



# City of La Quinta

**CITY** / SA / HA / FA MEETING DATE: March 18, 2014

**ITEM TITLE:** ADOPT RESOLUTION APPROVING AN EXTENSION OF THE JOINT EXERCISE OF POWERS AGREEMENT THAT CREATED THE LA QUINTA FINANCING AUTHORITY

**AGENDA CATEGORY:**

**BUSINESS SESSION:**

**CONSENT CALENDAR:** 8

**STUDY SESSION:**

**PUBLIC HEARING:**

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## **RECOMMENDED ACTION:**

Adopt Resolution No. 2014-\_\_\_ approving an Extension of the Joint Exercise of Powers Agreement between the City and the Successor Agency for the continuation of the Financing Authority.

## **EXECUTIVE SUMMARY:**

- A Joint Exercise of Powers Agreement (JEPA) was entered into by the City and the former Redevelopment Agency in order to create a Financing Authority (Authority).
- The Authority is a public entity separate from the City and the Redevelopment Agency and was created to issue bonds to finance and refinance redevelopment activities.
- The continued existence of the Authority is necessary during the life of bonds it has issued.
- The initial 25-year term of the JEPA expired January 1, 2014.
- The extension of the JEPA will not only extend the term of the original agreement but will reflect that the Successor Agency is now a party to the agreement, replacing the dissolved Redevelopment Agency.

## **FISCAL IMPACT:**

None.

## **BACKGROUND/ANALYSIS:**

In late 1988, the City and the Redevelopment Agency entered into the JEPA (Attachment 1) whereby the Authority was created. The Authority's purpose is to assist the financing and refinancing of redevelopment activities by empowering it to purchase, sell, and/or refund Redevelopment Agency bonds. The benefit of creating a financing authority, which is a separate public entity, is that the debts, liabilities, and obligations of the Authority do not constitute debts, liabilities, or obligation of the City or the Redevelopment Agency.

By operation of law, enacted in 2012 by Assembly Bill ABx1 26, the Successor Agency is the successor-in-interest to the former Redevelopment Agency and as such, replaces the Redevelopment Agency in the agreement.

Government Code states that as long as any bonds are outstanding and unpaid, the JEPA shall be irrevocable. Although the JEPA contained an expiration date of January 1, 2014, it could not technically expire because the following Authority bonds are outstanding:

1. 2004 Local Agency Revenue Bonds
2. 2011 Subordinate Taxable Revenue Bonds Series A

The extension formalizes the Successor Agency as a party to the agreement and acknowledges the necessity for the continued existence of the Authority by extending the term.

The extension term will end when the Successor Agency ceases to exist, or earlier if the City and Successor Agency agree to terminate. If the City or Housing Authority or any other City government entity finds the use of a financing authority would be beneficial, a separate and distinct agreement between those entities would likely be required and is advised.

In accordance with State code, the City Clerk shall file the JEPA and the extension with the Secretary of State and the State Controller.

## **ALTERNATIVES:**

No alternative is recommended since the sole purpose of the extension is to bring the agreement into compliance with State law.

Report prepared by: Susan Maysels, City Clerk

Report approved for submission by: Frank J. Spevacek, City Manager

Attachment: 1. Joint Exercise of Powers Agreement dated November 3, 1988

**RESOLUTION NO. 2014 –**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
LA QUINTA EXTENDING THE TERM OF THE JOINT  
EXERCISE OF POWERS AGREEMENT FOR THE LA  
QUINTA FINANCING AUTHORITY**

**WHEREAS**, the La Quinta Financing Authority (“Financing Authority”) was formed on November 3, 1988, pursuant to a Joint Exercise of Powers Agreement (“Agreement”) between the City of La Quinta (“City”) and the former La Quinta Redevelopment Agency (“RDA”); and

**WHEREAS**, the Financing Authority was formed pursuant to the Joint Exercise of Powers Act, Government Code section 6500 *et seq.* (the “Act”), which, among other provisions, authorizes local agencies, such as the City and former RDA, to form a joint exercise of powers authority, such as the Financing Authority, for the purposes of issuing bonds; and

**WHEREAS**, the Act, in Government Code section 6573, provides in pertinent part that, so long as any bonds are outstanding and unpaid, the joint powers agreement shall be irrevocable; and

**WHEREAS**, as part of the 2011-12 State budget bill, the California Legislature enacted, and the Governor signed, Assembly Bill 26 from the 2011-12 First Extraordinary Session (“ABx1 26”), which required each redevelopment agency to be dissolved, and Assembly Bill 27 from the 2011-12 First Extraordinary Session (“ABx1 27”), which allowed redevelopment agencies to remain in existence if certain remittance payments were made; and

**WHEREAS**, an action challenging the constitutionality of ABx1 26 and ABx1 27 was filed in the California Supreme Court; and

**WHEREAS**, on December 29, 2011, the California Supreme Court upheld ABx1 26 and struck down ABx1 27 as unconstitutional; and

**WHEREAS**, pursuant to Health and Safety Code section 34173(a), enacted by ABx1 26, successor agencies by operation of law were designated as the successor entities/successors-in-interest to the former redevelopment agencies; and

**WHEREAS**, on January 2, 2012, the City Council adopted City Council Resolution No. 2012-002, affirmatively electing to be the “successor agency” to the RDA; and

**WHEREAS**, on June 27, 2012, the California Legislature enacted, and the Governor signed, Assembly Bill 1484 from the 2011-12 Regular Session (“AB 1484”), which, among other provisions, amended Health and Safety Code section 34173 by adding subdivision (g), which clarified that a successor agency is a separate public entity from the public agency that provides for its governance and the two entities shall not merge; and

**WHEREAS**, AB 1484 also amended Health and Safety Code section 34187 by adding subdivision (b), which provides in pertinent part that, when all of the debt of a redevelopment agency has been retired or paid off, the successor agency must dispose of all remaining assets and terminate its existence within one year of the final debt payment; and

**WHEREAS**, AB 1484 also added Health and Safety Code section 34177.5, which provides, among other provisions, that a successor agency has the authority, rights, and powers of redevelopment agencies for the purpose of issuing bonds or incurring other indebtedness for specified purposes, including but not limited to refunding existing bonds or other indebtedness of the former redevelopment agency; and

**WHEREAS**, Section 3 of the Agreement provides, “This Agreement shall become effective as of the date hereof and shall continue in full force and effect until January 1, 2014, unless extended or earlier terminated by a supplemental agreement [of] the Agency and the City”; and

**WHEREAS**, to clarify that the Agreement complies with, and will continue to comply with, the requirements of the Act (including Government Code section 6573), that the Agreement continues to be in full force and effect in furtherance of the authority, rights, and powers set forth in Health and Safety Code section 34177.5, and that the Agreement remains in full force and effect in furtherance of any other applicable laws, the City and the Successor Agency to the La Quinta Redevelopment Agency (“Successor Agency”) confirm the extension of the term of the Agreement; and

**WHEREAS**, all other legal prerequisites to the adoption of this Resolution have occurred.

**NOW THEREFORE, BE IT RESOLVED**, by the City Council of the City of La Quinta, as follows:

**SECTION 1. Recitals.** The Recitals set forth above are true and correct and incorporated herein by reference.

SECTION 2. Extension of Term to the Joint Exercise of Powers Agreement. The City hereby extends the term of the Agreement as set forth in the Extension of Joint Exercise of Powers Agreement, a copy of which is attached to this Resolution and is on file with the Office of the City Clerk.

SECTION 3. Severability. If any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution which can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The City hereby declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion thereof.

SECTION 4. The City Clerk shall certify to the adoption of this Resolution.

**PASSED, APPROVED AND ADOPTED** at a regular meeting of the City Council of the City of La Quinta held this \_\_\_ day of \_\_\_\_\_, 2014, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

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DON ADOLPH, Mayor  
City of La Quinta

**ATTEST:**

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SUSAN MAYSELS, City Clerk  
City of La Quinta

(CITY SEAL)

**APPROVED AS TO FORM:**

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M. KATHERINE JENSON, City Attorney  
City of La Quinta



## EXTENSION OF JOINT EXERCISE OF POWERS AGREEMENT

This Extension of Joint Exercise of Powers Agreement (“Extension”) is entered into this 18th day of March, 2014, by and between the City of La Quinta, a California charter city (“City”), and the Successor Agency to the La Quinta Redevelopment Agency, a public agency, corporate and politic, and successor-in-interest to the former La Quinta Redevelopment Agency pursuant to Health and Safety Code section 34173 (“Successor Agency”).

WITNESSETH:

**WHEREAS**, the La Quinta Financing Authority (“Financing Authority”) was formed on November 3, 1988, pursuant to that certain Joint Exercise of Powers Agreement of the same date (“Agreement”) between the City and the former La Quinta Redevelopment Agency (“RDA”); and

**WHEREAS**, the Financing Authority was formed pursuant to the Joint Exercise of Powers Act, Government Code section 6500 *et seq.* (the “Act”), which, among other provisions, authorized the City and former RDA to form the Financing Authority for the purposes of issuing bonds; and

**WHEREAS**, the Act, in Government Code section 6573, provides in pertinent part that, so long as any bonds issued by the Financing Authority are outstanding and unpaid, the Agreement shall be irrevocable; and

**WHEREAS**, as part of the 2011-12 State budget bill, the California Legislature enacted, and the Governor signed, Assembly Bill 26 from the 2011-12 First Extraordinary Session (“ABx1 26”), which required each redevelopment agency to be dissolved, and Assembly Bill 27 from the 2011-12 First Extraordinary Session (“ABx1 27”), which allowed redevelopment agencies to remain in existence if certain remittance payments were made; and

**WHEREAS**, an action challenging the constitutionality of ABx1 26 and ABx1 27 was filed in the California Supreme Court; and

**WHEREAS**, on December 29, 2011, the California Supreme Court upheld ABx1 26 and struck down ABx1 27 as unconstitutional; and

**WHEREAS**, pursuant to Health and Safety Code section 34173(a), enacted by ABx1 26, the Successor Agency by operation of law was designated as the successor entity/successor-in-interest to the former RDA upon the RDA’s dissolution; and

**WHEREAS**, on January 2, 2012, the City Council adopted City Council Resolution No. 2012-002, affirmatively electing to be the “successor agency” to the RDA; and

**WHEREAS**, on June 27, 2012, the California Legislature enacted, and the Governor signed, Assembly Bill 1484 from the 2011-12 Regular Session (“AB 1484”), which, among other provisions, amended Health and Safety Code section 34173 by adding subdivision (g), which clarified that a successor agency is a separate public entity from the public agency that provides for its governance and the two entities shall not merge; and

**WHEREAS**, AB 1484 also amended Health and Safety Code section 34187 by adding subdivision (b), which provides in pertinent part that, when all of the debt of a redevelopment agency has been retired or paid off, the successor agency must dispose of all remaining assets and terminate its existence within one year of the final debt payment; and

**WHEREAS**, AB 1484 also added Health and Safety Code section 34177.5, which provides, among other provisions, that a successor agency has the authority, rights, and powers of redevelopment agencies for the purpose of issuing bonds or incurring other indebtedness for specified purposes, including but not limited to refunding existing bonds or other indebtedness of the former redevelopment agency; and

**WHEREAS**, Section 3 of the Agreement provides, “This Agreement shall become effective as of the date hereof and shall continue in full force and effect until January 1, 2014, unless extended or earlier terminated by a supplemental agreement [of] the Agency and the City”; and

**WHEREAS**, to clarify that the Agreement complies with, and will continue to comply with, the requirements of the Act (including Government Code section 6573), that the Agreement continues to be in full force and effect in furtherance of the authority, rights, and powers set forth in Health and Safety Code section 34177.5, and that the Agreement remains in full force and effect in furtherance of any other applicable laws, the City and Successor Agency mutually agree to extend and confirm the extension of the term of the Agreement, as more particularly set forth herein.

**NOW THEREFORE**, based upon the foregoing Recitals, which are incorporated herein by this reference, the City and Successor Agency agree as follows:

**SECTION 1.** The Term of the Agreement set forth in Section 3 of the Agreement is hereby extended and confirmed to be extended so that the Agreement shall continue in full force and effect until one day after the date that the Successor Agency is terminated by operation of law pursuant to Health and Safety Code Section 34187(b), as may be amended and/or pursuant to such successor statute or regulation, unless the Agreement is earlier terminated by a supplemental agreement of the Successor Agency and the City.

**SECTION 2.** All other provisions of the Agreement shall remain and continue in full force and effect, subject to the terms of this Extension.



IN WITNESS THEREOF, the parties hereto have caused this Extension of Joint Exercise of Powers Agreement to be executed by and through their respective officers duly authorized on the date first written above.

CITY:

SUCCESSOR AGENCY:

By: \_\_\_\_\_  
DON ADOLPH, Mayor  
City of La Quinta

By: \_\_\_\_\_  
DON ADOLPH, Chairperson  
Successor Agency to the La Quinta  
Redevelopment Agency

ATTEST:

ATTEST:

\_\_\_\_\_  
SUSAN MAYSELS, City Clerk  
  
(CITY SEAL)

\_\_\_\_\_  
SUSAN MAYSELS, Agency Secretary  
  
(AGENCY SEAL)

APPROVED AS TO FORM:

APPROVED AS TO FORM:

\_\_\_\_\_  
M. KATHERINE JENSON, City Attorney

\_\_\_\_\_  
M. KATHERINE JENSON, Agency Counsel



# ATTACHMENT 1

JOINT EXERCISE OF POWERS AGREEMENT

BY AND BETWEEN THE

CITY OF LA QUINTA

AND THE

LA QUINTA REDEVELOPMENT AGENCY

JOINT EXERCISE OF POWERS AGREEMENT

THIS AGREEMENT, dated as of November 3, 1988, by and between the CITY OF LA QUINTA, a municipal corporation duly organized and existing under the laws of the State of California (herein called the "City"), and the LA QUINTA REDEVELOPMENT AGENCY, a public body, corporate and politic, duly organized and existing under the laws of the State of California (herein called the "Agency").

W I T N E S S E T H:

WHEREAS, Articles 1 and 2 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California authorize the City and the Agency to create a joint exercise of powers entity (herein called the "La Quinta Financing Authority" or the "Authority") which has the power to jointly exercise any powers commonly to the City and the Agency.

WHEREAS, the City and the Agency are each empowered by law to undertake certain projects and programs;

WHEREAS, the City is authorized to issue bonds, expend bond proceeds, and borrow and loan money for certain public purposes pursuant to the Government Code of the State of California;

WHEREAS, the Agency is authorized to issue bonds, expend bond proceeds, and borrow and loan money for any of its corporate purposes pursuant to the provisions of the Community Redevelopment Act of the State of California;

WHEREAS, Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Marks-Roos Local Bond Pooling Act of 1985") authorizes and empowers the Authority to purchase bonds issued by the Agency for financing public capital improvements, working capital, liability and other insurance needs, or projects whenever there are significant public benefits, and the refunding of outstanding Agency bonds, as determined by the Agency;

WHEREAS, the Marks-Roos Local Bond Pooling Act of 1985 further authorizes and empowers the Authority to sell bonds so purchased to public or private purchasers at public or negotiated sale; and

WHEREAS, by this Agreement, the City and the Agency desire to create and establish the La Quinta Financing Authority for the purposes set forth herein and to exercise the powers described herein;

NOW, THEREFORE, the City and the Agency, for and in consideration of the mutual promises and agreements herein contained, do agree as follows:

SECTION 1. DEFINITIONS

Unless the context otherwise requires, the terms defined in this Section 1 shall for all purposes of this Agreement have the meanings herein specified.

Act

The term "Act" means the Community Redevelopment Law of the State of California (being Part I of Division 24 of the Health and Safety Code of the State of California, as amended) and Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, and all laws amendatory thereof or supplemental thereto.

Agency

The term "Agency" shall mean the La Quinta Redevelopment Agency, a public body, corporate and politic, duly organized and existing under and by virtue of the laws of the State of California.

Authority

The term "Authority" shall mean the La Quinta Financing Authority created by this Agreement.

Board

The term "Board" shall mean the governing board of the Authority.

Bond Purchase Agreement

The term "Bond Purchase Agreement" shall mean an agreement of the Authority to purchase Bonds of the Agency solely from funds received from the Authority's simultaneous sale of such Bonds to the purchaser or purchasers named therein, on the terms and conditions set forth therein.

Bonds

The term "Bonds" shall mean bonds of the Agency authorized and issued pursuant to the Act.

City

The term "City" shall mean the existing municipal corporation known as the City of La Quinta, a city duly organized and existing under and by virtue of the laws of the State of California.

Law

The term "Law" shall mean Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (Sections 6500-6599), including the Marks-Roos Local Bond Pooling Act of 1985, as amended.

SECTION 2. PURPOSE

This agreement is made pursuant to the Law and for the purpose of assisting the financing and refinancing of certain redevelopment activities of the Agency by exercising the powers referred to in the recitals hereof and described in Section 5 herein.

SECTION 3. TERM

This Agreement shall become effective as of the date hereof and shall continue in full force and effect until January 1, 2014, unless extended or earlier terminated by a supplemental agreement if the Agency and the City.

## SECTION 4. AUTHORITY

### A. Creation of Authority

There is hereby created pursuant to the Law an agency and public entity to be known as the "La Quinta Financing Authority." As provided in the Law, the Authority shall be a public entity separate from the City and the Agency. The debts, liabilities and obligations of the Authority shall not constitute debts, liabilities or obligations of the City or the Agency.

Within 30 days after the effective date of this Agreement or any amendment hereto, the Authority will cause a notice of this Agreement or amendment to be prepared and filed with the office of the Secretary of the State of California in the manner set forth in Section 6503.5 of the Law.

### B. Governing Board

The Authority shall be administered by the Board whose members shall be, at all times, the members of the Agency. The term of office as a member of the Board of each member of the Agency shall terminate when such member of the Board shall cease to be a member of the Agency; and the successor to such member of the Agency shall become a member of the Board.

Members of the Board shall not receive any compensation for serving as such, but shall be entitled to reimbursement for any expenses actually incurred in connection with serving as a member of the Board shall determine that such



expenses shall be reimbursed and there are unencumbered funds available for such purpose.

C. Meetings of Board

(1) Regular Meetings. The Board shall hold its first meeting on Tuesday, November 8, 1988 at the hour of 11:00 a.m. at 78-105 Calle Estado, La Quinta, California, and, by resolution may provide for the holding of regular meetings at more frequent intervals. The hour and place at which regular meetings shall be held shall be fixed by resolution of the Board.

(2) Legal Notice. All meetings of the Board shall be called, noticed, held and conducted subject to the provisions of the Ralph M. Brown Act (Chapter 9 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (Sections 54950-54961)) or any successor legislation hereinafter enacted.

(3) Minutes. The secretary of the Authority shall cause minutes of all meetings of the Board to be kept and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each member of the Board and to the City and the Agency.

(4) Quorum. A majority of the members of the Board shall constitute a quorum for the transaction of business, except that less than a quorum may adjourn meetings from time to time.

D. Officers; Duties; Bonds

(1) The Board shall elect a chair of the Authority and a vice-chair of the Authority from among its members and shall appoint a secretary of the Authority who may, but need not, be a member of the Board.

(2) The Treasurer of the City is hereby designated as Treasurer of the Authority. Subject to the applicable provisions of any indenture or resolution providing for a trustee or other fiscal agent, the Treasurer is designated as the depository of the Authority to have custody of all the money of the Authority, from whatever source, and, as such, shall have the powers, duties and responsibilities specified in Section 6505.5 of the Law.

(3) The Treasurer of the City, who performs the functions of auditor and controller for the City, is hereby designated as Controller of the Authority, and, as such, shall have the powers, duties and responsibilities specified in Section 6505.5 of the Law. The Controller shall draw checks to pay demands against the Authority when the demands have been approved by the Authority.

(4) The members of the Agency shall determine the charges to be made against the Authority for the services of the treasurer and controller.

(5) The Treasurer and Controller of the Authority are designated as the public officers or persons who have charge of, handle, or have access to any property of the

Authority, and each such officer shall file an official bond in the amount of \$25,000 as required by Section 6505.1 of the Law; provided, that such bond shall not be required if the Authority does not possess or own property or funds with an aggregate value of greater than \$500.00.

(6) The Treasurer and Controller of the Authority is hereby authorized and directed to prepare or cause to be prepared: (a) a special audit as required pursuant to Section 6505 of the Government Code of the State of California every year during the term of this Agreement; and (b) a report in writing on the first day of July, October, January, and April of each year to the Board, the City and the Agency which report shall describe the amount of money held by the Treasurer and Controller of the Authority for the Board, the amount of receipts since the last such report, and the amount paid out since the last such report.

(7) The Board shall have the power to appoint such other officers and employees as it may deem necessary and to retain independent counsel, consultants and accountants.

#### SECTION 5. POWERS

The Authority shall have the power to purchase, with the amounts received or to be received by it pursuant to a Bond Purchase Contract, Bonds issued by the Agency at public or negotiated sale, for the purposes set forth in Section 2 hereof, all in accordance with the law. Any such bonds so purchased may be held by the Authority or sold to public or

private purchasers at public or negotiated sale, in whole or in part. The Authority shall set any other terms and conditions on any purchase or sale contemplated herein as it deems to be necessary, appropriate and in the public interest, in furtherance of the Law.

The Authority is authorized, in its own name, to do all acts necessary for the exercise of said powers for said purposes, including but not limited to any or all of the following: to make and enter into contracts; to employ agents and employees; and to sue and be sued in its own name.

Such power shall be exercised subject only to such restrictions upon the manner of exercising such power as are imposed upon the Agency in the exercise of similar powers, as provided in Section 6509 of the Law.

Notwithstanding the foregoing, the Authority shall have any additional powers conferred under the Law, insofar as such additional powers may be necessary to accomplish the purposes set forth in Section 2 hereof.

#### SECTION 6. TERMINATION OF POWERS

The Authority shall continue to exercise the powers herein conferred upon it until the termination of this Agreement or until the City and the Agency shall have mutually rescinded this Agreement.

#### SECTION 7. FISCAL YEAR

Unless and until changed by resolution of the Board, the fiscal year of the Authority shall be the period from

July 1 of each year to and including the following June 30, except for the first fiscal year which shall be the period from the date of this Agreement to the following June 30.

SECTION 8. DISPOSITION OF ASSETS

At the end of the term hereof or upon the earlier termination of this Agreement as set forth in Section 6 hereof, all assets of the Authority shall be distributed to the Agency, subject to Section 9 hereof.

SECTION 9. CONTRIBUTIONS AND ADVANCES

Contributions or advances of public funds and of personnel, equipment or property may be made to the Authority by the City and the Agency for any of the purposes of this Agreement. Payment of public funds may be made to defray the cost of any such contribution. Any such advance shall be made subject to repayment, and shall be repaid, in the manner agreed upon by the City or the Agency, as the case may be, and the Authority at the time of making such advance. It is mutually understood and agreed that neither the City nor the Agency has any obligation to make advances or contributions to the Authority to provide for the costs and expenses of administration of the Authority, even though either may do so. The City or the Agency may allow the use of personnel, equipment or property in lieu of other contributions or advances to the Authority.

SECTION 10. AGREEMENT NOT EXCLUSIVE

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

SECTION 11. ACCOUNTS AND REPORTS

The Authority shall establish and maintain such funds and accounts as may be required by good accounting practice. The books and records of the Authority shall be open to inspection at all reasonable times by the City and the Agency and their representatives.

SECTION 12. CONFLICT OF INTEREST CODE

The Authority by resolution shall adopt a Conflict of Interest code as required by law.

SECTION 13. BREACH

If default shall be made by the City or the Agency in any covenant contained in this Agreement, such default shall not excuse either the City or the Agency from fulfilling its obligations under this Agreement and the City and the Agency shall continue to be liable for the payment of contributions and the performance of all conditions herein contained. The City and the Agency hereby declare that this Agreement is entered into for the benefit of the Authority created hereby and the City and the Agency hereby grant to the Authority the right to enforce by whatever lawful means the Authority deems

appropriate all of the obligations of each of the parties hereunder. Each and all of the remedies given to the Authority hereunder or by any law now or hereafter enacted are cumulative and the exercise of one right or remedy shall not impair the right of the Authority to any or all other remedies.

SECTION 14. SEVERABILITY

Should any part, term, or provision of this Agreement be decided by the courts to be illegal or in conflict with any law of the State of California, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining parts, terms or provisions hereof shall not be affected thereby.

SECTION 15. SUCCESSORS; ASSIGNMENT

This Agreement shall be binding upon and shall inure to the benefit of the successors of the parties. Except to the extent expressly provided herein, neither party may assign any right or obligation hereunder without the consent of the other.

SECTION 16. AMENDMENT OF AGREEMENT

This Agreement may be amended by supplemental agreement executed by the City and the Agency at any time.

SECTION 17. FORM OF APPROVALS

Whenever an approval is required in this Agreement, unless the context specifies otherwise, it shall be given, in the case of the Agency, by resolution duly and regularly adopted by the members of the Agency, and, in the case of the City, by resolution duly and regularly adopted by the City Council of the City, and, in the case of the Authority, by

resolution duly and regularly adopted by the Board. Whenever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

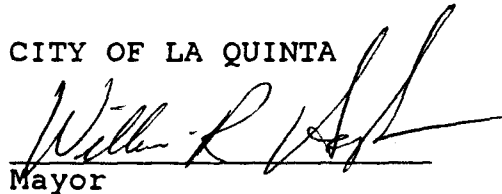
SECTION 18. NOTICES

Notices to the City hereunder shall be sufficient if delivered to the City Clerk of the City Council.

SECTION 19. SECTION HEADINGS

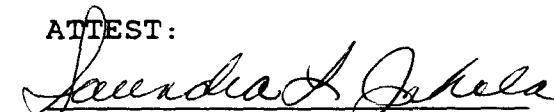
All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Agreement.

CITY OF LA QUINTA



\_\_\_\_\_  
Mayor

ATTEST:



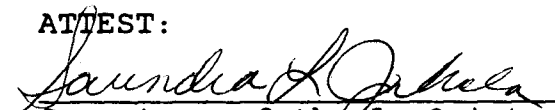
\_\_\_\_\_  
Clerk of the City of  
La Quinta

LA QUINTA REDEVELOPMENT AGENCY



\_\_\_\_\_  
Chairman

ATTEST:



\_\_\_\_\_  
Secretary of the La Quinta  
Redevelopment Agency