or, if there is none, by resolution of the Committee(s) of the Board. Minutes of each meeting of any Committee(s) of the Board shall be kept and shall be filed with the corporate records. The Board may adopt rules for the government of any such Committee(s), provided they are consistent with these Bylaws or, in the absence of rules adopted by the Board, the Committee(s) may adopt such rules.

Section 8.5 Advisory Committees

If the Board shall appoint any Committee(s) which has as a member any non-Director, it is not a "Committee of the Board", and it should be clearly labeled an "Advisory Committee". All actions and recommendations of an Advisory Committee shall require ratification by the Board before being given effect. The Board may not delegate any element of management of the Corporation's activities to an Advisory Committee.

**ARTICLE 9 OFFICERS**

Section 9.1 Officers of the Corporation

The officers of the Corporation ("Officers") shall be a Chairperson, a Vice Chairperson, a Chief Executive Officer, Chief Operating Officer, a Secretary and a Chief Financial Officer. The Board shall have the power to appoint, and may authorize an Officer to appoint, additional Officers with such duties, powers, titles and privileges as the Board may fix. Any number of offices may be held by the same person, except that the Secretary and the Chief Financial Officer may not serve concurrently as the Chairperson.

Section 9.2 Election, Designation and Term of Office

The Chairperson of the Riverside County Board of Supervisors shall serve as the Chairperson of the Board of Directors of the Corporation. The Vice Chairperson of the Riverside County Board of Supervisors shall serve as the Vice Chairperson of the Board of Directors of the Corporation. The Assistant County Executive Officer of the Riverside County Economic Development Agency shall serve as the Chief Executive Officer of the Corporation. The Library Director of the Riverside County Library System shall serve as the Chief Operating Officer. The Library Manager of the Riverside County Library System shall serve as the Secretary of the Corporation. The Deputy Director of Accounting and Finance for the Riverside County Economic Development Agency shall serve as the Chief Financial Officer of the Corporation. All Officers' terms shall be concurrent with their corresponding terms with the County of Riverside.

Section 9.3 Vacancies

A vacancy in any office shall be filled in the manner prescribed in these Bylaws for regular appointments to that office, provided that such vacancies shall be filled as they occur.



- Section 9.4      Removal  
Subject to the rights, if any, of an Officer under any contract of employment, any Officer may be removed concurrent with their removal by the County of Riverside from their corresponding position at the County of Riverside.
- Section 9.5      Responsibilities of Officers
- 9.5.1            Responsibilities of Chairperson of the Board  
The Chairperson of the Board shall be a Director, shall preside at meetings of the Board and shall exercise and perform such other powers and duties as the Board may assign from time to time. The Chairperson shall sign contracts, deeds and other instruments made by the Corporation and authorized by the Board.
- 9.5.2            Responsibilities of the Vice Chairperson of the Board  
The Vice Chairperson of the Board shall be a Director and shall perform the duties of the Chairperson in the absence of the Chairperson.
- 9.5.3            Responsibilities of the Chief Executive Officer  
The Chief Executive Officer shall be the general manager of the Corporation and, subject to the control of the Board, shall have general supervision over the administration of the Corporation's business and operations. The Chief Executive Officer shall be empowered to supervise all of the employees of the Corporation, under such terms and having such job responsibilities as the Chief Executive Officer shall determine in her or his sole discretion, subject to the rights, if any, of the employee under any contract of employment. The Chief Executive Officer shall be delegated signing authority by the Board as set forth by resolution of the Board. The Chief Executive Officer may delegate his or her responsibilities and powers subject to the control of the Board. She or he shall have such other powers and duties as may be prescribed by the Board or these Bylaws.
- 9.5.4            Responsibilities of the Chief Operating Officer  
The Chief Operating Officer shall assist in the general supervision and administration of the day to day business and affairs of the Corporation, subject to the direction of the Chief Executive Officer. The Chief Operating Officer shall be authorized to seek funding opportunities such as grants and proposals and shall be delegated signing authority by the Board as set forth by resolution of the Board. The Chief Operating Officer may delegate her or his responsibilities and powers subject to the control of the Board. She or he shall have such other powers and duties as may be prescribed by the Board or these Bylaws.
- 9.5.5            Responsibilities of the Secretary  
The Secretary shall be delegated signing authority by the Board as set forth by resolution of the Board and may delegate her or his responsibilities and

powers subject to the control of the Board. The Secretary shall keep or cause to be kept, at the principal office of the Corporation or such other place as the Board may direct:

1. The original or a copy of these Bylaws, certified by the Secretary and as amended to date.
2. A copy of the Articles of Incorporation, as amended to date.
3. A book of minutes of all meetings, proceedings, and actions of the Board and Committee(s) of the Board.

The Secretary shall keep the Corporate Seal in safe custody and shall have such other powers and perform such other duties as the Board or these Bylaws may prescribe.

9.5. 6 Responsibilities of the Chief Financial Officer

The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the Corporation's properties and transactions. The Chief Financial Officer shall prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports. The Chief Financial Officer shall send or cause to be given to the Directors such financial statements and reports as are required to be given by law, by these Bylaws, or by the Board

The Chief Financial Officer shall be delegated signing authority by the Board as set forth by resolution of the Board and may delegate her or his responsibilities and powers subject to the control of the Board.

The Chief Financial Officer shall deposit or cause to be deposited all money and other valuables in the name and to the credit of the Corporation with such depositories as the Board may designate, shall disburse the Corporation's funds as the Board may order, shall render to the Board, when requested, an account of all transactions and an account of the financial condition of the Corporation, and shall have such other powers and perform such other duties as the Board or these Bylaws may prescribe.

If required by the Board, the Chief Financial Officer shall give the Corporation a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of the office and for restoration to the Corporation of all of its books, papers, vouchers, money and other property of every kind in the possession or under the control of the Chief Financial Officer on her or his death, resignation, retirement or removal from office.

**ARTICLE 10**      **ADDITIONAL PERSONNEL**

Section 10.1      Clerk of the Board

The Riverside County Clerk of the Board shall serve as the Clerk of the Board for the Corporation. The Clerk of the Board shall give, or cause to be given, notice of all meetings of the Board and Committees of the Board required by these Bylaws to be given. The Clerk of the Board, or designee, shall certify meeting minutes as these Bylaws prescribe and in the manner provided in the Brown Act. The Clerk of the Board shall also serve as the Corporation's Filing Officer for Form 700 Statements of Economic Interest.

Section 10.2      General Counsel

General Counsel shall be appointed by the Board from the office of County Counsel of the County of Riverside ("County Counsel"). General Counsel shall be responsible for review and/or preparation of all proposed resolutions, rules, contracts and all other legal actions of the Corporation. She or he shall give advice or opinion in writing to the Officers and/or Board whenever required or requested to do so. She or he shall attend to lawsuits and other matters to which the Corporation is a party or in which the Corporation may be legally interested and do such other things as the Board may require. General Counsel, or designee, shall record and maintain safe custody of minutes of closed session meetings as these Bylaws prescribe and in the manner provided in the Brown Act.

The extent and nature of such services shall be set forth in a contract between the Corporation and County Counsel establishing certain Corporation/County Counsel relationships.

Section 10.3      Additional Personnel

The day-to-day services required by the Corporation are to be rendered by County of Riverside ("County") employees. The extent and nature of such services shall be set forth in a contract between the Corporation and the County establishing certain Corporation/County relationships.

Section 10.4      Agents, Consultants and Volunteers

In addition to the use of County employees, the Board may from time-to-time establish such positions and select and appoint such agents, consultants and volunteers, regular and temporary, as it may require and determine their qualifications, duties and compensation.

The Board may, from time-to-time appoint or employ such personnel as it deems necessary to exercise its powers, duties and functions as prescribed by state and federal statutes applicable thereto. The selection, duties and compensation of such personnel shall be determined by the Board, subject to the laws of the State of California.

**ARTICLE 11 INDEMNIFICATION**

**Section 11.1 Right of Indemnity**

To the fullest extent permitted by law, this Corporation shall indemnify its Directors, Officers, employees, and other people described in Section 5238 (a) of the Corporations Code, including people formally occupying any such position, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by them in connection with any proceeding by reason of the fact that the person is or was an agent of the corporation. The indemnification shall include an action by or in the right of the Corporation, by reason of the fact that the person is or was a person described in that section of the Corporations Code.

The terms “expenses” , “proceeding” and “agent” as used in these Bylaws shall have the same meaning as in Section 5238 (a) of the Corporations Code.

**Section 11.2 Approval of Indemnity**

On written request to the Board by any person seeking indemnification under Sections 5238 (b) or 5238 (c) of the Corporations Code, the Board shall promptly determine under Section 5238 (e) of the Corporations Code whether the applicable standard of conduct set forth in Sections 5238 (b) or 5238 (c) has been met. If so, the Board shall authorize indemnification. If the Board cannot authorize indemnification because the number of Directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of Directors who are not parties to that proceeding, the Board shall promptly refer the question to the Riverside County Board of Supervisors. The Riverside County Board of Supervisors shall determine under Section 5238 (e) whether the applicable standard of conduct set forth in Section 5238 (b) or 5238 (c) has been met and if so the Board of Supervisors shall authorize indemnification.

**Section 11.3 Advancement of Expenses**

To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred in defending any proceeding may be advanced by the Corporation before final disposition of the proceeding on receipt by the Corporation of an undertaking by or on behalf of that agent to repay the amount of that advance unless it is ultimately determined that the agent is entitled to be indemnified by the Corporation for those expenses.

**Section 11.4 Insurance**

The Corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its Officers, Directors, employees and other agents, against any liability asserted against or incurred by any of them in such capacity or arising out of their status as such.

**ARTICLE 12 RECORDS AND REPORTS**

**Section 12.1 Articles of Incorporation and Bylaws**

The Corporation shall keep at its principal office, the original or a copy of the Articles of Incorporation and Bylaws as amended to date.

**Section 12.2 Books and Records of Account**

The Corporation shall keep adequate and correct books and records of account. Such books and records shall include, but are not necessarily limited to: accounts of properties and transactions, and corporate assets, liabilities, receipts, disbursements, gains, and losses. The books of account shall be open to inspection by any Director at all reasonable times.

**Section 12.3 Annual Report**

The Board shall cause an Annual Report to be sent to each Director within 120 days after the end of the Corporation's fiscal year. The Annual Report shall contain the following information in appropriate detail:

1. The assets and liabilities, including trust funds of the Corporation at of the end of the fiscal year.
2. The principal changes in assets and liabilities, including trust funds, during the fiscal year.
3. The revenue or receipts of the Corporation, both unrestricted and restricted to particular purposes, during the fiscal year.
4. The expenses or disbursements of the Corporation, for both general and restricted purposes, during the fiscal year.
5. Any additional information required by this Article of these Bylaws or at the request of the Board.

The Annual Report shall be accompanied by a report (if any) of independent accountants, or if there is no such report, by the certificate of an authorized Officer of the Corporation that such statements were prepared without audit from the Corporation's books and records.

This requirement of an Annual Report shall not apply if the Corporation receives less than \$25,000 in gross receipts during the fiscal year, provided, however, that the information specified above for inclusion in an Annual Report must be furnished annually to all Directors.

**Section 12.4 Annual Statement of Certain Transactions and Indemnifications**

As part of the Annual Report, a statement of any transaction for indemnification of the following kind shall be prepared and furnished to each Director:

1. Any transaction:
  - a) in which the Corporation participated;
  - b) in which a Director or Officer of the Corporation had a direct or indirect material financial interest; and
  - c) which involved more than \$50,000, or was one of a number of transactions with the same interested person involving in the aggregate more than \$50,000.

The statement shall include a brief description of the transaction, the names of the interested people involved, their relationship to the Corporation, the nature of their interest in the transaction and, if practicable, the amount of that interest, provided that if the transaction was with the partnership in which the interested person is a partner, only the interest of the partnership need be stated.

2. Any indemnifications or advances aggregating more than \$10,000 paid during the fiscal year to any officer or Director of the Corporation under these Bylaws, unless that indemnification has already been approved by the Riverside County Board of Supervisors.

#### Section 12.5

##### Meeting Minutes

The Corporation shall keep a minute book in written form which shall contain a record of all actions of the proceedings of the Board or any Committees of the Board including:

1. The time, date and place of each meeting;
2. Whether a meeting is regular or special and, if special, how authorized;
3. The manner of giving notice of each meeting and a copy thereof;
4. The names of those present at each meeting;
5. The minutes of all meetings;
6. Any written waivers of notice, consents to the holding of a meeting or approvals of the minutes thereof;
7. All protests concerning lack of notice; and
8. Formal dissents from Board actions.

Copies of Board meeting minutes that are duly certified by the Clerk of the Board, or designee, as being correct shall serve as proof of actions of the Corporation.

**ARTICLE 13 CONSTRUCTION AND DEFINITIONS**

Unless the context requires otherwise, the general provisions, rules of construction and definitions in the California Nonprofit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the preceding sentence, indication of gender shall include all genders and indication of numbers shall include singular and plural, and the term person shall include both a legal entity and a natural person.

**ARTICLE 14 AMENDMENTS**

The Board may adopt, amend, or repeal these Bylaws. Such power is subject to the following limitations:

1. The Board may not extend the term of a Director beyond that for which the Director was appointed.
2. The Board may not, without the approval of the Riverside County Board of Supervisors, specify or change any Bylaw provision which would:
  - a) fix or change the authorized number of Directors,
  - b) fix or change the minimum or maximum number of Directors, or
  - c) change from a fixed number of Directors to a variable number of Directors or vice versa.
3. If any provision of these Bylaws requires the vote of a larger proportion of the Board than is otherwise required by law, that provision may not be altered, amended, or repealed except by that greater vote.

[Remainder of page intentionally blank]

**CERTIFICATE OF SECRETARY**

I certify that I am the duly appointed and acting Secretary of the Corporation, a California Non-Profit Public Benefit Corporation, that the above Bylaws, consisting of 16 pages, are the Bylaws of this Corporation as adopted by the Board of Directors on \_\_\_\_\_, 2017 and that they have not been amended or modified since that date.

Executed on \_\_\_\_\_, 2017 at Riverside, California.

By: \_\_\_\_\_  
Amber Jacobson, Secretary



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EXHIBIT B  
FORM OF ARTICLES OF INCORPORATION  
(Behind this page)

**ARTICLES OF INCORPORATION**

**ARTICLE 1**

The name of this corporation is Corporation Name.

**ARTICLE 2**

This Corporation is a Nonprofit Public Benefit Corporation and is not organized for the private in-  
gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for  
public, charitable, literary and educational purposes.

**ARTICLE 3**

The specific purpose of this Corporation is primarily to support and augment the Riverside  
County Library System as a means of promoting the common good and general welfare of the  
people of the State of California. Additionally, this Corporation may engage in any activities that  
are reasonably related to or in furtherance of its stated public, charitable, literary and educational  
purposes, or in any other charitable activities as allowed by law.

**ARTICLE 4**

The name and address in the State of California of this Corporation's initial agent for service of  
process is:

Robert Field  
Riverside County Economic Development Agency  
3403 10<sup>th</sup> Street, Suite 300  
Riverside, CA 92501

**ARTICLE 5**

The initial street and mailing address of this Corporation is:

3403 10<sup>th</sup> Street, Suite 300  
Riverside, CA 92501

**ARTICLE 6**

This Corporation shall have no members.

**ARTICLE 7**

This corporation is organized and operated exclusively for charitable, literary and educational  
purposes within the meaning of Section 501(c) (3) of the Internal Revenue Code of 1986, as  
amended.

**ARTICLE 8**

The property of this Corporation is irrevocably dedicated to charitable, literary and educational  
purposes within the meaning of Section 501 (c) (3) of the Internal Revenue Code of 1986, as  
amended. No part of the net income or assets of this Corporation shall ever inure to the benefit of  
any of its Directors or Officers or to the benefit of any private person, except that this

FORM APPROVED BY RIVERSIDE COUNTY COUNSEL  
BY: NEAL R. KIPNIS  
DATE: 12/21/07

Corporation is authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article 3 hereof.

**ARTICLE 9**

Upon the dissolution or winding up of this Corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this Corporation shall be distributed to a nonprofit fund, foundation, or corporation which is organized and operated exclusively for charitable, literary or educational purposes and which has established its tax exempt status under Section 501 (c) (3) of the Internal Revenue Code of 1986, as amended.

**ARTICLE 10**

No substantial part of the activities of this Corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and this Corporation shall not participate in or intervene in any political campaign (including the publishing or distribution of statements) on behalf of, or in opposition to, any candidate for public office.

**ARTICLE 11**

Notwithstanding any other provision of these Articles of Incorporation, this Corporation shall not carry on any activities not permitted to be carried on (i) by a corporation exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code of 1986, as amended or (ii) by a corporation, contributions to which are deductible under Section 170 (c) (2) of the Internal Revenue Code of 1986, as amended.

x \_\_\_\_\_  
Robert Field, Incorporator Date

FORM APPROVED COUNTY COUNSEL  
BY: NEAL R. KIPNIS DATE 1/19/07

**AGREEMENT BETWEEN CORPORATION NAME AND THE RIVERSIDE COUNTY LIBRARY SYSTEM FOR USE OF STAFF AND RESOURCES**

This Agreement for Use of Staff and Resources ("AGREEMENT") is made and entered into this \_\_\_ day of \_\_\_\_\_, 2017 by and between the CORPORATION NAME, a California non-profit public benefit corporation ("CORPORATION"), and the RIVERSIDE COUNTY LIBRARY SYSTEM, a public agency, corporate and politic in the State of California ("COUNTY").

RECITALS

**WHEREAS**, CORPORATION was created primarily to support the Riverside County Library System as a means of promoting the common good and general welfare of the people of the State of California;

**WHEREAS**, the CORPORATION requires, staff, a principal office location and the use of other administrative and operational resources (collectively hereinafter "Resources") in order to conduct its corporate business;

**WHEREAS**, the COUNTY can provide such staff and Resources as required by the CORPORATION; and

**WHEREAS**, the CORPORATION and the COUNTY wish to enter into this AGREEMENT to specify the terms and conditions under which the COUNTY will provide staff and Resources to the CORPORATION.

**NOW, THEREFORE**, based on the mutual promises contained herein, the CORPORATION and the COUNTY mutually agree as follows:

1. Term of AGREEMENT. This AGREEMENT shall become effective upon the Effective Date, as defined in **Section 19**, and shall continue through March 7, 2032 or until terminated by either party upon 30 days written notice to the other party.
2. COUNTY Staff and Resources. The COUNTY hereby agrees to provide the CORPORATION staff and Resources according to the Policies and Procedures

FORM APPROVED COUNTY COUNSEL  
BY: NEAL R. KIPNIS  
DATE: 2/14/17

1 of the COUNTY and under the direction of CORPORATION's Chief Executive  
2 Officer.

3 a. COUNTY staff shall provide services necessary for the  
4 CORPORATION to conduct its day to day activities, subject to the  
5 availability of COUNTY staff.

6 b. COUNTY Resources shall include, but not be limited to, the following:

7 (i) Office space in the buildings located at 3403 10<sup>th</sup> Street and  
8 3133 Mission Inn Avenue, both in Riverside, CA  
9 ("Administrative Building");

10 (ii) Other resources related to the Administrative Building  
11 including, but not limited to: utilities, custodial services,  
12 parking lot, elevator, office supplies, maintenance and repair  
13 services, recycling bins, trash service and office equipment  
14 such as photo copiers, scanners, phones, faxes and  
15 computers.

16 3. Exclusions. Excluded from the use of COUNTY staff and Resources are any  
17 uses that are in violation of (1) state, federal or local law, (2) Provisions set forth  
18 in COUNTY's Conflict of Interest Code, or (3) Provisions set forth in  
19 CORPORATION's Conflict of Interest Code.

20 4. Personnel Status. The personnel assigned by the COUNTY to provide services  
21 to the CORPORATION shall remain employees of the County of Riverside,  
22 acting through the COUNTY, on COUNTY payroll, and shall be entitled to all  
23 benefits set forth in their individual employee agreements with the County of  
24 Riverside. At all times during the term of this AGREEMENT, COUNTY staff  
25 providing services to the CORPORATION will receive their assignments from the  
26 CORPORATION's Chief Executive Officer.

27 5. Performance. The Assistant County Executive Officer/EDA, or designee, shall, as  
28 deemed necessary, conduct any performance evaluations, pursuant to Riverside

1 County Ordinance 440, of the COUNTY personnel who may be designated to  
2 provide services to the CORPORATION.

- 3 6. Allocation of Costs. Costs for the use of COUNTY staff and Resources by  
4 CORPORATION shall be allocated pursuant to the Office of Management and  
5 Budget (OMB) Circular A-122 and as described in **Exhibit A** attached hereto and  
6 incorporated herein by this reference. The CORPORATION understands that  
7 such costs shall include, but not be limited to, the salary and benefits, services,  
8 supplies, facility changes and any other costs associated with the COUNTY  
9 providing the staff and Resources herein. The CORPORATION also understands  
10 that it will be responsible for payment to the COUNTY for any increases in salary  
11 and benefits that may occur during the term of this AGREEMENT.
- 12 7. Payment. On a monthly basis, the COUNTY shall provide an invoice to  
13 CORPORATION for the costs to use COUNTY staff and Resources that were  
14 incurred during the previous period. CORPORATION shall remit payment to the  
15 COUNTY for the cost of providing the staff and Resources specified herein.
- 16 8. Documentation of Costs. Costs incurred by CORPORATION for use of COUNTY  
17 staff and Resources shall be documented as described in **Exhibit B**, attached  
18 hereto and incorporated herein by this reference, and attached to the invoice  
19 submitted by the COUNTY to the CORPORATION for payment each period.
- 20 9. Suspension of Payments. The CORPORATION shall have the option, at its  
21 discretion, to request a suspension for payment for use of COUNTY Resources  
22 during periods of non-use, as described in **Exhibit A**.
- 23 10. Financial Records. The COUNTY and the CORPORATION shall both maintain  
24 financial and other supporting records of operational and financial activities that  
25 are related to or involve the COUNTY staff and/or Resources herein. Such  
26 records shall be open to inspection and audit by authorized representatives of  
27 the other respective party during regular working hours and shall be retained by  
28

1 the COUNTY and CORPORATION for a period of not less than ten (10) years  
2 after termination of this AGREEMENT.

3 11. Compliance with Laws and Regulations. By executing this AGREEMENT,  
4 CORPORATION hereby certifies that it will adhere to and comply with all federal,  
5 state and local laws and regulations.

6 12. Prohibition against Conflicts of Interest.

7 a. The CORPORATION shall promptly disclose to the COUNTY any  
8 potential conflict of interest, including even the appearance of conflict that  
9 may arise with respect to the activities under this AGREEMENT.

10 b. The COUNTY shall promptly disclose to CORPORATION any potential  
11 conflict of interest, including even the appearance of conflict that may  
12 arise with respect to the activities under this AGREEMENT.

13 13. Entire Agreement. It is expressly agreed that this AGREEMENT embodies the  
14 entire agreement of the parties in relation to the subject matter hereof, and that  
15 no other agreement or understanding, verbal or otherwise, relative to this subject  
16 matter, exists between the parties at the time of execution.

17 14. Severability. Each paragraph and provision of this AGREEMENT is severable  
18 from each other provision, and if any provision or part thereof is declared invalid,  
19 the remaining provisions shall nevertheless remain in full force and effect.

20 15. Amendments. The COUNTY or the CORPORATION may consider it in its best  
21 interest to amend, change, modify or extend a term or condition of this  
22 AGREEMENT. Any such amendment, change, extension or modification, which  
23 is mutually agreed upon by the COUNTY and the CORPORATION, shall be  
24 incorporated in written amendments to this AGREEMENT. No amendment to this  
25 AGREEMENT shall be effective and binding upon the parties, unless it expressly  
26 makes reference to this AGREEMENT, is in writing and is signed and  
27 acknowledged by duly authorized representatives of both parties.

28 16. Intentionally blank.

1 17. Notices. All notices, requests, demands and other communication required or  
2 desired to be served by either party upon the other must be in writing and shall  
3 be properly given and effective when personally served or sent by United States  
4 Postal Service first class, certified mail, or express delivery service, with postage  
5 affixed. The effective date of any such mailed notice shall commence to run from  
6 the day after its deposit in the mail. Such notices shall be addressed to the  
7 respective parties as follows:

8 CORPORATION

COUNTY

9 Chief Operating Officer

Assistant County Executive

10 Corporation Name

Officer/EDA

11 3403 10<sup>th</sup> St., Suite 300

Riverside County Economic

12 Riverside, CA 92501

Development Agency

13 3403 10<sup>th</sup> St., Suite 300

14 Riverside, CA 92501

15 18. Counterparts. This AGREEMENT may be signed by the different parties hereto  
16 in counterparts, each of which shall be an original but all of which together shall  
17 constitute one and the same agreement.

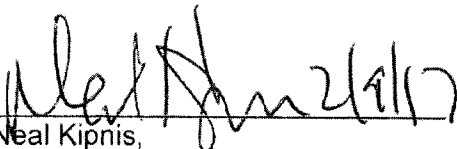
18 19. Effective Date. The effective date of this AGREEMENT is the date the parties  
19 execute the AGREEMENT. If the parties execute the AGREEMENT on more  
20 than one date, then the date first above written shall be the effective date.

21 [Remainder of Page Intentionally Blank]

22 [Signatures on Following Page]



1 **IN WITNESS WHEREOF**, the CORPORATION and the COUNTY have executed this  
2 AGREEMENT as of the date first above written.

<p>3</p> <p>4 <b>"CORPORATION"</b></p> <p>5 CORPORATION NAME, a California</p> <p>6 non-profit public benefit corporation</p> <p>7</p> <p>8</p> <p>9 By: _____</p> <p>10 Chairperson's Name,</p> <p>11 Chairperson of the Board</p> <p>12</p> <p>13 Date: _____</p> <p>14 APPROVED AS TO FORM:</p> <p>15 Gregory P. Priamos, General Counsel</p> <p>16</p> <p>17 By:  _____</p> <p>18 Neal Kipnis,</p> <p>19 Deputy General Counsel</p> <p>20</p>	<p>4 <b>"COUNTY"</b></p> <p>5 RIVERSIDE COUNTY ECONOMIC</p> <p>6 DEVELOPMENT AGENCY LIBRARY</p> <p>7 SYSTEM, a public agency, corporate and</p> <p>8 politic</p> <p>9</p> <p>10</p> <p>11 By: _____</p> <p>12 Robert Field,</p> <p>13 Assistant County Executive Officer, EDA</p> <p>14</p> <p>15 Date: _____</p> <p>16 APPROVED AS TO FORM:</p> <p>17 Gregory P. Priamos, County Counsel</p> <p>18</p> <p>19 By: _____</p> <p>20 Jhaila R. Brown,</p> <p>21 Deputy County Counsel</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p> <p>26</p> <p>27</p> <p>28</p>
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**EXHIBIT A**  
**ALLOCATION OF COSTS FOR USE OF STAFF AND RESOURCES**

Costs for CORPORATION'S use of COUNTY staff and Resources shall be allocated using a basic cost allocation method. A cost is allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received. The total cost of shared COUNTY staff and Resources is comprised of the direct costs plus indirect costs.

The formulas and methodology used to allocate direct and indirect costs are formed under the following conditions:

1. Costs that are identified as benefitting the CORPORATION are prorated based on the benefits derived from the activities the costs are attributed to.
2. Costs are allocated using a base, or cost driver, which measures the relative degree of benefit and that results in the most reasonable and equitable distribution.

Allocation of Costs for Use of COUNTY Staff

The base, or cost driver, for allocation of COUNTY staff costs shall be number of hours worked.

Charges to CORPORATION for use of COUNTY staff shall be calculated as a percentage of the staff member's salary plus benefits for the period of use, based on the ratio of the number of hours of work per period on CORPORATION-related activities to the total number of hours per period.

*For example\*: if a COUNTY staff member works 20 hours of an 80 hour pay period on CORPORATION- related activities and the staff member's salary plus benefits for the period is \$3,000, then the cost allocable to that staff member's time during that period would be calculated as follows:*

$$(20/80) \times \$3,000 = 25\% \times \$3,000 = \$750$$

*\*Example is hypothetical and provided only for illustrative purposes.*

#### Allocation of Costs for Use of COUNTY Resources

The base, or cost driver, for use of COUNTY Resources shall be square footage.

Charges to the CORPORATION for use of COUNTY Resources shall be calculated as a percentage of the total cost of Resources for the period of use based on the ratio of square footage used for CORPORATION-related business space to total building square footage.

*For example\*: if the COUNTY's total cost of Resources for the period is \$25,000 and CORPORATION-related business is conducted utilizing 1,000 square feet of a 20,000 total square foot building, then the cost allocable to CORPORATION's use of COUNTY Resources for that period would be calculated as follows:*

$$(1,000/20,000) \times \$25,000 = 5\% \times \$25,000 = \$1,250.00$$

*\*Example is hypothetical and provided only for illustrative purposes.*

#### Suspension of Payments for Periods of Non-Use

Periods during which there are zero COUNTY staff hours allocable to CORPORATION are considered to be periods of non-use in which no square footage is actually used for CORPORATION-related business. During such periods, CORPORATION will continue

to remit payment to COUNTY for Resources as described above. However, after four (4) contiguous weeks of non-use of COUNTY Resources, CORPORATION may submit to COUNTY, in writing, a request for a suspension of payment for COUNTY Resources, which shall include an explanation for the cause of such request and an estimate for the period of the suspension. All requests for suspension shall be approved in writing by the Assistant County Executive Officer/EDA, or designee, in her/his reasonable discretion.

**EXHIBIT B**  
**DOCUMENTATION OF ALLOCABLE COSTS**

Where COUNTY staff provides services to CORPORATION, a distribution of COUNTY staff hours worked will be evidenced by timesheets or equivalent documentation. The dollar amount of COUNTY staff salary plus benefits will be evidenced by written salary and benefit documentation.

Where COUNTY Resources are used by CORPORATION, a distribution of the Administrative Building's square footage allocated to CORPORATION shall be evidenced by COUNTY's Administrative Building Cost Allocation document accompanied by a COUNTY Income Statement with an itemization of the individual components comprising the Resources.

The documentation referenced herein shall be attached to the invoice submitted by the COUNTY to the CORPORATION for payment each period.