

## GROUNDWATER TRANSFER AGREEMENT

This Carryover Water Transfer (“**Agreement**”) is entered into as of August 28, 2024 (“**Effective Date**”), by and between **50<sup>TH</sup> DISTRICT AGRICULTURAL ASSOCIATION**, (“**District**”), and **CITY OF LANCASTER**, a California municipal corporation and charter city (“**City**”). District and City are individually referred to as a “**Party**” and collectively referred to as the “**Parties**”.

### RECITALS

A. District has 32 acre feet per year of (“**AFY**”) of Production Rights in the Antelope Valley Groundwater Basin pursuant to and as defined in the December 2015 Judgment in the consolidated Antelope Valley Groundwater Cases, Judicial Council Coordinated Proceeding No. 4408 (“**Judgment**”). District is not currently using the 32 acre feet of Production Rights allocated to it by the Judgment and the water has been carried over. The District currently has 192 AF of carryover water available.

Commented [PG1]: Added this language

B. Subject to the terms and conditions of this Agreement, the Parties now desire to enter into this Agreement in order to (1) provide for District’s transfer to City and City’s acceptance from District of 192 AF of Carryover water held by District as well as five additional years of carryover water, a total of 32 AFY.

Commented [PG2]: Added this language

**NOW, THEREFORE**, in consideration of the mutual covenants and obligations herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. **Incorporation of Recitals.** The foregoing recitals are incorporated in and constitute a substantive part of this Agreement.

2. **Transfer of Carryover Water.** District shall transfer to City and City shall accept from District 192 AF of carryover water ~~(the “**Production Rights**”)~~, as that term is defined in the Judgment, held by District ~~(“**Production Rights Purchase**”)~~. ~~The Production Rights Purchase shall be subject to the terms and conditions of this Section 2. As well as an additional five years of carryover water, equal to 32 AFY, 160 AF total.~~

~~(a) — **Purchase Consideration; Acknowledgment of Fair Market Value.** In consideration of the transfer of Production Rights hereunder, City shall provide the services described in Exhibit A hereto and incorporated by this reference. The Parties acknowledge and agree that the Services constitute fair market value compensation for the Production Rights Purchase.~~

~~(b) — **Transferred In Perpetuity.** The Production Rights Purchase is a transfer of all rights, title and interest in and to the Production Rights. District shall transfer the Production Rights to City in perpetuity and shall not reserve or retain any interest in the Production Rights.~~

(e)(a) **Watermaster Approval.** This transfer is subject to the provisions of the Judgment and the Watermaster’s Rules and Regulations, and also requires Watermaster approval. City shall complete and submit the Transfer Request Form, which is included as Attachment 1 to this Agreement, to the Watermaster for approval, with any and all costs incurred in seeking Watermaster approval borne by City. District shall reasonably cooperate with City to obtain Watermaster approval.

In the event that the Watermaster does not fully approve the transfer, this Agreement shall lapse and become null and void.

(d) **Warranties, Representations, and Covenants of District.** District hereby warrants, represents, and/or covenants to City that:

(i) Pending Claims. Other than the judgment in the consolidated Antelope Valley Groundwater Cases, Judicial Council Coordinated Proceeding No. 4408, to the best of District's knowledge, there are no actions, suits, claims, legal proceedings, or any other proceedings affecting the Production Rights that are the subject of the Production Rights Purchase or any portion thereof, at law, or in equity before any court or governmental agency, domestic or foreign.

(ii) Conflict with Other Obligation. To the best of District's knowledge, neither the execution of this Agreement nor the performance of the obligations herein will conflict with, or breach any of the provisions of any bond, note, evidence of indebtedness, contract, lease, covenants, conditions and restrictions, or other agreement or instrument to which District or Production Rights may be bound.

(iii) Change of Situation. District shall, upon learning of any fact or condition which would cause any of the warranties and representations in the section not to be true as of the Effective Date, immediately give written notice of such fact or condition to City.

(iv) Authority. District has the full right, power, and authority to grant the Production Rights to City as provided herein and to carry out District's obligations hereunder.

(v) Governmental Compliance. District has not received any notice from any governmental agency or authority alleging that it is currently in violation of any law, ordinance, rule, regulation or requirement applicable to the Production Rights. If any such notice or notices are received by District following the date this Agreement is signed by City, District shall, within ten (10) days of receipt of such notice notify City.

3. **Cooperation; Further Acts.** The Parties shall fully cooperate with one another and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

4. **Counterparts; Electronic Execution.** This Agreement may be executed in multiple counterparts by the Parties. All counterparts so executed shall constitute one agreement binding upon the Parties, notwithstanding that the Parties are not signatories to the original or the same counterpart. Each counterpart shall be deemed an original to this Agreement, all of which shall constitute one (1) agreement. Documents executed, scanned and transmitted electronically and electronic signatures shall be deemed original signatures for purposes of this Agreement and all matters related thereto, with such scanned and electronic signatures having the same legal effect as original signatures. This Agreement, any other document necessary for the consummation of the transaction contemplated by this Agreement may be accepted, executed or agreed to through the use of an electronic signature in accordance with the Electronic Signatures in Global and National Commerce Act, 15 U.S.C. § 7001 *et seq.*, and the Uniform Electronic Transactions Act, Cal. Civ. Code § 1633.1 *et seq.*

5. **Effective Date.** City shall execute this Agreement first, and District shall execute this Agreement second. The Effective Date of this Agreement shall be the date of execution by District.

6. **Delegation to Chief Executive Officer.** District's Chief Executive Officer, or his/her designee, is authorized to take all actions on behalf of District in connection with any approvals, consents, or actions required of or by District under this Agreement.

7. **Entire Agreement.** This Agreement is freely and voluntarily entered into by the Parties after having had the opportunity to consult with their respective attorneys. The Parties, in entering into this Agreement, do not rely on any inducements, promises, or representations made by each other, their representatives, or any other person, other than those inducements, promises, and representations contained in this Agreement. This Agreement represents the entire agreement of the Parties. This Agreement may be modified only by a written amendment to this Agreement agreed to by the Parties. The Parties and the Party representatives executing this Agreement have the power and authority to execute this Agreement, and once executed by all Parties, this Agreement shall be binding upon the Parties.

8. **Notice.** Any notice related to this Agreement must be in writing and delivered personally or by U.S. Mail or nationally-recognized overnight service to the addresses below, which addresses may be changed at any time upon written notice:

To District:

50th District Agricultural Association  
2551 W Avenue H  
Lancaster, CA 93536  
Attn: Dan Jacobs  
(661) 948-6060 ext.101  
jacobs@avfair.com

To City:

City of Lancaster  
44933 Fern Avenue  
Lancaster, CA 93534  
Attn: Patti Garibay  
(661) 723-6072, Assistant Director, Community Development  
pgaribay@cityoflancasterca.org

*[Signatures appear on following page.]*

**IN WITNESS WHEREOF**, the Parties have executed this Agreement as of the Effective Date.

**DISTRICT:**

**50TH DISTRICT AGRICULTURAL  
ASSOCIATION**

By: \_\_\_\_\_  
Dan Jacobs, Chief Executive Officer

**CITY:**

**CITY OF LANCASTER**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ATTEST:**

\_\_\_\_\_  
Andrea Alexander, City Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Allison E. Burns, City Attorney

## Exhibit A

Services/Support Provided by the City of Lancaster to 50<sup>th</sup> District Agricultural Association  
For the Antelope Valley Fair:

1. Fence installed along Avenue I
2. Paving of vacant land across from Fair for parking lot
3. Tram drivers provided for the Fair

For the California Poppy Festival:

4. Maintenance preparation of the Fairgrounds for the Poppy Festival
5. Aerating turf areas before the Poppy Festival.
6. Coordinate all the painting for the Main parking lot and G-8 parking lot
7. Coordinate all the Waste Management portable restrooms
8. Removal of weeds and debris prior to the event

For the 4<sup>th</sup> of July

9. Traffic control plans reviewed for the 4th of July event
10. Public Works will deploy staff on overtime for traffic control pre, during, and post event
11. Use of delineators (cones, barricades, etc.)

General Support

12. Fill site asphalt cracks with sealer
13. Cleaning out the culvert that runs to the retention basin across the freeway