

JOINT EXERCISE OF POWERS AGREEMENT
ANTELOPE VALLEY FAIRGROUNDS AUTHORITY

THIS AGREEMENT (the "Agreement") dated _____ 2011, is entered into by and between the City of Lancaster (the "City") and the 50th District Agricultural Association (the "Association"), each duly organized and existing under the laws of the State of California.

This Agreement is to become effective November 1, 2011.

WITNESSETH

WHEREAS, the City and the Association wish to form a joint powers authority under the Joint Exercise of Powers Law of the State of California (constituting Chapter 5 of Division 7 of Title 1 of the California Government Code) (the "Law") for the purpose of operating, maintaining and improving the facilities and functions of the Association; and

WHEREAS, the provisions of Article 3.8 of Chapter 6 of Part 3 of Division 3 of the Food and Agricultural Code (the "Act") authorizes the City and Association to establish a joint powers authority for the purpose of operating, maintaining and improving the facilities and functions of the Association.

NOW, THEREFORE, in consideration of the above premises and of the mutual promises herein contained, the City and the Association do hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. Unless the context otherwise requires, the words and terms defined in this Article I shall, for the purpose hereof, have the meanings herein specified.

"Act" means Article 3.8 of Chapter 6 of Part 3 of Division 3 of the Food and Agricultural Code.

"Agreement" means this Joint Exercise of Powers Agreement.

"Association" means the 50th District Agricultural Association.

"Associate Member" shall mean any Local Agency that shall have duly executed and delivered to the Authority an Associate Membership Agreement in the form and as further provided in the Bylaws of the Authority.

"Authority" means the Antelope Valley Fairgrounds Authority established pursuant to Section 2.2 of this Agreement.

“Board” means the Board of Directors of the Authority referred to in Section 2.3, which shall be the governing body of the Authority.

“Directors” means the individuals appointed to the Board pursuant to Section 2.3.

“Calendar Year” means the period from January 1st to and including the following December 30th.

“City” means the City of Lancaster.

“Law” means Articles 1 through 4 (commencing with section 6500) of Chapter 5 of Division 7 of Title 1 of the California Government Code.

“Local Agency” means a Member or an agency or subdivision of that Member or any other city, county, city and county, authority, district or public corporation of the State.

“Members” means the parties to this agreement, the City of Lancaster and the 50th District Agricultural Association.

“Secretary” means the Secretary of Food and Agriculture of the State.

“State” means the State of California.

ARTICLE II

GENERAL PROVISIONS

Section 2.1. Purpose. This Agreement is made pursuant to the Law and the Act providing for the joint exercise of powers common to the City and the Association and for other purposes as permitted under the Law and the Act and as agreed by one or more of the parties hereto. The purpose of this Agreement is to provide for the operation, maintenance, and improvement of the facilities and functions of the Association.

Section 2.2. Creation of Authority. Pursuant to the Law and the Act, there is hereby created a public entity to be known as the “Antelope Valley Fairgrounds Authority” (the “Authority”). The Authority shall be a public entity separate and apart from the Members, and shall administer this Agreement.

Section 2.3. Board of Directors.

(a) The Authority shall be administered by a Board of Directors consisting of five (5) Directors.

(b) The members of the Board shall be appointed as follows:

(1) one member shall be designated by the State Senator for the District in which the Antelope Valley Fairgrounds are located,

(2) one member shall be designated by the State Assemblymember for the District in which the Antelope Valley Fairgrounds are located,

(3) one member shall be designated by the Mayor of the City of Lancaster, with concurrence of the City Council, and

(4) one member shall be a member of the Board of Directors of the Association, shall be designated by such Board and serve as a liaison between the Board for the Authority and the Board for the Association.

(5) The fifth member shall be a member of the Board of Directors of the Friends of the Antelope Valley Fair, Inc. and shall be designated by the Mayor of the City of Lancaster.

(c) This Board shall be called the "Board of Directors of the Antelope Valley Fairgrounds Authority" (the "Board"). All voting power of the Authority shall reside in the Board.

(d) After appointment of the initial Board, if by reason of the formation of a new District, a director in one District becomes a resident of another District, his or her term of office as Director expires sixty (60) days after the formation of the new District.

Section 2.4. Term of Office. The term of office of each director, except that of a member of the first Board, is two (2) years from the beginning of the term for which he or she is appointed. Any vacancy will be filled for the unexpired term. The first appointees shall, immediately upon their appointment, draw lots so that the terms of three (3) of them shall expire on the first day of January of the second year of service on the Board, and the terms of the other two (2) shall expire on the first day of January following the third year of service on the Board. There shall be no limit the number of times a member can be appointed to the Board.

Section 2.5. Compensation. The Directors of the Board shall not receive any compensation for their services, but may be reimbursed for their actual and necessary expenses, when claims for those expenses have been approved by the Board.

Section 2.6. Meetings of the Board.

(a) Regular Meetings. The Board shall provide for its regular meetings; provided, however, that at least one regular meeting shall be held each month. The date, hour and place of the holding of regular meetings shall be fixed by resolution of the Board and a copy of such resolution shall be filed with each of the Members.

(b) Special Meetings. Special meetings of the Board may be called in accordance with the provisions of section 54956 of the California Government Code.

(c) Call, Notice and Conduct of Meetings. All meetings of the Board, including without limitation, regular, adjourned regular and special meetings, shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act (section 54950 et seq. of the California Government Code).

Section 2.7. Attendance. Any Director who misses three (3) consecutive regular meetings of the Board without the permission of the Board is deemed to have resigned from the position of Director.

Section 2.8. Minutes. The Authority Secretary shall cause to be kept minutes of the meetings of the Board and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each Director and to the Members.

Section 2.9. Voting. Each Director shall have one vote.

Section 2.10. Quorum; Required Votes; Approvals. A quorum of the Board shall be any three (3) voting members. The vote of a majority of members present at a meeting at which there is a quorum shall constitute the act of the Board.

Section 2.11. Bylaws. The Board may adopt, from time to time, such bylaws, rules and regulations for the conduct of its meetings as are necessary for the purposes hereof. Upon adoption of such bylaws, rules and regulations, the Board shall within thirty (30) days after the effective date of the adoption(s) thereto, cause a notice, setting forth the bylaws, rules and regulations adopted, to be prepared and filed with the office of the Secretary of State. The Board shall furnish an additional copy of the notice to the Secretary of State, who shall forward the copy to the Controller.

Section 2.12. Associate Members. Any Local Agency within the State of California may, with the approval of the Board of Directors, become an Associate Member of the Authority by executing and delivering to the Authority an Associate Membership Agreement in form and as further provided in the Bylaws. An Associate Member shall not be entitled to representation on the Board of Directors or to vote on any matter coming before the Board of Directors of the Authority. However, an Associate Member shall be entitled to participate in all programs and other undertakings of the Authority, including, without limitation, any undertaking to finance the acquisition, construction, installation and/or equipping of Public Capital Improvements, and any other financing program.

ARTICLE III

OFFICERS AND EMPLOYEES

Section 3.1.

(a) Chairperson. The chairperson shall be elected by the members of the Board of Directors. The chairperson shall call and preside at all meetings of the Board, sign all contracts and other documents, and the minutes of all meetings at which the chairperson is present. The chairperson shall perform such other duties as may be imposed by the Board. In case of the chairperson's absence from a meeting, the vice-chairperson shall act as chairperson *Pro Tempore*.

(b) Vice-Chairperson. The vice-chairperson shall be elected by the members of the Board of Directors. The vice-chairperson may sign contracts in place of the chairperson if the chairperson is absent from a meeting or is unavailable.

(c) Secretary. The secretary shall be elected by the members of the Board of Directors. The secretary shall countersign all contracts signed by the chairperson or vice-chairperson on behalf of the Authority, perform such other duties as may be imposed by the Board and cause a copy of this Agreement to be filed with the Secretary of State pursuant to the Law. The secretary shall give notice of and keep the minutes of all meetings and prepare and have custody of all related records and papers. The Secretary shall sign the minutes of all meetings at which he or she is present. The secretary shall prepare the annual reports and any other reports required by the Board, shall prepare all notices and have charge of, handle and have access to all records of the Authority, unless related to accounts, funds and money, which are under the authority of the Treasurer.

(d) Executive Director. The Executive Director shall serve as the general manager of the Authority and shall supervise, direct, and control the Authority's day-to-day activities, affairs, and administration. The Executive Director shall have such other powers and duties as the Board or the Bylaws may prescribe. As an alternative to employing an Executive Director, the Authority may contract with another entity to provide administrative services.

Section 3.2. Treasurer. The Board shall designate as Treasurer and Auditor ("Treasurer") either the treasurer of one of the Members or one of the Authority's officers or employees. The Treasurer shall be the depository, shall have custody of all of the accounts, funds and money of the Authority from whatever source, shall have the duties and obligations set forth in sections 6505 and 6505.5 of the Law and shall assure that there shall be strict accountability of all funds and reporting of all receipts and disbursements of the Authority. As provided in sections 6505 and 6505.6 of the Law, the Treasurer shall make arrangements with a certified public accountant or firm of certified public accountants for the audit of accounts and records of the Authority. Pursuant to section 6505(c) of the Law, a report thereof shall be filed as public records with each of the Members to this Agreement and also with the county auditor of the county where the home office of the joint powers authority is located. The report will be sent to any public agency or person in California that submits a written request to the Authority. The report shall be filed within twelve (12) months of the end of the calendar year or years under examination. The Treasurer has full authority pursuant to section 6504 of the Law.

Section 3.3. Bonding Persons Having Access to Funds and Accounts. All bond requirements as set forth in the Law are hereby incorporated. From time to time, the Board may designate persons, in addition to the Authority Secretary and the Treasurer, to have charge of, handle or have access to any records, funds of accounts or any Funds and Accounts of the Authority, and the respective amounts of the official bonds of the Authority Secretary and the Treasurer and such other persons as set forth in 6505.1 of the Law.

Section 3.4. Legal Advisor. The Board shall have the power to appoint the legal advisor to the Authority who shall perform such duties as may be prescribed by the Board.

Section 3.5. Other Employees. The Board shall have the power by resolution to appoint and employ such other employees, consultants and independent contractors as may be necessary for the purposes of this Agreement. With respect to an employee of the Association who chooses to continue his or her employment with the State, the Authority shall contract with the Association for the services of the employee consistent with his or her civil service

classification and status as provided in the Act, with approval from the California Department of Food and Agriculture.

Section 3.6. All of the privileges and immunities from liability, exemption from laws, ordinances and rules, all pension, relief, disability, workers' compensation and other benefits which apply to the activities of officers, agents, or employees of a public agency when performing their respective functions shall apply to the officers, agents or employees of the Authority to the same degree and extent while engaged in the performance of any of the functions and other duties of such officers, agents or employees under this Agreement.

Except as provided above, none of the officers, agents, or employees directly employed by the Board shall be deemed, by reason of their employment by the Board to be employed by the City or the Association or, by reason of their employment by the Board, to be subject to any of the requirements of the Members.

Section 3.7. Assistant Officers. The Board may by resolution appoint such assistants to act in the place of the Secretary or other officers of the Authority (other than any Director), and may by resolution provide for the appointment of additional officers of the Authority who may or may not be directors, as the Board shall from time to time deem appropriate.

ARTICLE IV

POWERS

Section 4.1. General Powers. The Authority shall exercise, in the manner described herein, the powers which are common to each of the Members, or as otherwise permitted under the Law and the Act and necessary to the accomplishment of the purposes of this Agreement, subject to the restrictions set forth in Section 4.4.

As provided in the Act, the Authority shall be a public entity separate from the Members. The Authority shall have the power to acquire and to finance the acquisition of Public Capital Improvements for the operation of a Member and to acquire Bonds of a Member as deemed necessary and consistent with the purpose of operating, maintaining and improving the facilities and functions of the Association.

Power Authorized by the Law and the Act. All powers and obligations set forth in the authorizing statute for this Agreement are hereby incorporated by reference, if not already identified, and all authority is reserved as granted in the Law and the Act.

Section 4.2. Specific Powers. The Authority is hereby authorized, in its own name, to do all acts necessary for the exercise of the foregoing powers, including but not limited to, any or all of the following:

- (a) to make and enter into contracts;
- (b) to employ agents or employees, subject to the limitations of the Act;

(c) to acquire, construct, manage, maintain or operate the facilities now owned by the Association;

(d) to sue and be sued in its own name;

(e) to issue bonds and otherwise to incur debts, liabilities or obligations, provided that no such bond, debt, liability or obligation shall constitute a debt, liability or obligation of the Members;

(f) to apply for, accept, receive and disburse grants, loans and other aids from any agency of the United States of America or of the State;

(g) to invest any money in the treasury pursuant to section 6505.5 of the Act which is not required for the immediate necessities of the Authority, as the Authority determines is advisable, in the same manner and upon the same conditions as local agencies, pursuant to section 53601 of the California Government Code;

(h) to apply for letters of credit or other form of financial guarantees in order to secure the repayment of bonds and enter into agreements in connection therewith; and

(i) to carry out and enforce all the provisions of this Agreement;

Section 4.3. Restrictions on Exercise of Powers. The powers of the Authority shall be exercised in the manner provided in the Law and the Act.

Section 4.4. Obligations of Authority. The debts, liabilities and obligations of the Authority shall not be the debts, liabilities and obligations of the Members. The General Fund of the State and the Fair and Exposition Fund of the State shall be held harmless from all debts, liabilities, settlements, judgments, or liens incurred by the joint powers agency, and that neither the state nor any agency or division thereof shall be liable for any contract, tort, action or inaction, error in judgment, mistake, or other act taken by the Authority, or any of its employees, agents, servants, invitees, guests, or anyone acting in concert with, or on behalf of, the Authority. The State of California is not liable for any debts, liabilities, settlements, liens, or any other obligations incurred by or imposed upon the Authority.

Section 4.5. Liability of Board Members, Officers, Associate Members and Employees. The members of the Board, officers, associate members and employees of the Authority shall use ordinary care and reasonable diligence in the exercise of their power 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 director, officer, associate member or employee shall be responsible for any action taken or omitted by any other director, officer, associate member or employee.

The funds of the Authority shall be used to defend, indemnify and hold harmless the Authority and any director, officer, associate member or employee for their actions taken within the scope

of authority of the Authority. Nothing herein shall limit the right of the Authority to purchase insurance to provide such coverage as is hereinabove set forth.

ARTICLE V

METHODS OF PROCEDURE; CREDIT TO MEMBERS

Section 5.1. Assumption of Responsibilities By the Authority. As soon as practicable after the date of execution of this Agreement, the Directors shall hold the organizational meeting of the Board. At said meeting the Board shall provide for its regular meetings as required by Section 2.4 and elect a Chairperson, Vice-Chairperson, Secretary and Treasurer.

Section 5.2. Delegation of Powers. The Members hereby delegate to the Authority the power and duty as may be necessary or convenient for the operation of any Member, consistent with the purpose of the instant Agreement.

Section 5.3. Credit to Members. All accounts or funds created and established pursuant to any instrument or agreement to which the Authority is a party, and any interest earned or accrued thereon, shall inure to the benefit of the Members in the respective proportions for which such funds or accounts were created.

ARTICLE VI

CONTRIBUTION: ACCOUNTS AND REPORTS; FUNDS

Section 6.1. Contributions. The Members may in the appropriate circumstance, when required hereunder: (a) make contributions from their treasuries for the purposes set forth herein, (b) make payments of public funds to defray the cost of such purposes, (c) make advances of public funds for such purposes, such advances to be repaid as provided herein, or (d) use its personnel, equipment or property in lieu of other contributions or advances. The provisions of section 6513 of the Law are hereby incorporated into this Agreement by reference.

Section 6.2. Association Property. Upon execution of this Agreement, the Authority will exercise its powers pursuant to section 6508 of the Law whereby the Authority will acquire, manage, maintain, and operate all personal property held by the Association and manage, maintain, and operate all real property held by the Association.

Section 6.3. Accounts and Reports. To the extent not covered by the duties assigned to a trustee chosen by the Authority, the Treasurer shall establish and maintain such funds and accounts as may be required by good accounting practice. The books and records of the Authority in the hands of a trustee or the Treasurer shall be open to inspection at all reasonable times by representatives of the Members. The Treasurer, within 180 days after the close of each Calendar Year, shall give a complete written report of all financial activities for such Calendar Year to the Members to the extent such activities are not covered by the report of such trustee. The trustee appointed under any trust indenture or trust agreement shall establish suitable funds, furnish financial reports and provide suitable accounting procedures to carry out the provisions

of said trust indenture or trust agreement. Said trustee may be given such duties in said trust indenture or trust agreement as may be desirable to carry out this Agreement.

Section 6.4. Funds. Subject to the applicable provisions of any instruments or agreement which the Authority may enter into, which may provide for a trustee to receive, have custody of and disburse Authority funds, the Treasurer of the Authority shall receive, have custody of and disburse Authority funds in accordance with generally accepted accounting practices, and shall make the disbursements required by this Agreement or to carry out any of the provisions or purposes of this Agreement.

Section 6.5. Annual Budget and Administrative Expenses. The Board shall adopt a budget for administrative expenses, which shall include all expenses not included in any financing issue of the Authority, annually prior to November 20th of each year.

ARTICLE VII

TERM

Section 7.1. Term. This Agreement shall become effective, and the Authority shall come into existence, on the date of receipt of the written consent of the Secretary, and this Agreement and the Authority shall thereafter continue in full force and effect so long as either (a) any obligations remain outstanding which are not assumed by a member or (b) until such time as either Member determines that the Authority is no longer necessary; provided, that such Member shall give at least twelve months prior written notice and provided further, such notice shall not be given prior to the date which is thirty (30) years from the effective date of this Agreement.

Section 7.2. 50th District Agricultural Association. Upon execution of this Agreement, the 50th District Agricultural Association will shift operational responsibilities to the Authority. In the event that the Authority dissolves, the 50th District Agricultural Association will resume operational responsibilities previously managed by the Authority.

Section 7.3. Disposition of Assets. Upon termination of this Agreement, all property of the Authority, both real and personal, shall be divided based upon the relative contribution to the Authority by each Member in the absence of an agreement in accordance with section 6512 of the Law.

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ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 8.1. Notices. Notices hereunder shall be in writing and shall be sufficient if delivered to:

City of Lancaster
44933 N. Fern Avenue
Lancaster, California 93534
Attention: City Manager

50th District Agricultural Association
Antelope Valley Fairgrounds
2551 W. Avenue H, Suite 102
Lancaster, CA 93536
Attention: General Manager

Section 8.2. Section Headings. All section headings in this Agreement are for convenience of reference only and are not to be construed as modifying or governing the language in the section referred to or to define or limit the scope of any provision of this Agreement.

Section 8.3. Consent. Whenever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

Section 8.4. Law Governing. This Agreement is made in the State of California under the constitution and laws of the State, and is to be so construed.

Section 8.5. Amendments. This Agreement may be amended at any time, or from time to time, except as limited by contract or by applicable regulations or laws of any jurisdiction having authority, by one or more supplemental agreements executed by both of the parties to this Agreement either as required in order to carry out any of the provisions of this Agreement or for any other purpose, including, without limitation, addition of new parties (including any legal entities or taxing areas heretofore or hereafter created) in pursuance of the purposes of this Agreement.

Section 8.6. Enforcement by Authority. The Authority is hereby authorized to take any or all legal or equitable actions, including, but not limited to, injunction and specific performance, necessary or permitted by law to enforce this Agreement.

Section 8.7. Severability. Should any part, term or provision of this Agreement be decided by any court of competent jurisdiction to be illegal or in conflict with any law of the State, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining portions or provisions shall not be affected thereby.

Section 8.8. Successors. This Agreement shall be binding upon and shall inure to the benefit of the successors of the Members, respectively. Neither Member may assign any right or obligation hereunder without the written consent of the other.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their proper officers thereunto duly authorized and their official seals to be hereto affixed, on the day and year set opposite the name of each of the parties.

Dated: _____

CITY OF LANCASTER

Mayor

ATTEST:

APPROVED AS TO FORM:

City Clerk

City Attorney

Dated: _____

50TH DISTRICT AGRICULTURAL ASSOCIATION

President – Board of Directors

ATTEST:

Secretary

From: Rebecca Desmond [mailto:rebecca.desmond@cdfa.ca.gov]
Sent: Wednesday, June 22, 2011 5:26 PM
To: Dan Jacobs; Miranda R. Carroll
Cc: Michele Dias; Lucy Valenton; Lisa Drury
Subject: 50th DAA JPA Agreement

Dear Dan and Miranda,

California Department of Food & Agriculture Secretary Karen Ross has approved the Joint Powers Agreement between the 50th District Agricultural Association and the City of Lancaster as submitted on June 16, 2011.

The Division of Fairs & Expositions looks forward to working with you on the implementation of this agreement and the possibilities it holds for other DAAs in the state. Please let me know if you have any questions.

Thank you.

**Rebecca Desmond
Acting Director
California Division of Fairs & Expositions
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Sacramento, CA 95825
916-263-2459
rdesmond@cdfa.ca.gov**