

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



**ITEM: 3.1
(ID # 14263)**

MEETING DATE:
Tuesday, January 26, 2021

FROM: EXECUTIVE OFFICE:

SUBJECT: EXECUTIVE OFFICE: Adopt Resolution No. 2021-032 - A Resolution of the County of Riverside Approving the Termination Agreement to Dissolve the Riverside County Palm Desert County Financing Authority; CEQA Exempt, District 4. [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Find that the matter to be approved is exempt from California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) of the State CEQA Guidelines;
2. Find that, for purposes of the Health and Safety Code 34181 (e), the termination of the joint powers agreement for the Riverside County Palm Desert Financing Authority pursuant to the Termination Agreement in the best interests of the taxing entities;
3. Adopt Resolution No. 2021-032 - Resolution of the County of Riverside Approving the Termination Agreement to Dissolve the Riverside County Palm Desert County Financing Authority and Authorizing Taking Related Actions; and
4. Direct County Executive Office staff, on behalf of the County of Riverside, to submit the executed copy of the Termination Agreement and Resolution No. 2021-032 to the Successor Agency to the Palm Desert Redevelopment Agency.

ACTION: Policy


Frankie Z. Ezzat, Chief Deputy County Executive Officer 1/14/2021

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Spiegel, Washington, Perez, and Hewitt
Nays: None
Absent: None
Date: January 26, 2021
xc: E.O.

Kecia R. Harper
Clerk of the Board

By: 
Deputy

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

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 0	\$ 0	\$ 0	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS:			Budget Adjustment:	N/A
			For Fiscal Year:	N/A

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The Riverside County Palm Desert Financing Authority (PDFA) was established in 2002 to capture tax increment pass through revenues for the benefit of the desert communities that would have otherwise gone to the County of Riverside (the "County") General Fund. The PDFA is a joint powers authority comprised of the County and the now dissolved Palm Desert Redevelopment Agency. The underlying lease payment schedules were crafted to reflect the expected pass through revenue that would otherwise flow directly to the County. Since the passage of the Governors' Redevelopment bill (AB1X 26), the County now receives the pass-through revenue directly, which is used to pay the bonds. Utilizing the RCPDFA is not necessary and no longer beneficial. Therefore, the County has deemed its own Infrastructure Financing Authority as the most appropriate issuing entity.

Pursuant to the California Environmental Quality Act (CEQA), based upon a review of the evidence and information presented on the matter as it relates to the approval of the Termination Agreement, the County has determined that such approval is categorically exempt from CEQA pursuant to Section 15061(b)(3) of the State CEQA Guidelines because there is no possibility that the activities in question will have a significant impact on the environment and the amendment is merely an administrative action to dissolve a finance authority that does not have any existing obligations or debt; it will not prompt any physical activities and will not lead to any direct or reasonably foreseeable indirect physical environmental impacts.

Staff recommends adoption of Resolution No. 2021-032, Resolution of the County of Riverside Approving a Termination Agreement to Dissolve the Riverside County Palm Desert County Financing Authority and Authorizing To Take Related Actions.

Impact on Residents and Businesses

The dissolution of the Authority and the termination of the related joint powers agreement furthers the wind-down of the Former Agency's affairs and allows potential savings of expenses that the County and Successor Agency to the Palm Desert Redevelopment Agency may incur in connection with the continuation of the Authority.

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

ATTACHMENTS:

Resolution No. 2021 - 032

Termination Agreement with the Successor Agency to the Palm Desert Redevelopment Agency


Don R. Kent, Assistant CEO-County Finance Officer 1/15/2021


Gregory L. Priapros, Director County Counsel 1/15/2021


Cynthia M. Gurtzel, Chief Deputy County Counsel 1/14/2021

2
3 RESOLUTION NO. 2021-032

4
5 A RESOLUTION OF THE BOARD OF SUPERVISORS OF
6 THE COUNTY OF RIVERSIDE APPROVING A TERMINATION AGREEMENT TO DISSOLVE
7 THE RIVERSIDE COUNTY PALM DESERT FINANCING AUTHORITY AND AUTHORIZING TO
8 TAKE OTHER RELATED ACTIONS

9
10 WHEREAS, the Riverside County Palm Desert Financing Authority (the "Authority") is a
11 joint powers agency formed and existing pursuant to the Joint Exercise of Powers Act, set forth in California
12 Government Code Section 6500 *et seq.* (the "Act"), and a Joint Exercise of Powers Agreement, dated as of
13 January 1, 2002 (the "Original Agreement"), as amended by an Amendment No. 1 to Joint Exercise of
14 Powers Agreement, dated as of October 1, 2002 (together with the Original Agreement, the "Joint Powers
15 Agreement"), each by and between the County of Riverside (the "County") and the former Palm Desert
16 Redevelopment Agency (the "Former Agency"); and

17 WHEREAS, the Authority was formed to assist with the financing of public improvements
18 and working capital for public benefit, consistent with Article 4 of the Act; and

19 WHEREAS, the Authority issued two series of bonds: (i) Lease Revenue Bonds (County
20 Facilities Project), 2003 Series A (the "2003 Bonds"), and (ii) Lease Revenue Bonds (County Facilities
21 Project, 2008 Series A (the "2008 Bonds"); and

22 WHEREAS, both the 2003 Bonds and the 2008 Bonds have been fully paid and are no longer
23 outstanding; and

24 WHEREAS, pursuant to the Act, the Joint Powers Agreement will continue until rescinded
25 or terminated; and

26 WHEREAS, the Joint Powers Agreement provides that it may be terminated at any time that
27 no bonds, notes, certificates of participation or other obligations (collectively, "Bonds") are outstanding;
28 and

FORM APPROVED COUNTY COLLEGE
BY: *Synthia M. Gunzel* DATE: 1.8.2021
SYNTHIA M. GUNZEL

1 WHEREAS, at this time, there are no Bonds outstanding and the Authority has no
2 outstanding unpaid costs, expenses and charges, and has no assets; and

3 WHEREAS, there has been prepared the form of an agreement (the “Termination
4 Agreement”), in the form attached as Exhibit A, to terminate the Joint Powers Agreement and dissolve the
5 Authority;

6 NOW, THEREFORE, BE IT FOUND, RESOLVED, DETERMINED AND ORDERED by
7 the Board of Supervisors of the County of Riverside, in regular session assembled on January 26, 2021, in
8 the meeting room of the Board of Supervisors located on the 1st floor of the County Administrative Center,
9 4080 Lemon Street, Riverside, California, the following:

10 Section 1. Recitals. The above recitals, and each of them, are true and correct.

11 Section 2. Authority Dissolution; Termination Agreement. The Termination
12 Agreement between the County of Riverside and the Successor Agency to the Palm Desert Redevelopment
13 Agency, in the form attached as Exhibit A, is hereby approved. The dissolution of the Authority pursuant
14 to the Termination Agreement is approved. Each of the Chair of this Board, the County Executive Officer,
15 or either of them, or their designee (each, an “Authorized Officer”), is hereby authorized, for and in the
16 name and on behalf of the County, to execute and deliver the Termination Agreement in substantially said
17 form, with such changes therein as the Authorized Officer executing the same may approve (such approval
18 to be conclusively evidenced by such Authorized Officer’s execution and delivery thereof).

19 Section 3. Other Acts. The Authorized Officers and all other officers of the County are
20 hereby authorized, jointly and severally, to execute and deliver such instruments and do such other things
21 (including, but not limited to, the completion of any filings with the Secretary of State, as applicable) which
22 they may deem necessary or advisable in order to effectuate the purposes of this Resolution and the
23 Termination Agreement, and such actions previously taken by such officers are hereby ratified and
24 confirmed.

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RESOLUTION 2021-032

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE APPROVING A TERMINATION AGREEMENT TO DISSOLVE THE RIVERSIDE COUNTY PALM DESERT FINANCING AUTHORITY AND AUTHORIZING TO TAKE OTHER RELATED ACTIONS.

ADOPTED by Riverside County Board of Supervisors on January 26, 2021.

ROLL CALL:

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt
Nays: None
Absent: None

The foregoing is certified to be a true copy of a resolution duly adopted by said Board of Supervisors on the date therein set forth.

KECIA R. HARPER, Clerk of said Board

By: *Priscilla Gasso*
Deputy

01.26.2021 3.1

CLERK'S COPY

to Riverside County Clerk of the Board, Stop 1010

Post Office Box 1147, Riverside, Ca 92502-1147

Thank you.

TERMINATION AGREEMENT

This **Termination Agreement**, dated as of January 26th, 2021 (this "**Agreement**"), is entered into by and between the **County of Riverside**, a political subdivision of the State of California (the "**County**"), and the Successor Agency to the Palm Desert Redevelopment Agency (the "**Successor Agency**"), as the successor entity to Palm Desert Redevelopment Agency (the "**Former Agency**"). The County and the Successor Agency are, together, referred to in this Agreement as the "**Parties**" and, individually, as a "**Party**."

RECITALS

- A. The Riverside County Palm Desert Financing Authority (the "**Authority**") is a joint powers agency formed and existing pursuant to the Joint Exercise of Powers Act, set forth in California Government Code Section 6500 *et seq.* (the "**Act**"), and a Joint Exercise of Powers Agreement, dated as of January 1, 2002 (the "**Original Agreement**"), as amended by an Amendment No. 1 to Joint Exercise of Powers Agreement, dated as of October 1, 2002 (together with the Original Agreement, the "**Joint Powers Agreement**"), each by and between the County and the Former Agency.
- B. As stated in Section 2 of the Original Agreement, the Authority was formed to assist with the financing of public improvements and working capital for public benefit, consistent with Article 4 of the Act.
- C. The Authority issued two series of bonds: (i) Lease Revenue Bonds (County Facilities Project), 2003 Series A (the "**2003 Bonds**"), and (ii) Lease Revenue Bonds (County Facilities Project, 2008 Series A (the "**2008 Bonds**").
- D. Both the 2003 Bonds and the 2008 Bonds have been fully paid and are no longer outstanding.
- E. Pursuant to the Act, the Joint Powers Agreement will continue until rescinded or terminated.
- F. Section 23 of the Joint Powers Agreement provides that it may be terminated at any time that no bonds, notes, certificates of participation or other obligations (collectively, "**Bonds**") are outstanding and, upon such termination, all of the Authority's assets shall, after payment of all unpaid costs, expenses and charges incurred under the Joint Powers Agreement, be distributed among the Parties in accordance with the respective contributions of each Party.
- G. There are no Bonds outstanding and the Authority has no outstanding unpaid costs, expenses and charges, and has no assets.
- H. Pursuant to AB X1 26 (enacted in June 2011), and the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, 53 Cal. 4th 231 (2011), all redevelopment agencies in the State of California, including the Former Agency, dissolved as of February 1, 2012, and the Successor Agency was established as the

successor entity to the Former Agency, tasked with the wind-down of the Former Agency's affairs.

I. The Parties desire to terminate the Joint Powers Agreement.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS AND CONDITIONS CONTAINED HEREIN, AND OTHER VALUABLE CONSIDERATION, THE ADEQUACY OF WHICH ARE HEREBY ACKNOWLEDGED, THE PARTIES AGREE AS FOLLOWS:

1. The Parties hereby agree that the Joint Powers Agreement shall terminate, all obligations of each Party, if any, under the Joint Powers Agreement shall cease, and all rights and powers of the Authority under the Joint Powers Agreement shall cease, as of the date of this Agreement. By virtue of such termination, the Authority is hereby dissolved as of the date hereof.
2. The Parties agree that there are no assets of the Authority to be divided between them.
3. This Agreement shall be governed by, interpreted under, construed and enforced, in accordance with the laws of the State of California.
4. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts shall together constitute but one and the same.

[Signatures Follow. Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized officers.

COUNTY OF RIVERSIDE

**SUCCESSOR AGENCY TO THE PALM
DESERT REDEVELOPMENT AGENCY**

By: _____

By: *Randy Bynder*

Print Name: _____

Print Name: Randy Bynder

Title: _____

Title: Interim Executive Director

ATTEST:

ATTEST:

Kecia Harper
Clerk of the Board

Grace L. Rocha
Acting Secretary

By: _____

By: *Grace L. Rocha*

3/16/2021

APPROVED AS TO FORM:

APPROVED AS TO FORM:

County Counsel

Counsel

By: _____

By: *[Signature]*

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized officers.

COUNTY OF RIVERSIDE

**SUCCESSOR AGENCY TO THE PALM
DESERT REDEVELOPMENT AGENCY**

By: Karen S. Spiegel

By: _____

Print Name: KAREN SPIEGEL

Print Name: Randy Bynder

Title: Chair, Board of Supervisors

Title: Interim City Manager

ATTEST:

ATTEST:

Kecia Harper
Clerk of the Board

Grace L. Rocha
Acting Secretary

By: Risella Raso

By: _____

APPROVED AS TO FORM:
Gregory P. Priamos
County Counsel

APPROVED AS TO FORM:
Counsel

By: Synthia M. Gunzel
Synthia M. Gunzel
Chief Deputy County Counsel

By: _____

EXHIBIT A

TERMINATION AGREEMENT

**Between County of Riverside and Successor Agency to the Palm Desert Redevelopment Agency
to dissolve Riverside County Palm Desert Financing Authority**

(substantial final form)

see attached

RESOLUTION NO. SA-RDA 083

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE PALM DESERT REDEVELOPMENT AGENCY APPROVING A TERMINATION AGREEMENT TO DISSOLVE THE RIVERSIDE COUNTY PALM DESERT FINANCING AUTHORITY AND TAKING CERTAIN RELATED ACTIONS

RECITALS:

A. Pursuant to AB X1 26 (enacted in June 2011), and the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, 53 Cal. 4th 231 (2011), all redevelopment agencies in the State of California, including the former Palm Desert Redevelopment Agency (the "**Former Agency**"), dissolved as of February 1, 2012, and the Successor Agency of Palm Desert Redevelopment Agency (the "**Successor Agency**") was established as the successor entity to the Former Agency, tasked with the wind-down of the Former Agency's affairs.

B. The Riverside County Palm Desert Financing Authority (the "**RCPDFA**") is a joint powers agency formed and existing pursuant to the Joint Exercise of Powers Act, set forth in California Government Code Section 6500 *et seq.* (the "**Act**"), and a Joint Exercise of Powers Agreement, dated as of January 1, 2002 (the "**Original Agreement**"), as amended by an Amendment No. 1 to Joint Exercise of Powers Agreement, dated as of October 1, 2002 (together with the Original Agreement, the "**Joint Powers Agreement**"), each by and between the County of Riverside (the "**County**") and the Former Agency.

C. The RCPDFA was formed to assist with the financing of public improvements and working capital for public benefit, consistent with Article 4 of the Act.

D. The RCPDFA issued two series of bonds: (i) Lease Revenue Bonds (County Facilities Project), 2003 Series A (the "**2003 Bonds**"), and (ii) Lease Revenue Bonds (County Facilities Project, 2008 Series A (the "**2008 Bonds**").

E. Both the 2003 Bonds and the 2008 Bonds have been fully paid and are no longer outstanding.

F. Pursuant to the Act, the Joint Powers Agreement will continue until rescinded or terminated.

G. The Joint Powers Agreement provides that it may be terminated at any time that no bonds, notes, certificates of participation or other obligations (collectively, "**Bonds**") are outstanding.

RESOLUTION NO. SA-RDA 083

H. At this time, there are no Bonds outstanding and the RCPDFA has no outstanding unpaid costs, expenses and charges, and has no assets.

I. There has been prepared the form of an agreement (the "**Termination Agreement**"), in the form attached as Exhibit A, to terminate the Joint Powers Agreement and dissolve the RCPDFA.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE PALM DESERT REDEVELOPMENT AGENCY, HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. The Termination Agreement, in the form attached as Exhibit A, is hereby approved. The dissolution of the RCPDFA pursuant to the Termination Agreement is approved. Each of the Chair of this Board, the Vice Chair of this Board and the Executive Director of the Successor Agency (each, an "Authorized Officer"), acting individually, is hereby authorized to execute and deliver, for and in the name of the Successor Agency, the Termination Agreement, with changes therein as the Authorized Officer may approve (such approval to be conclusively evidenced by the execution and delivery thereof).

Section 3. This Board hereby requests the Countywide Oversight Board of the County of Riverside (the "**Oversight Board**") to approve the execution and delivery of the Termination Agreement. The Successor Agency Board Secretary is hereby directed to transmit this Resolution to the Oversight Board for consideration at the earliest possible date.

Section 4. The Chair, Vice Chair, Executive Director and all other officers of the Successor Agency are hereby authorized, jointly and severally, to execute and deliver such instruments and do such other things (including, but not limited to, the completion of any filings with the Secretary of State, as applicable) which they may deem necessary or advisable in order to effectuate the purposes of this Resolution and the Termination Agreement, and such actions previously taken by such officers are hereby ratified and confirmed.

RESOLUTION NO. SA-RDA 083

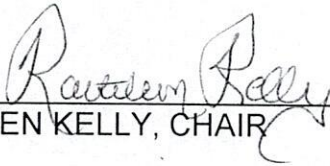
PASSED, APPROVED AND ADOPTED this 25th day of February, 2021.

AYES: HARNIK, JONATHAN, NESTANDE, QUINTANILLA, and KELLY

NOES: NONE

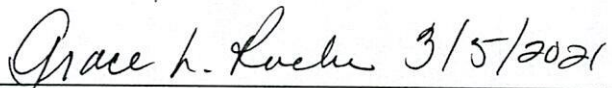
ABSENT: NONE

ABSTAIN: NONE



KATHELEEN KELLY, CHAIR

ATTEST:



GRACE L. ROCHA, ACTING SECRETARY
SUCCESSOR AGENCY TO THE
PALM DESERT REDEVELOPMENT AGENCY

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Exhibit B
(Certificate of Secretary of Riverside County Palm Desert Financing Authority)

JPA Agreement, Amendment No. 1 to JPA Agreement
and Notice of Joint Powers Agreement

(see attached)

JOINT EXERCISE OF POWERS AGREEMENT

This Joint Exercise of Powers Agreement is dated as of January 1, 2002, and is made by and between the County of Riverside and the Palm Desert Redevelopment Agency.

RECITALS:

- A. The Joint Powers Act provides that public agencies by agreement may jointly exercise any power common to the contracting parties.
- B. The County and the Agency are "public agencies" within the meaning of that term under Section 6502 of the Joint Powers Act.
- C. The common powers of the County and the Agency include the power to borrow money by the issuance of bonds, notes or other obligations; the power to sell bonds, notes or other obligations; the power to purchase bonds, notes or other obligations; the power to acquire and dispose of real and personal property; the power to pay for the cost of publicly owned improvements; and the power to accept financial assistance from various public sources. The County and the Agency desire to jointly exercise certain powers common to the Parties, as set forth herein, including the foregoing and including the expansion, upgrading and improvement of Public Capital Improvements.
- D. By adding the provisions of Article 4 to the Joint Powers Act, the State Legislature has provided assistance to reduce local borrowing costs, to help accelerate the construction, repair, and maintenance of Public Capital Improvements, and to promote greater use of existing and new financial instruments and mechanisms.
- E. There is a need within the County, and in particular within unincorporated areas of the County which are in close proximity to the City and to redevelopment project areas of the Agency, consistent with the need described in the declarations of the State Legislature set forth in Article 4 of the Joint Powers Act, to expand, upgrade, and otherwise improve the public capital facilities of local government necessary to support the rehabilitation and construction of residential and economic development. The needs of local government for financing these facilities greatly exceed the amount of funds available from existing state, local, and federal sources.
- F. Pursuant to Article 4 of the Joint Powers Act, an authority created pursuant to Article 1 of the Joint Powers Act may purchase Bonds issued by any Local

Agency at a public or private sale and such Bonds may be held by the authority or sold to public or private purchasers at public or negotiated sales.

G. Pursuant to Article 4 of the Joint Powers Act, an authority created pursuant to Article 1 of the Joint Powers Act has additional powers under the Joint Powers Act, including the power to issue bonds to pay the cost of any Public Capital Improvement.

H. The County and the Agency desire to enter into this Agreement in furtherance of the Joint Powers Act, including Article 4 thereof.

NOW, THEREFORE, the County and the Agency agree as follows:

Section 1. Definitions. As used herein, the following terms shall have the meaning ascribed thereto, unless the context requires otherwise.

"Agency" or "Redevelopment Agency" means the Palm Desert Redevelopment Agency, a public body, corporate and politic, duly organized and validly existing pursuant to the Constitution and laws of the State.

"Agency Board" means the governing body of the Agency.

"Agreement" means this Joint Exercise of Powers Agreement.

"Article 1" means Article 1 of the Joint Powers Act, commencing with Section 6500.

"Article 4" means Article 4 of the Joint Powers Act, Commencing with Section 6584.

"Authority" means the Riverside County Palm Desert Financing Authority, a joint powers authority duly organized and validly existing pursuant to the Constitution and laws of the State.

"Authority Commission" means the governing body of the Authority, which shall be constituted as provided in Section 5 of this Agreement.

"Authority Treasurer" means the Treasurer of the Agency.

"Bond Purchase Agreement" means a contractual agreement executed between the Authority and a Local Agency whereby the Authority agrees to purchase Bonds of the Local Agency. In circumstances which the Authority is exercising its

powers described in Section 7.L hereof, the private purchaser may execute and be a party to such contractual agreement.

"Bonds" means bonds (including assessment bonds, redevelopment bonds, government issued mortgage bonds, and industrial development bonds), notes (including bond, revenue, tax, or grant anticipation notes), commercial paper, floating rate, and variable maturity securities, and any other evidences of indebtedness and also includes certificates of participation or lease-purchase agreements.

"Chief Administrative Officer" means the Executive Director of the Agency.

"City" means the City of Palm Desert and, depending upon the context, may refer to the City as a municipal corporation duly organized and validly existing pursuant to the Constitution and laws of the State, or may refer to the area within the territorial limits of the City.

"City Council" means the City Council of the City.

"Cost" as applied to a Public Capital Improvement or portion thereof financed pursuant to the Joint Powers Act, means all or any part of the cost of construction, renovation, and acquisition of all lands, structures, real or personal property, rights, rights-of-way, franchises, easements, and interests acquired or used for a Public Capital Improvements, the cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which the buildings, or structures may be moved; the cost of all machinery and equipment; finance charges; interest prior to, during, and for a period after, completion of that construction, as determined by the Authority; provisions for working capital, reserves for principal and interest and for extensions, enlargements, additions, replacements, renovations, and improvements; the cost of architectural, engineering, financial and legal services, plans, specifications, estimates, administrative expenses, and other expenses necessary or incident to determining the feasibility of constructing any project or incident to the construction or acquisition or financing of any Public Capital Improvement.

"County" means the County of Riverside and, depending upon the context, may refer to the County as a political subdivision of the State duly organized and validly existing pursuant to the Constitutional laws of the State, or may refer to the area within the territorial limits of the County, or unincorporated areas within such territorial limits.

"Include", "Includes" or "Including" means including without limitation.

"Joint Powers Act" means the Joint Exercise of Powers Act, being California Government Code Section 6500, et seq., as amended from time to time.

"Legislative Body" means the legislative or governing body of a Local Agency.

"Local Agency" means the County or the Agency, or an agency or subdivision of the County or the Agency, sponsoring a project of Public Capital Improvements, or any city, county, city and county, authority, district, or public corporation of the State, including the City.

"Member" means a Party to this Agreement, which, upon the original execution hereof, are the County and the Agency.

"Party" means any party to this Agreement.

"Public Capital Improvements" means one or more projects specified in Section 6546 of the Joint Powers Act necessary to deliver Local Agency services or otherwise support residential and commercial development.

"Redevelopment Law" means the Community Redevelopment Law, being California Health and Safety Code Section 33000, et seq., as amended from time to time.

"Revenue" means (i) all income and receipts of the Authority from a Bond Purchase Agreement, including the purchase price of Bonds of a Local Agency sold by the Authority to a private purchaser pursuant to Section 7.L, hereof, (ii) all income and receipts of the Authority derived from any loan agreement or lease agreement with any Local Agency, and (iii) all interest or other income from any investment of any money in any fund or account established for the payment of principal or interest or premiums of Bonds.

"State" means the State of California.

"Working Capital" means money to be used by, or on behalf of, a Local Agency for any purpose for which a Local Agency may borrow money pursuant to California Government Code Section 53852.

Section 2. Purpose of Agreement. The purpose of the Agreement is to establish the Authority and to carry out the intent of the State Legislature as set forth in Article 4 of the Joint Powers Act, namely the financing of Public Capital Improvements, and working capital whenever there are significant public benefits for taking such action,

including (i) demonstrable savings in effective interest rate, bond preparation, bond underwriting, or bond issuance costs; (ii) significant reductions in effective user charges; (iii) employment benefits from undertaking the project in a timely fashion; and (iv) more efficient delivery of services to residential and commercial development.

Section 3. Authorization. The County and the Agency are hereby authorized to jointly exercise any power common to them. Such powers include all those powers set forth in the Recitals hereof.

Section 4. Creation of Authority; Authority as Separate Public Entity. There is hereby created pursuant to the Joint Powers Act a joint powers authority separate and apart from the Parties hereto to be known as the "Riverside County Palm Desert Financing Authority." The Authority shall be a public entity separate from the Parties to this Agreement. The Authority is hereby authorized to exercise all powers common to the Members and the additional powers set forth in Article 4 of the Joint Powers Act.

Section 5. Authority Commission. The County Administrative Officer, one member of the Board of Supervisors of the County, the Executive Director of the Agency and a member of the Agency Board shall constitute the governing body of the Authority, which governing body shall be known as the Authority Commission. The Authority Commission shall be vested with all of the rights, powers, duties, privileges and immunities of the Authority.

Section 6. Accountability; Reports; Audits. There shall be strict accountability of all funds and report of all receipts and the Authority Treasurer shall either make or contract with a certified public accountant or public accountant to make an annual audit of the accounts and records of the Authority, except that the Authority Treasurer need not make or contract for such audit in any case where an annual audit of the accounts and records of the Authority by a certified public accountant or public accountant is otherwise made by any agency of the State or the United States only as to such accounts and records which are directly subject to such a federal or state audit. In each case the minimum requirements of the audit shall be those prescribed by the State Controller for special districts under California Government Code Section 26909 and shall conform to generally accepted auditing standards. Where an audit of an account and records is made by a certified public accountant or public accountant, the Authority Treasurer shall cause a report thereof to be filed as public records with each of the Parties and also with the Auditor-Controller of the County. Such report shall be filed within 12 months of the end of the fiscal year or years under examination. Any costs of the audit, including contracts with, or employment of certified public accountants or public accountants, in making an audit pursuant to this Section 5 shall be borne by the Authority and shall be a charge against any unencumbered funds of the Authority available for such

purpose. By unanimous request of the Authority Commission, the Authority may replace the annual special audit with an audit covering a two-year period. Notwithstanding the foregoing provisions of this Section 6 to the contrary, the Authority shall be exempt from the requirement of an annual audit if the financial statements are audited by the State Controller to satisfy federal audit requirements.

Section 7. Power of Authority; Scope and Exercise. The Authority shall have all of the powers common to the Parties and all additional powers set forth in the Joint Powers Act and other statutes applicable to the Authority, and is hereby authorized to do all acts necessary or appropriate for the exercise of such powers. Such powers include the following:

- A. To make and enter into contracts.
- B. To incur debts, liabilities, and obligations and to encumber real or personal property.
- C. To acquire, hold, or dispose of real or personal property, contributions and donations of real or personal property, funds, services, and other forms of assistance from persons, firms, corporations, and government entities.
- D. To sue and be sued in its own name, and to settle any claim against it.
- E. To receive and use contributions and advances as provided in Section 6504 of the Joint Powers Act, including contributions or advances of personnel, equipment or property.
- F. To invest any money in its treasury that is not required for its immediate necessities, pursuant to Section 6509.5 of the Joint Powers Act.
- G. To acquire, construct, manage, maintain or operate title to real or personal property or rights or any interest therein.
- H. To employ agents and employees.
- I. To receive, collect and disburse moneys.
- J. To finance the acquisition, construction or installation of real or personal property for the benefit of one or more Local Agencies through the sale of its revenue bonds, certificates of participation or other obligations and to enter into any

agreement or instrument in connection with the execution, issuance, sale or delivery of such revenue bonds, certificates of participation or other obligations.

K. To lease, sell, convey or otherwise transfer title or rights to or an interest in real or personal property, including, but not limited to, property financed by the Authority for the benefit of a Party or Parties, or other Local Agencies, and to enter into any agreement or instrument in connection with any such lease, sale, conveyance or transfer.

L. To purchase, with the proceeds of its revenue, bonds issued by any Local Agency at public or negotiated sale. Bonds purchased may be held by the Authority or sold to public or private purchasers at public or negotiated sale, in whole or in part, separately or together with other Bonds issued by the Authority.

M. Issue bonds, including, at the option of the Authority, bonds bearing interest, to pay the cost of any Public Capital Improvements, Working Capital, or liability or other insurance program.

N. To exercise all powers of entities such as the Authority which are created under the Joint Powers Act, including those powers enumerated under Article 4 thereof.

O. To exercise other reasonable and necessary powers in furtherance of any purpose of the Authority or power granted by the Joint Powers Act, this Agreement or the bylaws of the Authority.

Section 8. Contributions; Payments and Advances; Use of Personnel, Equipment or Property. The Parties may make contributions from their respective treasuries in furtherance of any or all of the purposes set forth in this Agreement. The Parties may make payments of public funds to defray the cost of any or all of such purposes. The Parties may make advances of public funds for any or all of such purpose. Such advances shall be repaid as may be provided by separate agreement regarding advances which may be entered into between the Authority and the Party or Parties making such advance. Personnel, equipment or property of any of the Parties to this Agreement may be used in lieu of other contributions or advances. The funds may be paid to and disbursed by the Authority, or by any or all of the Parties.

Section 9. Bonding Persons Having Access to Property. The Parties hereby designate the Chief Administrative Officer of the Authority and the Authority Treasurer and the designees thereof as the person or persons who shall have charge of, handle, or

have access to any property of the Authority. Such person or persons shall file an official bond in the amount required by the County for the County office held by such person.

Section 10. Treasurer or Certified Public Accountant; Designation as Depository; Duties; Auditor. The Authority Treasurer shall be the depository and have custody of all the money of the Authority, from whatever source. The Authority Treasurer shall: (i) receive and receipt for all money of the Authority and place it in the treasury of the Agency to the credit of the Authority; (ii) be responsible upon his or her official bond for the safekeeping and disbursement of all Authority money so held by him or her; (iii) pay, when due, out of money of the Authority so held by him or her, all sums payable on outstanding bonds of the Authority; (iv) pay any other sums due from the Authority from Authority money, or any portion thereof, only upon warrants of the Authority Treasurer; and (v) verify and report in writing on the first day of July, October, January, and April of each year to the Authority and to the Parties the amount of money the Authority Treasurer holds for the Authority, the amounts of receipts since his or her last report, and the amount paid out since his or her last report. The Authority Treasurer shall draw warrants to pay demands against the Authority when the demands have been approved by any person authorized to so approve by this Agreement. The Agency Treasurer shall determine charges to be made against the Authority for the services of the Agency Treasurer provided pursuant to this Agreement. Such charges shall be subject to the approval of the County Administrative Officer or his or her designee.

Section 11. Services. The Agency shall provide all of the necessary services to carry out the provisions of this Agreement, including all necessary administrative services. The Agency shall also provide all necessary personnel, supplies, equipment, office and meeting space, furnishings, and, except as otherwise provided hereunder, shall advance all costs and expenses of the Authority. By separate agreement, the Parties may provide for reimbursement by the County to the Agency for the cost of administrative, overhead and other expenses advanced pursuant to or in furtherance of this Agreement. The Agency may be reimbursed for the cost of administrative, overhead and other expenses advanced pursuant to this Agreement from the proceeds of bonds or other obligations of the Authority.

Section 12. Obligations of Authority; Contracts for Separate Responsibility. Except as specifically provided herein, the debts, liabilities, and obligations of the Authority shall not be the debts, liabilities, and obligations of the Parties. A Party to this Agreement or a Local Agency may separately contract for, or assume responsibility for, specific debts, liabilities or obligations of the Authority.

Section 13. Issuance of Bonds. In addition to any other powers conferred upon the Authority pursuant to law or contract, the Authority may issue revenue bonds

pursuant to Article 2 of the Joint Powers Act to pay the cost and expenses of acquiring or constructing a project for any or all of the purposes permitted thereby.

Section 14. Restrictions on Powers. Pursuant to and to the extent required by Section 6509 of the Joint Powers Act, the Authority shall be restricted in the exercise of its powers in the same manner as the County is restricted in its exercise of similar powers. Notwithstanding any other provision of this Agreement, the Authority shall not exercise any power in connection with the financing of a Public Capital Improvement owned or operated by the County without the written consent of the County. Such written consent may be (i) in the form of the execution by an appropriate officer of the County of a lease, installment sale or purchase, or other agreement in connection with such financing, (ii) a resolution of the Board of Supervisors, or (iii) a letter or other document executed by the County Administrative Officer.

Section 15. Bond Purchase Agreements with Local Agencies; Exemptions from Public Sales Requirements. The Authority may enter into a Bond Purchase Agreement with one or more Local Agencies. The Bond Purchase Agreement shall specify the maximum rate of interest, the cost of issuance, the amount of required reserve, and the procedure to be used in case of default. Local Agencies may sell their bonds to the Authority on a negotiated basis without compliance with any public sale requirement included in the statutes under which such bonds are issued.

Section 16. Issuance of Bonds; Loans to Local Agencies. The Authority may, from time to time, issue its Bonds in the principal amount as the Authority determines necessary to provide sufficient funds for its purposes, which may include providing funds for Bond Purchase Agreements, payments of interest on bonds of the Authority, establishment of reserves to secure the bonds, and other expenditures of the Authority incident to issuance of the bonds. The Authority may also issue bonds for the purpose of making loans to Local Agencies, to the extent those Local Agencies are authorized by law to borrow moneys, and the loan proceeds shall be used by the Local Agencies to pay for Public Capital Improvements, working capital, or insurance programs.

Section 17. Purpose, Terms and Form of Bonds; General Obligations.

A. The Authority may, from time to time, issue bonds to provide funds to achieve its purposes.

B. Bonds may be authorized to finance a single Public Capital Improvement, Working Capital, or insurance program for a single Local Agency, a series of Public Capital Improvements, Working Capital, or insurance program for a single

Local Agency, a single Public Capital Improvement, Working Capital, or insurance program for two or more Local Agencies, or a series of Public Capital Improvements, Working Capital, or insurance program for two or more Local Agencies.

C. Bonds issued for the purpose of financing Working Capital shall be used to make loans to Local Agencies for any of the purposes for which a Local Agency may borrow money pursuant to California Government Code Section 53852. The loans shall be repaid in accordance with the terms of California Government Code Section 53854.

D. Except as otherwise expressly provided by the Authority, every issue of its bonds shall be general obligations of the Authority payable from any revenues or moneys of the Authority available therefore and not otherwise pledged. These revenues or moneys may include the proceeds of additional bonds, subject only to any agreements with the holders of particular bonds pledging any particular revenues or moneys. Notwithstanding that the bonds may be payable from a special fund, they shall be deemed to be negotiable instruments for all purposes, subject only to the bond registration provisions.

E. The bonds may be issued as serial bonds or as term bonds, or the Authority may issue bonds of both types. The bonds shall be authorized by resolution of the Authority and shall, as provided by the resolution or indenture pursuant to which the bonds are issued, bear the date of issuance; the time of maturity, not exceeding 50 years from their date of issuance; bear the rate of interest, either fixed or variable and, if variable, not in excess of the maximum rate of interest specified therein; be payable as to principal and interest at the time or times provided; be in the denominations provided; be in the form provided; carry the registration privileges provided; be executed in the manner provided; be payable in lawful money of the United States at the place or places provided within or without the state; and be subject to the terms of redemption provided.

F. The bonds shall be sold by the Authority at the time and in the manner set out in the Authority's resolution. The sale may be a public or private sale, and for price or prices, and on terms and conditions as the Authority determines proper, after giving due consideration to the recommendations of any Local Agency to be assisted from the proceeds of the bonds. Pending preparation of the definitive bonds, the Authority may issue interim receipts, certificates, or temporary bonds which shall be exchanged for definitive bonds.

Section 18. Purchase of Bonds by Authority. The Authority may, out of any funds available therefore, purchase its bonds. The Authority may hold, pledge,

cancel, or resell the bonds, subject to, and in accordance with, agreements with bondholders.

Section 19. Compensation of Authority Commission. The persons who serve on the Authority Commission shall not be entitled to compensation. The Authority Commission may authorize reimbursement of expenses incurred by individual Commissioners.

Section 20. Powers of Authority Commission. Except as otherwise provided in this Agreement, the Authority Commission shall exercise all powers and conduct all business of the Authority, either directly or by delegation to other bodies or persons. The Authority Commission shall provide for officers of the Authority and appoint or employ such staff as may be provided in bylaws of the Authority. The Authority Commission shall cause to be prepared, and shall review, modify as necessary, and adopt the annual operating budget of the Authority. Adoption of the budget may not be delegated. The Authority Commission shall receive, review and act upon periodic reports and audits of the funds of the Authority. The Authority Commission shall have such other powers and duties as are reasonably necessary to carry out the purposes of the Authority.

Section 21. Meetings. The Authority Commission shall hold at least two regular meetings each year. The Authority Commission shall fix by resolution or in its bylaws the date upon which, and the hour and place at which, each regular meeting is to be held. Each meeting of the Authority Commission, including without limitation regular, adjourned regular, and special meetings shall be called, noticed, held, and conducted in accordance with the Ralph M. Brown Act, being California Government Code Section 54950, *et seq.* The Authority shall have minutes of regular, adjourned regular, and special meetings kept by the Secretary. A majority of the members of the Authority Commission is a quorum for the transaction of business. However, less than a quorum may adjourn a meeting from time to time. A vote of the majority of a quorum at a meeting is sufficient to take action.

Section 22. Party Responsibilities. Each Party shall make contributions in the form of annual membership assessments and fees, if any, determined by the Authority Commission for the purpose of defraying the costs of providing the annual benefits accruing directly to each Party from this Agreement.

Section 23. Termination and Distribution of Assets. This Agreement may be terminated at any time that no bonds, notes, certificates of participation or other obligations of the Authority are outstanding. Upon termination of this Agreement, all assets of the Authority shall, after payment of all unpaid costs, expenses and charges

incurred under this Agreement, be distributed among the Parties hereto in accordance with the respective contributions of each of the Parties.

Section 24. Liability of Authority Commission, Officers and Employees.

The members of the Authority Commission, officers and employees of the Authority shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Agreement. They shall not be liable for any mistake of judgment or any other action made, taken or omitted by them in good faith, nor for any action taken or omitted by any agent, employee or independent contractor selected with reasonable care, nor for loss incurred through investment of Authority funds, or failure to invest. No Commissioner, officer or employee shall be responsible for any action taken or omitted by any other director, officer or employee. No director, officer or employee shall be required to give a bond or other security to guarantee the faithful performance of his or her duties pursuant to this Agreement.

Section 25. Bylaws. The Authority Commission shall adopt bylaws consistent with this Agreement which shall provide for the administration and management of the Authority, and the regulation of its business and the conduct of its affairs.

Section 26. Severability. Should any portion, term, condition, or provision of this Agreement be decided by a court of competent jurisdiction to be illegal or in conflict with any law of the State, or be otherwise rendered unenforceable or ineffectual, the validity of the remaining portions, terms, conditions, and provisions shall not be affected thereby.

Section 27. Filing with Secretary of State. The Chief Administrative Officer of the Authority shall cause to be filed a notice of this Agreement with the office of the Secretary of State within 30 days of its effective date, as required by Section 6503.5 of the Joint Powers Act and within 70 days of its effective date as required by California Government Code Section 53051.

Section 28. Effective Date. The effective date of this Agreement shall be _____, 20____.

IN WITNESS WHEREOF, the undersigned have executed this Agreement on the date indicated below.

DATE: February 5, 2002

COUNTY OF RIVERSIDE

By: Bob Buster

Title: CHAIRMAN, BOARD OF SUPERVISORS

ATTEST:

[Signature]
CLERK OF THE BOARD

DATE: February 5, 2002

PALM DESERT REDEVELOPMENT AGENCY

By: Bob Buster

Title: CHAIRMAN,

ATTEST:

[Signature]
SECRETARY

FORM APPROVED
COUNTY COUNSEL

JAN 30 2002

BY Lee A. Vincent

AMENDMENT NO. 1 TO
JOINT EXERCISE OF POWERS AGREEMENT

This Amendment No. 1 (this "Amendment") is dated as of October 1, 2002, and is made by and between the County of Riverside and the Palm Desert Redevelopment Agency.

RECITALS:

A. The parties to that certain Joint Exercise of Powers Agreement, dated as of January 1, 2002 (the "Agreement"), desire to amend the Agreement to provide for the designation of certain persons to serve as alternates on the Authority Commission.

NOW, THEREFORE, the County and the Agency agree as follows:

Section 1. Section 29 is hereby added to the Agreement to read as follows:

"Section 29. County Executive Officer. All references in this Agreement to "County Administrative Officer" shall mean the County Executive Officer.

Section 2. Section 30 is hereby added to the Agreement to read as follows:

"Section 30. Alternates on the Board. Section 5 hereof provides that the County Executive Officer, one member of the Board of Supervisors of the County, the Executive Director of the Agency and a member of the Agency Board shall constitute the governing body of the Authority. The Deputy County Executive Officer for the eastern portion of the County may, in the absence of either the County Executive Officer or the member of the Board of Supervisors of the County, attend meetings of the Authority Commission and cast votes and otherwise act in the place and stead of either of them at such meetings, but not for both of them at the same meeting. The Assistant City Manager for Redevelopment may, in the absence of either the Executive Director of the Agency or the member of the Agency Board, attend meetings of the Authority Commission and cast votes and otherwise act in the place and stead of either of them at such meetings, but not for both of them at the same meeting."

IN WITNESS WHEREOF, the undersigned have executed this Agreement on the date indicated below.

DATE: DEC 17 2002

COUNTY OF RIVERSIDE

ATTEST:
NANCY ROMERO, Clerk
By [Signature]
DEPUTY

By: Bob Buster

Title: BOB BUSTER
CHAIRMAN, BOARD OF SUPERVISORS

FORM APPROVED
COUNTY COUNSEL
DEC 04 2002
BY [Signature]

DATE: _____

PALM DESERT REDEVELOPMENT
AGENCY

By: _____

Title: _____

ATTEST:

SECRETARY



SECRETARY OF STATE

I, *Kevin Shelley*, Secretary of State of the State of California, hereby certify:

That the attached transcript of 1 page(s) was prepared by and in this office from the record on file, of which it purports to be a copy, and that it is full, true and correct.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

OCT 09 2003



Kevin Shelley

Secretary of State



State of California
Kevin Shelley
Secretary of State

FILE NO. 1864

FILED
In the office of the Secretary of State
of the State of California

SEP 26 2003

Kevin Shelley
KEVIN SHELLEY, SECRETARY OF STATE

(Office Use Only)

NOTICE OF A JOINT POWERS AGREEMENT
(Government Code Section 6503.5 or 6503.7)

Instructions:

1. Complete and mail to: Secretary of State, P.O. Box 942877, Sacramento, CA 94277-0001 (916) 653-3984
2. Include filing fee of \$1.00.
3. Do not include attachments, unless otherwise specified.

The name of the agency or entity created under the agreement and responsible for the administration of the agreement is: Riverside County Palm Desert Financing Authority

Mailing Address: 73-510 Fred Waring Drive, Palm Desert, CA 92260

Provide a short title of the agreement if applicable: Joint Exercise of Powers Agreement

The public agencies party to the agreement are:

- (1) County of Riverside
- (2) Palm Desert Redevelopment Agency
- (3)

If more space is needed, continue on a separate sheet and attach it to this form.

The effective date of the agreement is: January 1, 2002

Provide a condensed statement of the agreement's purpose or the powers to be exercised: To finance public capital improvements and working capital, by the issuance of bonds by the Authority or by the purchase of bonds by the Authority issued by any local agency (including the County or the Redevelopment Agency) at a public or private sale and the sale of such bonds to public or private purchasers at public or negotiated sales.

September 24, 2003
Date

Rachelle Klassen
Signature

Rachelle Klassen, Secretary
Typed Name and Title

