

REDWOOD EMPIRE MUNICIPAL INSURANCE FUND AGREEMENT
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REDWOOD EMPIRE MUNICIPAL INSURANCE FUND
JOINT POWERS AGREEMENT
Revised as of June 12, 2014

This AMENDED Agreement is made by and among the following public entities; City of Cloverdale, City of Cotati, City of Healdsburg, City of Rohnert Park, City of Sebastopol, City of Sonoma and City of Ukiah, hereafter referred to as Members all of which are public entities generally organized and operating under the laws of the State of California or public entities specifically organized and operating under §6507 of the California Government Code and related provisions of law which authorize the creation and operation of governmental joint powers authorities under California law. The Agreement is dated and will be effective July 1, 2000.

RECITALS

- I. The following State laws, among others, authorize the Members to enter into this agreement:
- A. Labor Code §3700(b) allowing a local public entity to fund its own workers' compensation claims;
 - B. Government Code §989 and §990, and Education code §15802, permitting a local public entity to insure itself against liability and other losses;
 - C. Government Code §990.4 permitting a local public entity to provide insurance and self-insurance in any desired combination;
 - D. Government Code §990.8 permitting two or more local public entities to pool self-insured claims or losses and enter into an agreement to jointly fund such expenditures under the authority of Government Code §6500 – 6515; and
 - E. Government Code §6500 – 6515 permitting two or more local public entities to jointly exercise, under an agreement, any power which is common to each of them.
- II. The governing board of each undersigned public entity has determined that it is in its best interest and in the public interest that this present Agreement be executed and that it shall participate as a Member of the public entity created by this Agreement.

NOW, THEREFORE, the undersigned, by, between and among themselves, for and in consideration of the mutual benefits, promises and agreements set forth below, hereby agree as follows:

AGREEMENT

ARTICLE I

CREATION OF THE REDWOOD EMPIRE MUNICIPAL INSURANCE FUND

Pursuant to Article I, Chapter 5, Division 7, title I of the Government Code of the State of California (commencing with §6500), the parties hereto hereby have created a public agency, separate and apart from the parties hereto now to be known as the REDWOOD EMPIRE MUNICIPAL INSURANCE FUND, hereinafter called the Authority. This Amended Agreement amends and supersedes the Agreement filed with the Secretary of State on May 26, 1976 entitled JOINT POWERS AGREEMENT ESTABLISHING THE REDWOOD EMPIRE WORKER'S COMPENSATION FUND and the FIRST AMENDMENT TO JOINT POWERS AGREEMENT ESTABLISHING THE REDWOOD EMPIRE WORKERS COMPENSATION FUND (Now known as the Redwood Empire Municipal Insurance Fund) and filed with the Secretary of State on March 1, 1978.

ARTICLE II

PURPOSES

This Amended Agreement is entered into by the Members pursuant to the provisions of California Government Code §990, 990.4, 990.8 and 6500 et seq. In order to develop an effective risk management program: (a) to reduce the amount and frequency of their losses; (b) pool their self-insured losses; and (c) jointly purchase excess insurance and administrative services in connection with a joint protection program for said parties. This purpose shall be accomplished through the exercise of the powers of the Members jointly in the creation of a separate entity, to be known as the "Redwood Empire Municipal Insurance Fund," to administer a joint protection program wherein the Members will pool their losses and claims, jointly purchase excess insurance and administrative and other services, including claims adjusting, data processing, risk management, loss prevention, legal and related services.

It is also the purpose of this Agreement to provide to the extent permitted by law, for the inclusion at a subsequent date of such additional public agencies organized and existing under the constitution of laws of the State of California as may desire to become parties to this Agreement and members of the Authority, subject to approval by the Board.

It is also the purpose of this Agreement to provide for the removal or withdrawal of the Members.

ARTICLE III

DEFINITIONS

Unless the context otherwise requires, the following terms shall be defined as herein stated:

Alternate Director means the individual appointed by a Member or Associate Member to act in the absence of a duly appointed Director except the Alternate Director shall not exercise the powers of an officer of the Authority or serve on the Executive Committee.

Associate Member means any contracting public agency who has not been a member for over 10 years. A listing of the Associate Members and former Associate Members will be an addendum to the JPA Bylaws.

Authority means the Redwood Empire Municipal Insurance Fund created by this Agreement.

Board or Board of Directors means the governing board of the Authority.

Broker is an insurance broker used by the Board to acquire insurance coverage.

Cash Assessment means an amount determined by the Board, to be paid by each Participating Agency as necessary to meet the Authority's obligations.

Cash Contribution means the annual dollar amount determined by the Board which is payable to each Participating Agency as its established share of the funding required to cover the financial obligation of each pooled coverage program or insured program in which the Participating Agency participates.

Certificate of Coverage for Additional Covered Party means the document issued by the Authority to third parties specifying the type and amount of pooled coverage provided to the Participating Agency by the Authority and extended to the named third party for the specified purpose.

Claims means demands made against the Participating Agencies or the Authority arising out of occurrences which may be within any of the Authority's coverage agreements.

Claims Adjuster is the claims adjuster hired as an employee of the Authority and/or contracted by the Board to determine losses and make or recommend payments in the various coverage programs.

Coverage Agreement is the document issued by the Authority to Participating Agencies specifying the scope and amount of pooled protection provided to each Participating Agency by the Authority in each pooled coverage program.

Covered Loss means any loss resulting from a claim or claims against a Participating Agency or the Authority which is in excess of the respective self-funded retention, and is covered by a Coverage Agreement issued by the Authority or any purchased programs and may include loss payments, defense costs, and other charges directly attributed to the resolution of the matter including defense costs incurred by the Authority.

Deductible means the amount of a claim or lawsuit, which the Participating Agency must incur or become liable for before the Authority is obligated to pay. Deductible is synonymous with Self-Funded Retention.

Director means the individual appointed by the Member or Associate Member to serve on the Board or the Alternate Director in the absence of the individual Director.

Excess Insurance means any self-insurance, insurance, or reinsurance purchased by the Authority to cover losses in excess of the Authority's self-insured retention.

Executive Committee means that body composed of the President, Vice President and one or more additional members of the Board appointed or elected in accordance with the Bylaws of the Authority.

General Manager is the person or firm appointed by the Board to be its Secretary and the Chief Administrative Officer of the Authority.

Incurred Loss means the sum of monies paid and reserved by the Authority that is necessary to investigate and defend a claim and to satisfy a covered loss sustained by a Participating Agency or the Authority pursuant to a coverage agreement.

Member means any Member that has been in the JPA for 10 consecutive years or more. A listing of the Members and former Members will be an addendum to the JPA Bylaws.

Participating Agency means any Associate Member agency or Member agency who is covered by this Agreement.

Pooled Coverage Programs shall consist of coverages provided directly by the Authority pursuant to a Coverage Agreement. These may include, but are not limited to property, workers' compensation and liability coverages as may be determined by the Board.

Program Year means a period of time determined by the Board, usually twelve (12) months, into which each pooled coverage program shall be segregated for purposes of account, record keeping, and coverage interpretation.

Self-Funded Retention means the amount of a claim or lawsuit, which the Participating Agency must incur or become liable for before the Authority is obligated to pay. Self Funded Retention is synonymous with Deductible.

Treasurer means an officer of the Authority appointed by a majority of the Board who shall serve at the pleasure of the Board.

ARTICLE IV

PARTIES' TO AGREEMENT

Each party to this Agreement certifies that it intends to, and does, contract with all other parties who are signatories of this Agreement and, in addition, with such other parties as may later be added as parties to, and signatories of, this Agreement pursuant to Article XIX. Each party to this Agreement also certifies that the deletion of any party from this Agreement, pursuant to

Article XX or XXI, shall not affect this Agreement or the remaining parties' intent to contract as described above with the other parties to the Agreement then remaining. Each Participating Agency must, at all times, participate in the Automobile/General Liability Coverage Program and the Workers' Compensation Coverage Program as defined in the Bylaws or policies

ARTICLE V

TERM OF AGREEMENT

This Agreement shall become effective as of the date of adoption, July 1, 2000, and shall continue full force until terminated as hereafter provided.

ARTICLE VI

POWERS OF THE AUTHORITY

The Authority is authorized, in its own name, to exercise all powers necessary and proper to carry out the terms and provisions of this Agreement or as otherwise authorized by law, including but not limited to the power to:

- A. make and enter into contracts;
- B. incur debts, liabilities and obligations; but no debt, liability or obligation of the Authority is a debt, liability or obligation of any Participating Agency, except as otherwise provided by Articles XX and XXI;
- C. acquire, hold or dispose of real and personal property;
- D. receive contributions and donations of property, funds, services and other forms of assistance from any source;
- E. sue and be sued in its own name;
- F. employ agents and employees;
- G. acquire, construct, manage and maintain buildings;
- H. lease real or personal property including that any Participating Agency; and
- I. receive, collect, invest and disburse monies.

ARTICLE VII

PARTICIPATING AGENCY RESPONSIBILITIES

Each Participating Agency shall have the following responsibilities;

- appoint a representative of the Participating Agency to be responsible for the risk management function within that Participating Agency, and to serve as a liaison

between the Participating Agency and the Authority regarding risk management matters;

- provide the Authority with current, complete, and accurate information which will be used to determine the appropriate coverage cash contributions for each coverage program. This information can include but is not limited to property and building values, vehicle types and numbers, annual payrolls, miles of streets and sidewalks, and other pertinent demographic information;
- pay its coverage cash contributions, and any adjustments including cash assessments, promptly to the Authority when due. After withdrawal or termination, such agency shall pay promptly to the Authority its share of any additional coverage cash contributions or cash assessments, when and if required of it by the Board under Article XX or XXI of this Agreement;
- establish and maintain risk management programs including but not limited to loss control, risk transfer and employee safety programs;
- report to the Authority's risk manager, during the development stage, the addition of new programs or facilities, and the elimination or significant reduction or expansion of existing programs or facilities;
- comply with the Agreement, Bylaws and all policies and procedures adopted by the Board;
- promptly notify the Authority of any claim or summons and complaint which may result in a covered loss that is filed against and/or received by a Participating Agency;
- cooperate fully with and assist the Authority in determining the cause of claims and in the settlement of claims, as defined in the specific coverage agreement;
- cooperate fully with and assist the Authority, and any insurer, claims adjuster or legal counsel, of the Authority, in all matters relating to this Agreement and covered losses;
- comply with the risk management requirements established by the Authority;
- provide the Authority with such other information or assistance as may be necessary for the Authority to carry out the joint protection program under this Agreement;
- if a Member or an Associate Member, appoint a representative and alternate to the Board.

ARTICLE VIII

BOARD

Responsibility for the control, direction, and administration of the Authority shall be vested in the Board, which shall initially consist of fifteen (15) representatives; one from each Member.

The Board will consist of a representative of the Member and designated Associate Member agency. The powers of the Board shall be all of the powers of the Authority not specifically reserved to the Participating Agency by this Agreement.

POWERS OF THE MEMBERS AND ASSOCIATE MEMBERS

The city councils of the Members and Associate Members hereby retain the following powers:

- A. the appointment of their Director and Alternate Director to the Board;
- B. approval of amendments to this Agreement as specified in Article XXVI; and
- C. termination of the Authority in accordance with Article XXIII.

BOARD OF DIRECTORS– APPOINTMENTS

The Director and Alternate Director of the Board shall be appointed by the respective Member and Associate Member which shall notify, in writing, the Authority of the appointment. The representative shall serve at the pleasure of the Member or Associate Member until written notice of the appointment of a successor is received by the Authority.

The Alternate Director shall have all the powers of the representative in their absence except that the Alternate Director shall not exercise the powers of an officer of the Authority or serve on the Executive Committee.

Each Director has one (1) vote on the Board. A board member is not entitled to compensation from the Authority. However, the Board may authorize reimbursement for expenses incurred by a Participating Agency or Director/Alternate Director in connection with his duties as a board member.

ARTICLE IX

COMMITTEES

The Board shall have the authority to establish committees as it deems appropriate to conduct the business of the Authority. The Board is authorized to dissolve any committee established pursuant to this Article.

ARTICLE X

MEETINGS

BOARD MEETINGS

The Board shall hold at least one regular meeting each year.

Each meeting of the Board and Executive Committee, including, without limitation, regular, special and adjourned regular or special meetings, shall be called, noticed, held and conducted in accordance with applicable State law.

ARTICLE XI

OFFICERS AND EMPLOYEES

The officers of the Authority shall be the President, Vice President, Treasurer and General Manager. The President and Vice President shall be elected by the Board from among its own members, as individuals, not as the Participating Agencies they represent. The term of office for President and Vice President shall be one (1) fiscal year, and they shall assume the duties of their offices at the beginning of the fiscal year. The Board shall appoint as a Treasurer a person who need not be a member of the Board, whose qualifications will be set by Board policy. This person shall have the powers, duties and responsibilities specified in Government Code §6505.5. The Treasurer shall serve at the pleasure of the Board. If the President or Vice President ceases to be a member of the Board or is removed from office, the resulting vacancy shall be filled, for the unexpired term, at the next regular or special meeting of the Board held after the vacancy occurs.

The General Manager shall be the Secretary and Chief Administrative Officer of the Authority. The Board shall appoint the General Manager who shall serve at the pleasure of the Board. The responsibilities and duties of the officers of the Authority shall be as defined in the Bylaws and as assigned by the Board. The Board may appoint such other officers and employees and may contract with such persons or firms as it considers necessary to carry out the purposes of this Agreement. The Board shall also set the terms and conditions of employment for the Authority's employees by Board action or policy.

Any Participating Agency which agrees to have an employee or other representative assigned duties pursuant to this Article may be reimbursed by the Authority for that individual's time and services rendered on behalf of the Authority, at the discretion of the Board. Any such employee, while acting for or on behalf of the Authority, will be entitled to defense and indemnification by the Authority to the extent provided in California Government Code §825 et. seq. and 995 et. seq.

The Board shall require the General Manager and the Treasurer to file with the Authority an individual or a blanket bond in an amount to be fixed by the Board, but not less than \$100,000. The Authority shall pay the cost of the premiums for the bond required by it.

ARTICLE XII

FISCAL YEAR/BUDGET

The Authority's fiscal year shall be from July 1 to June 30 unless otherwise indicated by Board resolution.

An annual budget shall be presented by the General Manager to the Board before and shall be adopted by the Board no later than June 30 of each year. At the discretion of the Board, a multi-year budget may be adopted, thereby eliminating the requirements of annual presentation and adoption during the term of such multi-year budget.

ARTICLE XIII

ANNUAL AUDITS AND AUDIT REPORTS

FINANCIAL AUDIT

The Board shall cause an annual financial audit in accordance with generally accepted auditing standards to be made with respect to all receipts, disbursements, other transactions and entries into the books by a Certified Public Accountant, and a report of such financial audit shall be filed as a public record with each of the Participating Agencies and with the county auditor in the county where the Authority has its principal office as stated in the Bylaws. All costs of such financial audit shall be paid by the Authority as a general and administrative expense.

ARTICLE XIV

ESTABLISHMENT AND ADMINISTRATION OF FUNDS

The Board shall be responsible for the strict accountability of all funds and reports of all receipts and disbursements. It will comply with all provisions of law relating to the subject, particularly §6505 of the California Government Code.

The Treasurer or Board's designee shall receive, invest and disburse funds only in accordance with the procedures established by the Board and in conformity with applicable law. The General Manager shall have the authority to expend funds, which have been budgeted, as provided in the Bylaws.

An Investment Policy shall be adopted by the Board and reviewed annually as required by state law.

The Authority may make loss payments on behalf of a Participating Agency up to the maximum amount of the self-insured coverage provided by the Authority, but limited to the actual amount of the loss.

The Board will set the level of authority for the settlement of claims by the General Manager and Executive Committee.

ARTICLE XV

CASH CONTRIBUTION

Each Participating Agency shall make a cash contribution for each year of participation in each pooled coverage program in an amount approved by the Board. The amount of such cash contribution shall be determined in accordance with a formula and schedule of payment contained in the Bylaws of the Authority or a policy established pursuant to the Bylaws and shall be sufficient, when combined with the cash contributions of all other participants in such pooled coverage programs, to cover the outstanding liabilities, actuarially predicted losses, loss adjustment expenses, defense costs, excess insurance premiums and administrative expenses of the Authority.

The cash contribution is payment for the various coverage agreements issued by the Authority to each Participating Agency for the risk coverage specified in the coverage agreement or insured

program. The Board may, but is not required to, use standard form policies utilized in the market for comprehensive general and automobile liability, property workers' compensation and other coverages as authorized by the Board. The scope of property, liability, workers' compensation, and other coverages in the pool shall be determined by the Board as specified in the Authority's Bylaws, policy statements, and/or in the coverage agreement.

The cash contribution shall be billed to the Participating Agencies in accordance with the policy set by the Board. Any cash contributions not received by the Authority within thirty (30) days following the date of billing shall be in arrears and subject to interest and/or penalties in accordance with the Bylaws or any policy adopted by the Board.

ARTICLE XVI

CASH ASSESSMENT

The Board by a majority vote shall have the authority to levy a cash assessment upon a determination that it is necessary to meet the Authority's obligations.

All cash assessments shall be determined and payable in accordance with Board policy or Bylaws and shall be assessed against those Participating Agencies who participated in the program year(s) resulting in a deficit.

ARTICLE XVII

POOLED COVERAGE PROGRAMS

The pooled coverage for each program shall be as specified in the Bylaws and applicable policies and procedures. Any new Participating Agency accepted for membership in the Authority shall have an initial three-program year, non-cancelable commitment. Each Participating Agency may participate in such pooled coverage programs as are offered by the Authority on such terms, for such time periods and with such cash contributions as are determined by the Board.

ARTICLE XVIII

AUTHORITY FUNCTIONS AND RESPONSIBILITIES

The Authority shall perform the following functions in discharging its responsibilities under this Agreement:

- (a) assist the Participating Agencies in establishing a risk management program that may include, but is not limited to, a risk management statement, risk management committees, and risk management audits;
- (b) provide coverage, as authorized by the Board, through, but not limited to, a self-insurance fund and commercial insurance, as well as excess coverage, reinsurance, and umbrella insurance, by negotiation, bid, or purchase;
- (c) provide loss prevention, safety, and security advice;

- (d) provide claims management and legal services for covered risk, which may or may not exceed the Participating Agency's deductible;
- (e) provide claims recovery and subrogation services to investigate, pursue and collect for damages caused by the acts of others;
- (f) assist in providing rehabilitation services under workers' compensation to reduce industrial disability retirement liabilities;
- (g) establish actuarial services to distribute costs and generate revenues;
- (h) provide loss analysis control by use of statistical analysis, data processing, record and file keeping services in order to help identify high exposure operations and evaluate proper levels of self-funded retention and deductibles;
- (i) assist Participating Agencies in maintaining current, complete, and accurate building and contents values by location for insured properties;
- (j) select legal counsel according to policy established by the Board;
- (k) perform other functions as required by the Board for the purpose of accomplishing the goals of the Agreement.

ARTICLE XIX

NEW PARTICIPATING AGENCIES

It is the intent of the Authority to provide, to the extent permitted by law and Board policy, for the inclusion at a subsequent date of such additional public entities, organized and existing under the Constitution or laws of the State of California, as may desire to become Participating Agencies of the Authority.

The Board shall review all applications for participation in the Authority. Those public agencies seeking membership must be approved by the affirmative vote of a two-third (2/3) majority of the Board.

Public agencies applying under this Article shall be required to pay their share of organizational expenses, as determined by the Board, including those costs necessary to analyze their loss data and determine their cash contributions.

Cash contributions for Participating Agencies joining the Authority at other than the beginning of the Authority's program year, shall be prorated for the remainder of the program year.

A new Participating Agency will be considered an Associate Member, whose voting rights will be granted in conformity with the Agreement and Bylaws.

ARTICLE XX

WITHDRAWAL

A new Participating Agency which wishes to join the Authority shall not withdraw from the Authority for a three (3) fiscal year period commencing on July 1st of the first full fiscal year that said new Participating Agency became a Participating Agency of the Authority.

After the initial three (3) fiscal year non-cancelable commitment to the Agreement, a Participating Agency may withdraw only at the end of a fiscal year of the Authority, provided it has given the Authority a six (6) month written notice of its intent to withdraw from this Agreement and the joint protection program.

Any Participating Agency which withdraws as a party to this Agreement pursuant to this Article, or is expelled pursuant to Article XXI, shall not be reconsidered for new Membership until the expiration of five (5) years from the Participating Agency's withdrawal.

ARTICLE XXI

EXPULSION

The Authority shall have the right to expel any Participating Agency from a specific coverage program or from the entire Authority upon a four-fifths (4/5) vote of the entire Board after ninety (90) days written notice to the Participating Agency; and such expulsion shall be effective at the conclusion of the program year in which the notice is given, unless a different, specific date is stated by the Board. Any Participating Agency so expelled shall, on the effective date of the expulsion, be treated the same as if the Participating Agency had voluntarily withdrawn from this program.

ARTICLE XXII

EFFECT OF WITHDRAWAL OR EXPULSION

The withdrawal or expulsion of any Participating Agency after the inception of its participation in the Authority or any pooled coverage program shall not terminate its responsibility:

- (a) to cooperate fully with the Authority in determining the cause of losses and in the settlement of claims incurred during the coverage period, as defined in the Memorandum of Coverage;
- (b) to pay any cash assessments or other amounts determined by the Board to be due and payable to each program year of each program in which it participated until all claims, or other unpaid liabilities, covering such periods have been finally resolved;
- (c) to provide the Authority with such statistical and loss experience data and other information as may be necessary for the Authority to carry out the purposes of this Agreement; and
- (d) to cooperate with and assist the Authority and any insurer, claims adjuster or legal counsel retained by the Authority, in all matters relating to this Agreement.

Coverages under all pooled coverage programs in which that Participating Agency participated will remain in effect and continue until the conclusion of their respective program years or an earlier date as determined by the Board.

Further, withdrawal or expulsion of a Participating Agency shall not be considered as a completion of the purpose of this Agreement and shall not require the repayment or return to the withdrawing Participating Agency of all or any part of any contributions, payments or advances made by the parties unless the Agreement is rescinded or terminated as to all parties; however, when funds earmarked for program years in which the Participating Agency participated are rebated or redistributed to Participating Agencies, the withdrawing Participating Agency will be entitled to its pro rata share as determined by the Board for its years of participation.

ARTICLE XXIII

TERMINATION AND DISTRIBUTION

This Agreement may be terminated any time by the written consent of a majority of the Members' city councils provided that all Participating Agencies are notified in writing at least ninety (90) days in advance; provided, however, that this Agreement and the Authority shall continue to exist for the purpose of disposing of all claims, distribution of assets and all other functions necessary to wind up the affairs of the Authority. Notification of the action of the Members' city councils in terminating this Agreement may be delivered by mail to the Authority or in person by each Member's Director or Alternate Director at a regular or special meeting of the Board. Upon termination of this Agreement, all assets of the Authority shall be distributed only among the Participating Agencies which have been participants in its pooled coverage programs, including any of those Participating Agencies which previously withdrew or were expelled pursuant to Articles XXI and XXII of this Agreement, and in accordance with the terms and conditions of the Bylaws of the Authority. The Board shall determine such distribution within six (6) months after the last pending claim or covered loss subject to this Agreement has been finally resolved.

The Board is vested with all powers of the Authority for the purpose of concluding and dissolving the business affairs of the Authority. These powers shall include the power to require the Participating Agencies, including those which were program participants at the time the claim arose or at the time the covered loss was incurred, to pay their share of any cash assessment deemed necessary by the Board for final disposition of all such claims and covered losses subject to this Agreement. The decision of the Board under this Article shall be final.

ARTICLE XXIV

NOTICES

Notices to Participating Agencies under this Agreement shall be sufficient if mailed, first class, to their respective addresses on file with the Authority. Notices to the Authority shall be sufficient if mailed, first class, to the address of the Authority as contained in the Bylaws.

ARTICLE XXV

PROHIBITION AGAINST ASSIGNMENT

No Participating Agency may assign any right, claim, or interest it may have under this Agreement, and no creditor, assignee or third party beneficiary of any Participating Agency shall have any right, claim, or title to any part, share, interest, or asset of the Authority.

ARTICLE XXVI

AMENDMENTS

This Agreement may be amended by two thirds (2/3) vote of the Members' and Associate Members' city councils provided that any amendment is compatible with the purposes of this Agreement and has been submitted to the Members at least thirty (30) days in advance. Any such amendment shall be effective immediately upon receipt by the Authority of votes sufficient for passage, unless otherwise designated. Notification of the action of the Members' city councils may be delivered by a Member's Director or Alternate Director at any regular or special meeting of the Board. Such amendments shall be binding upon all Participating Agencies of the Authority.

ARTICLE XXVII

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 of California or the United States, or to be otherwise rendered unenforceable or ineffectual, the validity of the remaining portions terms conditions and provisions shall not be affected thereby.

ARTICLE XXVIII

AGREEMENT COMPLETE

The foregoing constitutes the full and complete Agreement of the parties. There are no oral understandings or agreements not set forth in writing herein.