

JOINT EXERCISE OF POWERS AGREEMENT
CREATING AN AGENCY TO BE KNOWN AS THE
SAN BERNARDINO REGIONAL EMERGENCY TRAINING CENTER

This Agreement, dated for convenience as of JUNE 29 1998, is made by and among the City of San Bernardino (the "City"), the County of San Bernardino (the "County") and the San Bernardino Community College District (the "District") (hereinafter sometimes collectively referred to as the "Parties").

W I T N E S S E T H

WHEREAS, Article 1 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California pertaining to the joint exercise of powers authorizes the Parties by agreement to jointly exercise certain powers common to the Parties; and

WHEREAS, the Parties hereto recognize the importance of establishing a live-fire training facility within southern California that complies with all applicable environmental laws, rules and regulations to provide for the required aircraft, rescue and fire fighting ("ARFF") training of fire personnel at a facility designed to contain classrooms, a propane fueled burn area and a mock-up of specially designed simulated aircraft (the "Emergency Training Center Project"), all as may be determined by feasibility studies and environmental assessments as required to be undertaken by the Authority pursuant to the California Environmental Quality Act of 1970, as amended ("CEQA"); and

WHEREAS, the Parties have previously worked in cooperation on other fire, rescue, emergency and hazardous materials issues for the mutual benefit of the Parties and the residents of the areas within the jurisdictional boundaries of the Parties; and

WHEREAS, the District has proposed to both the City and the County to acquire through this Authority by lease from the San Bernardino International Airport Authority ("SBIAA") certain property located on the former Norton Air Force Base and known presently as the San Bernardino International Airport (the "Airport") for the development and operation of the Emergency Training Center Project; and

WHEREAS, the District anticipates that the Emergency Training Center Project as intended to be located on the Airport pursuant to a lease agreement with the SBIAA will encourage the training of fire fighters from other municipalities, airports and state and federal agencies throughout the western United States for continued compliance by such municipalities, airports and state and federal agencies with the requirements of the Federal Aviation Administration ("FAA") pursuant to Federal Aviation Regulation (FAR) Part 139 of Title 14 Code of Federal Regulations ("Part 139") including the firefighters of both the City and the County and to the mutual benefit of the Parties; and

WHEREAS, each of said Parties agrees that a regional approach is desirable to (i) direct the policies, programs and training activities of the Emergency Training Center Project, (ii) acquire, own, maintain and operate the Emergency Training Center Project for municipal firefighting purposes and for training as required by Part 139 to other governmental entities that own or operate public use aviation facilities, (iii) training of airline personnel for rescue and firefighting techniques in commercial airline operations, (iv) training of personnel of other governmental entities that participate in mutual aid agreements within the State of California, and (v) such other firefighting and educational training uses as may be legally permitted upon such property, or such other permissible uses as may be determined by the Authority all in accordance with CEQA procedures to be hereafter undertaken by the Authority; and

WHEREAS, each of the Parties hereto has the power to acquire, operate, repair, maintain and administer the intended Emergency Training Center Project either separately or in cooperation with other governmental entities; and

WHEREAS, it has been agreed by each of the Parties that the interests thereof, as well as of the public in general, may be served if the Parties jointly undertake the study and determination of the financial feasibility for undertaking the Emergency Training Center Project at the Airport in accordance with the powers granted to the District, the City and the County, and coordinated pursuant to the applicable federal and State of California laws, under the operational control of a joint powers authority created by the Parties as further set forth in this Agreement; and

WHEREAS, it is the intent and desire of the Parties to enter into an agreement to establish a public entity, separate and apart from the Parties hereto, as hereinafter described and set forth, which entity shall commence the task of accomplishing the

above described general purposes in a manner most capable of promoting the greatest public good and welfare.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES, COVENANTS AND CONDITIONS HEREINAFTER CONTAINED, THE PARTIES AND EACH OF THEM, DO AGREE HEREBY AS FOLLOWS:

Section 1. Purpose.

This Agreement is entered into pursuant to the provisions of Article 1, Chapter 5, Division 7, Title 1 (commencing with Section 6500) of the Government Code of the State of California (herein sometimes referred to as the "Act") relating to the joint exercise of powers common to public agencies (in this case the Parties to this Agreement, each of which is authorized to contract with the other pursuant hereto) and is made for the purpose of enabling the Parties to exercise their powers jointly in a certain "Emergency Training Center Project," described as the acquisition, operation, repair, maintenance and administration of a facility designed to contain classrooms, a propane fueled burn area and a mock-up of specially designed simulated aircraft for live-fire educational and training purposes, all pursuant to applicable federal and State of California laws. Pursuant to the Constitution and laws of the State of California, each of the Parties, separate and apart from this Agreement, has the legal powers necessary in their own right and without any further legal authorization to undertake the activities contemplated by and accomplish the purposes of this Agreement either individually or in conjunction with the other Parties as to those powers which are common to the Parties. The foregoing purposes will be accomplished and the common powers exercised in the manner hereafter set forth.

Section 2. Authority.

A. Creation of the Authority

Pursuant to the Act, there is hereby created a public entity, separate and apart from the Parties hereto, to be known as the "San Bernardino Regional Emergency Training Center" (hereinafter referred to as the "Authority"). The debts, liabilities and obligations of the Authority do not constitute debts, liabilities or obligations of the Parties.

B. Commission of the Authority

(1) The Authority shall be governed by a Commission composed of six (6) individual members, each serving in their individual capacity as a Member of the Commission. The

Commission shall be called the "San Bernardino Regional Emergency Training Center Commission" (hereinafter sometimes referred to as the "Commission").

(2) The Commission shall consist of (i) the Mayor of the City, or, in lieu of the Mayor serving as a Member, an appointee selected by the Mayor, and one (1) additional appointee selected by the Mayor with no further action being required by the legislative body of the City as to any such appointees, (ii) the County of San Bernardino Supervisor representing the Fifth Supervisorial District and (1) additional individual appointed by the legislative body of the County, and (iii) the two (2) representatives of the District appointed by the Board of Trustees. The six (6) individuals thus serving on the Commission shall be called "Members". Each such Member shall be deemed to be appointed by the legislative body of each Party pursuant to this Agreement to serve on the Commission. Each individual Member may, or each Party if required by the legislative body of such Party shall, similarly designate one (1) or more individuals of each Party to serve as a designee or designees for each Member of such Party for the purpose of attending Commission meetings and to ensure full participation in such meetings and to cast votes in place of a Member for such Party. The term "Member" or "Members" shall specifically include only the individual or individuals appointed pursuant to this Agreement or by the action of the appropriate legislative body as may be appointed in the manner provided in this Section 2.B.; provided that designees shall not participate in meetings in the place of a Member or cast votes on any Authority matter except if a Member of a Party is not present or is not otherwise considered as present for purposes of constituting a quorum for any particular matter.

(3) Members shall hold membership on the Commission (i) during the term for which they maintain the elected position on their respective legislative body and until their successors have been appointed or elected and qualified, or (ii) for such period of time as such individuals are otherwise appointed pursuant to the provisions of (2) above; provided, however, that each Member shall automatically forfeit his or her membership on the Commission if he or she ceases to be an elected official of the respective Party or the legislative body of a Party appoints another individual to serve as a Member, if permitted pursuant to this Agreement.

(4) In case of a vacancy in membership on the Commission, the same shall be filled by the Party which has

experienced the vacancy in the manner as may be permitted by law and as further required by this Agreement as applicable. The appointing Party shall, upon making an appointment of a Member, forthwith notify the Secretary of the Commission of such appointment or appointments.

C. Meetings of the Commission

(1) Regular Meetings and Special Meetings

The Commission shall provide for its regular meetings. The dates upon which and the hour and place at which regular meetings shall be held shall be fixed by resolution and a copy of such resolution shall be filed with each of the Parties; provided, however, the Commission shall hold at least one (1) regular meeting in each Fiscal Year. Special meetings and adjourned meetings may be held as required or permitted by law. Meetings shall be held at such times and places as any of the Parties hereto may reasonably request depending upon the nature of the business to be conducted.

(2) Ralph M. Brown Act

All meetings of the Commission, including, without limitation, regular, special and adjourned meetings, shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act (commencing with Section 54950 of the California Government Code).

(3) Minutes

The Secretary of the Commission shall cause minutes of all regular, special and adjourned meetings to be prepared and maintained, and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each Member of the Commission and to each of the Parties.

(4) Quorum

Except under the circumstances provided in Section 11 hereof, a quorum shall be deemed to be constituted at a Commission meeting for conducting business of the Commission when four (4) Members or designees are present who under California law are legally able to participate in such meeting. No individual other than a duly appointed Member or a designee who has been appointed or otherwise authorized pursuant to this Agreement may sit on the Commission and be considered for purposes of determining a quorum, for participating in such meetings and for the casting of votes. A Member or a designee must be present at a meeting to have the

power under this Agreement to cast a vote and to be considered as present for purposes of determining whether the requirement for a quorum has been met.

(5) Voting

Except as otherwise provided by law, any action taken by the Commission shall require the affirmative vote of four (4) Members or designees present and voting except as provided in Section 11 hereof. No Member or designee shall vote unless present upon the casting of votes on any matter. In the event such Member or designee is not present at the time that votes are cast on a matter, such Member or designee shall be considered as not having voted on such matter.

D. Officers

(1) President, Vice-President and Secretary

At the first meeting of the Commission after the effective date of this Agreement, the Commission shall elect from the Members a President, a Vice-President and Secretary, and, thereafter at the first meeting held in July of each succeeding calendar year commencing in July, 1999, and annually thereafter, the Commission shall elect or re-elect its President, a Vice-President and Secretary. In the event that the President, Vice-President or Secretary so elected resigns from such office or ceases to be a Member of the Commission, the resulting vacancy shall be filled at the next regular meeting of the Commission held after such vacancy occurs. In the absence or inability of the President to act, the Vice-President shall act as President. The President, or in his or her absence the Vice-President, shall preside at and conduct all meetings of the Commission. The Secretary shall be responsible for the minutes and other records of the Authority and Commission and shall perform such other duties specified by the Commission. The Commission may select an Assistant Secretary to assist the Secretary in the performance of his or her duties, to certify copies of official documents of the Authority and to perform such other duties specified by the Commission.

(2) Treasurer

The Authority shall appoint a Treasurer who shall be either: (1) the treasurer or chief financial officer of one of the Parties; or (2) a certified public accountant; or (3) such other officer or employee of the Authority as the Commission shall deem qualified to act as Treasurer of the Authority. The Treasurer

shall perform such duties as are set forth in this Agreement and any other duties specified by the Commission; provided, however, that the person so appointed as Treasurer shall not concurrently be appointed and acting as Auditor.

(3) Auditor

The Authority shall appoint an Auditor who shall be either: (1) the treasurer or chief financial officer of one of the Parties; or (2) a certified public accountant; or (3) such other consultant, officer or employee of the Authority as the Commission shall deem qualified to act as Auditor of the Authority. The Auditor shall perform such duties as are set forth in this Agreement and any other duties specified by the Commission; provided, however, that the person so appointed as Auditor shall not concurrently be appointed and acting as Treasurer.

(4) Staff

The Commission may employ, by contract or otherwise, an Executive Director and such staff as may be necessary. Except as listed below in this paragraph, the Executive Director shall appoint and remove all management level officers, subject to the approval of the Commission. Professional and expert services, including, without limitation, legal counsel, financing consultants, accountants, engineers, architects and other consultants and advisors, may be contracted for by the Authority.

(5) Rules and By-Laws

The Commission may adopt, from time to time, such rules and regulations and by-laws for the election of officers, appointment of other officials and staff and the conduct of its meetings and affairs as it may deem necessary provided that all such rules and regulations are consistent with the provisions of this Agreement.

Section 3. Powers and Duties of the Authority.

The Authority shall have the powers common to the Parties to be exercised to acquire, operate, repair, maintain, improve and administer the Emergency Training Center Project, and in addition thereto, has all other powers enumerated in the Joint Exercise of Powers Act, Chapter 5, Division 7, Title 2 of the Government Code of the State of California (commencing with Section 6500) as the same now exists or may hereinafter be amended (herein sometimes referred to as the "Act"). The Authority is authorized to do all acts necessary or convenient to the exercise of the aforementioned

powers, including, but not limited to, the following: to make and enter into contracts; to employ agents and employees; to acquire, construct, manage, maintain or operate any buildings, works or improvements; to acquire, hold or dispose of property; to incur debts, liabilities or obligations (both long-term and short-term) pursuant to the exercise of these powers, which are not debts, liabilities or obligations of the Parties; and to sue and be sued in its own name. Said powers shall be exercised in the manner provided in the Act and, except as expressly set forth herein, subject only to such restrictions upon the manner of exercising such powers as are imposed upon the City of San Bernardino in the exercise of similar powers. The Authority may also issue revenue bonds pursuant to Article 2, Chapter 5, Division 7, Title 1 of the Government Code of the State of California, commencing with Section 6540 as the same now exists or may hereafter be amended (hereinafter referred to as the "Bond Act"), and any applicable laws of the State of California, whether heretofore or hereafter enacted or amended, and, without limiting the generality of the foregoing, the Authority is also authorized to incur other forms of indebtedness pursuant to Section 6547.1 of the Government Code, which is part of the Bond Act, and any other applicable laws of the State of California; provided, however, that such revenue bonds or other forms of indebtedness shall not constitute debts, liabilities or obligations of the Parties.

The Authority shall, in its sole discretion, establish, maintain and enforce educational training criteria and facility maintenance standards, as the same may be amended from time-to-time, for the economical and efficient operation and maintenance of the Emergency Training Center Project. The scope and extent of the training activities that may be undertaken at the Emergency Training Center Project shall include, but not be limited to, those purposes set forth in the recitals and to (i) direct the policies, programs and training activities of the Emergency Training Center Project to the extent that the Authority undertakes such activities in its own name, (ii) delegate by agreement to any Party the ability to direct the policies, programs and training activities of the Emergency Training Center Project for such delegated activities to be undertaken by such Party in accordance with all applicable laws, (iii) acquire, own, maintain and operate the Emergency Training Center Project for municipal firefighting purposes and for training as required by Part 139 to other governmental entities that own or operate public use aviation facilities, (iv) training of airline personnel for rescue and firefighting techniques in commercial airline operations, (v) training of personnel of other governmental entities that participate in mutual aid agreements within the State of California, and (vi) such other firefighting and educational training uses as may be legally permitted upon such

property, or such other permissible uses as may be determined by the Authority all in accordance with CEQA procedures to be hereafter undertaken by the Authority

Without limiting the generality of the foregoing, it is intended that the Authority will proceed to do all acts necessary or desirable to accomplish the purposes of this Agreement. Such acts may, but need not necessarily (except to the extent required or prohibited by state or federal law) include all or part of the following which may be exercised in whole or in part at the sole discretion of the Commission:

(a) Negotiating lease terms and conditions and or such other methods of acquiring the properties as may be required in furtherance of the development and operation of the Emergency Training Center Project, and authorizing the execution and executing any and all documents necessary or desirable to accept the operational control and maintenance of the Emergency Training Center Project;

(b) Consistent with the requirements of state and federal laws, conducting any environmental impact studies and proceedings as are required by CEQA, the State of California and/or the federal government, making such improvements or taking such actions as such studies and proceedings may indicate in the determination of the Commission will mitigate the adverse effects reflected in such studies;

(c) Granting of franchises, permits and licenses to, and entering into leases and contracts with, any person, firm or corporation, or agency of the State of California and/or the federal government, for the use of the Emergency Training Center Project or any part thereof, for the promotion and accommodation of live-fire, ARFF training and handling of hazardous materials in furtherance of Part 139 requirements, or any use incidental thereto, together with a right or rights to use said Emergency Training Center Project in common with others as necessary to the right or rights granted; and likewise to enter into leases with any person, firm or corporation for purposes of the operation and maintenance of all of any portion of the Emergency Training Center Project whenever the Commission shall determine that the use of such portions of the Emergency Training Center Project are not necessary for the uses required by the Authority or otherwise as may be determined by the Authority;

(d) Applying for and receiving any available State of California and/or federal grants, including FAA grant funds,

and in connection therewith, authorizing the execution of applications therefor, and grant agreements in connection therewith;

(e) Issuing revenue bonds or other obligations and incurring other forms of indebtedness as provided in this Agreement, which are not debts, liabilities or obligations of the Parties although the Authority has no power of taxation;

(f) Conducting the necessary studies to determine what manner the Authority may best manage and implement the promotion of Part 139 training activities at the Emergency Training Center Project, and implementing such recommendations in any manner authorized by law;

(g) Continuing to operate, repair, maintain, improve and administer the Emergency Training Center Project after its acquisition and construction and entering into such management agreements and other service or management agreements for the effective management and operation of the Emergency Training Center Project;

(h) Acquiring, constructing, managing, maintaining, operating or disposing of or donating land, building sites, buildings, works or improvements, whether to or from public or private persons or entities and whether on the Emergency Training Center Project or outside the Emergency Training Center Project if for management purposes or in furtherance of the development of adjacent properties and in furtherance of the operation of the Emergency Training Center Project;

(i) Suing or being sued in its own name;

(j) Entering into and performing under lawful agreements with any of the Parties, the State of California, the United States of America, or any departments or agencies of any of the foregoing, including the FAA, or any other municipal or public corporation of any kind or nature whatever, including the SBIAA;

(k) Retaining surplus revenues within the Authority solely for the purpose of accomplishing the purposes of the Authority pursuant to this Agreement and not for the purpose of making payment of such surplus revenues to any of the Parties;

(l) Carrying out and enforcing all the provisions of this Agreement;

(m) Carrying out and enforcing all rules and regulations, rates and charges and terms and conditions for the use of the Emergency Training Center Project as deemed appropriate by the Commission; and

(n) Entering into agreements and contracts for instructional programs and services as may be required.

(1) The San Bernardino Community College District shall have the right of first refusal on the promotion and implementation of any course or program of instruction offered at the Emergency Training Center which is offered for college credit.

(2) Any course or program of instruction offered by the District which is offered for college credit and which is claimed for State apportionment shall comply fully with the provisions of the California Education Code and Title V of the California Code of Regulations as to course and program approval and supervision.

The listing of the above acts is not intended to indicate any priority of one act over another. Nor is such listing intended to be inclusive, and the Commission may authorize other acts to be done in the accomplishment of the purposes of this Agreement. One or several acts may take place concurrently or in sequence as the Commission shall direct.

Title to the Emergency Training Center Project shall be held by the Authority in the event the Authority determines that such method of title ownership would facilitate acquisition, construction and management of the Emergency Training Center Project. The Parties hereby agree that the Emergency Training Center Project and the real property on which it is located are within the boundaries of the Authority.

As of the time of the execution of this Agreement it is not known whether the acquisition, operation, repair, maintenance and administration of the Emergency Training Center Project by the Authority is feasible; however, some acts of the Authority will be accomplished in whole or in part prior to the Authority making any decision to undertake the actual acquisition and construction of the Emergency Training Center Project and to assume the operational responsibility thereof. Financial negotiations, feasibility, economic and legal studies and other related studies must all be undertaken by or on behalf of the Authority so that it can determine whether to proceed or not. Nothing in this Agreement shall be construed to commit the Authority at this time to any

particular course of action of acquisition or non-acquisition of or the undertaking of the Emergency Training Center Project and assumption of operational responsibility thereof, other than the investigation by the Authority as to the engineering and financial feasibility of such Project.

Section 4. Fiscal Year

For the purposes of this Agreement, the term "Fiscal Year" shall mean the period from July 1 of each year to and including the following June 30.

Section 5. Assistance to the Authority

The Parties may, except as prohibited by law and this Agreement, in appropriate circumstances: (i) make contributions from their treasuries for the purposes set forth herein, (ii) make payments of public funds to defray the cost of such purposes, (iii) make advances of public funds for such purposes, such advances or payments to be repaid, as provided herein, or (iv) use their personnel, equipment or property in lieu of or in conjunction with other contributions or advances. Such sums shall be paid to and disbursed by the Authority, and the method and manner of such payment, disbursement and repayment shall be as set forth in separate agreements by and between the Authority and a Party and approved by official action of the Commission on behalf of the Authority and by the respective legislative body on behalf of such Party. The provisions of Government Code Section 6513 are hereby incorporated into this Agreement. Nothing contained either in this Section 5 or in any other provision of this Agreement shall ever be deemed or interpreted to obligate one or more Parties either separately or in conjunction with one or both of the other Parties to provide any form of assistance as set forth above in this Section 5 without the action of the respective legislative body of each Party to independently approve any such form of assistance at the sole discretion of the legislative body of each Party.

Section 6. Revenue Bonds

In order to pay for acquiring, repairing, improving and financing the Emergency Training Center Project referred to in Section 1 hereof, including all facilities and improvements and any and all expenses incidental thereto or connected therewith, the Authority may authorize the issuance of revenue bonds pursuant to the provisions of the Bond Act, any applicable laws of the State of California, and, without limiting the generality of the foregoing, the Authority is also authorized to incur other forms of indebtedness pursuant to Section 6547.1 of the Government Code,

which Section is part of the Bond Act. Such revenue bonds or other forms of indebtedness shall not constitute debts, liabilities or obligations of the Parties.

All fees and expenses of professional and expert services, including, without limitation, legal counsel, financing consultants, accountants, engineers, architects and other consultants and advisors connected with the acquisition, operation, repair, maintenance, improvement and administration of the Emergency Training Center Project, which have been paid or incurred prior to the issuance of the revenue bonds or other forms of indebtedness (but after the effective date of this Agreement) shall be paid, or repaid to the Parties, as the case may be, without any preference being granted to any Party or Parties, at the earliest feasible time, to the extent such payment or repayment is both lawful and deemed to be financially prudent in the sole discretion of the Commission, from the proceeds of the revenue bonds, or other forms of indebtedness, or any other legally available source.

Section 7. Official Bonds

The Treasurer and the Auditor as the public officers designated in this Agreement who have charge of, handle or have access to any moneys of the Authority are hereby also designated as responsible for all other property of the Authority. The Treasurer and Auditor shall each file an official bond with the Authority in the amount of not less than Two Hundred Fifty Thousand Dollars (\$250,000). Each individual Member of the Commission, and each designee, shall file with the Authority an official bond in the amount of not less than Ten Thousand Dollars (\$10,000). The Commission may in its discretion increase the official bond requirements set forth in this section. All bond premiums shall be paid by the Authority.

Section 8. Accounts and Reports

There shall be strict accountability of all funds and reporting of all receipts and disbursements. To the extent not covered by the duties assigned to any trustee appointed pursuant to a resolution or trust indenture adopted by the Commission pursuant to applicable law for the issuance of revenue bonds or other forms of indebtedness, the Commission shall establish and maintain such procedures, funds and accounts as may be required by sound accounting practices or by the provisions of any resolution of the Authority authorizing the issuance of revenue bonds or other forms of indebtedness; provided that such procedure shall conform as nearly as possible to typical and customary procedures for the City of San Bernardino. The books and records of the Authority in the

hands of the trustee or the Authority shall be available for inspection at all reasonable times by authorized representatives of the Parties. The Authority shall contract with an independent certified public accountant or firm of certified public accountants to make an annual audit of the accounts and records of the Authority, and a complete written report of such audit shall be filed as public records annually, within six (6) months after the conclusion of the Fiscal Year under examination, with each of the Parties and with the Auditor-Controller of San Bernardino County. Such annual audit and written report shall comply with the requirements of Section 6505 of the Government Code of the State of California. The costs of the annual audit, including contracts with, or employment of, such independent certified public accountant or firm of certified public accountants, in making an audit pursuant to this Agreement shall be a charge against any unencumbered funds of the Authority available for such purpose.

Section 9. Funds

The Treasurer of the Authority shall have custody of Authority money and disburse Authority funds pursuant to the accounting procedures developed in accordance with the provisions of Section 8; provided that the provisions of any resolution of the Authority authorizing the issuance of revenue bonds or other forms of indebtedness shall control regarding the custody and disbursement of the proceeds of any revenue bonds or other forms of indebtedness issued pursuant thereto or any revenues pledged to the payment of such bonds or other forms of indebtedness.

Additionally, and to the extent not covered by the duties assigned to any trustee, the Treasurer of the Authority shall assume the duties described in California Government Code Section 6505.5, as follows:

(a) Receive and receipt for all money of the Authority and place it in the treasury of the Treasurer of the Authority;

(b) Be responsible upon his official bond for safekeeping and disbursement of all Authority money so held;

(c) Pay, when due, from money of the Authority so held, all sums payable on outstanding bonds, or other forms of indebtedness, of the Authority;

(d) Pay any other sums due from the Authority, from Authority money, or any portion thereof, only upon warrants of the Auditor of the Authority;

(e) Verify and report in writing to the Authority and to each of the Parties on a monthly basis the amount of money then held for the Authority, the amount of receipts since the prior monthly report and the amount paid out since the prior monthly report.

Subject to applicable provisions of any trust indenture or financing agreement, which may provide for a trustee to receive, have custody of and disburse the Authority funds, the Treasurer of the Authority shall have the custody of and disburse Authority funds pursuant to the accounting procedures developed in accordance with the provisions of Section 8 hereof.

The Authority shall adopt by resolution appropriate rules and procedural guidelines providing for the payment of all bills, invoices and demands against the Authority by the issuance of checks or warrants to pay all such bills, invoices and demands against the Authority.

The Authority may invest any money in the treasury that is not required for 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 Government Code.

Section 10. Non-Assignability of Participating Interests

The rights, titles and interests of any Party herein shall not be assignable or transferable unless such assignment or transfer is required by law and is not within the control of the Party making the assignment or transfer.

Section 11. Budgets; Party Loans

All Parties may by the official action of their respective legislative bodies loan to the Authority any and all of the necessary annual budgeted expenditures of the Authority. The principal amount of such Party loans shall bear interest at a rate agreed upon by and among the Parties and the Authority for each Fiscal Year which rate of interest shall be applied to all principal amounts loaned in such Fiscal Year until repaid in full and shall be repaid proportionately to each Party from legally available surplus revenues as shall be determined from time-to-time by the Commission. It is anticipated that such funding by the Parties may continue for an extended period of time which cannot now be determined both prior to and subsequent to the time when the Authority accepts the operational responsibility of the Emergency

Training Center Project. Prior to the time or times when the Parties adopt their annual budgets, such funding will be required to be made by the Parties from any legally available funds that may be allocated for such purpose. The Authority shall cause to be prepared the Authority budget for whatever period of time is involved and submit it to the Commission for consideration and approval, and thereafter such Authority approved budget shall be submitted to the Parties for such action as they deem appropriate under the circumstances. Nothing contained in this Agreement shall ever be deemed to obligate or require any of the Parties to loan moneys, advance funds or provide staffing and in lieu services for any of the operations and activities of the Authority or with regard to any aspect of the Emergency Training Center Project.

Section 12. Term, Amendments, Termination

(a) This Agreement shall be effective when executed by all of the Parties designated on the signature pages hereof and may be amended by the unanimous consent of the Parties by the official action of their governing bodies to include other qualified governmental entities or for any other lawful purpose; and shall continue for so long as necessary to carry out the purposes of any agreement or contract with respect to the Emergency Training Center Project or until terminated by unanimous consent, whichever is later; provided, however, that:

(i) This Agreement cannot be terminated until all revenue bonds or other forms of indebtedness issued pursuant hereto, and the interest thereon, shall have been paid or adequate provision for such payment shall have been made in accordance with the resolution of the Authority authorizing the issuance thereof; and

(ii) This Agreement cannot be amended in any manner to the detriment of the holders of any such revenue bonds or other forms of indebtedness which are outstanding in accordance with any resolution of the Authority authorizing the issuance thereof; and

(iii) No termination or amendment shall adversely affect the operation, repair, maintenance, improvement or administration of the Emergency Training Center Project; and

(iv) No termination or amendment shall be made which is contrary to the language, spirit or intent of any contract and/or grant agreement entered into by the Authority with the United States of America, or any agreement entered into by the

Authority with the State of California, or any department, administration or agency of either.

(b) If this Agreement is terminated, as provided in this Section 12, any property acquired as a result of the joint exercise of powers or the net sale proceeds (as used herein, "net sale proceeds" shall be those moneys or assets that remain after all indebtedness, loans and bonds, together with interest thereon, payable by the Authority, have been paid in full or provision for the payment thereof has been made and all moneys, to the extent applicable, have been disposed in such manner as may be required pursuant to federal and State laws, rules and regulations then in effect) available upon a sale of any or all assets of the Authority shall be distributed or transferred in such manner as may be determined by the Commission. After completion of the purposes of this Agreement, and upon termination thereof, title to and possession of all real property interests in the Emergency Training Center Project and improvements thereon then owned by the Authority shall be disposed in such manner as may be determined by the then Members of the Commission or as may be required by law or agreement to which the Authority is a party. Any surplus moneys on deposit with the Treasurer if not required to support the Emergency Training Center Project shall be transferred to the Parties in equal amounts unless otherwise directed by the then Members of the Commission or unless otherwise required by law or agreement to which the Authority is a party.

Section 13. Notices

Notice hereunder to be given to the Authority or to any Party shall be sufficient if delivered to: the Secretary of the Authority for any notices to be given to the Authority; or to the City Clerk of the City, or the Clerk of the Board of Supervisors of the County, or the Secretary to the Board of the District, as appropriate, for each of the Parties.

Section 14. Miscellaneous

The Section headings herein are for convenience only and are not to be construed as modifying or governing the language in the Section referred to. Whenever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld. This Agreement is made in the State of California under the Constitution and laws of such State and is to be so construed.

Section 15. Successors

This Agreement shall be binding upon and shall inure to the benefit of the successors of the Parties hereto.

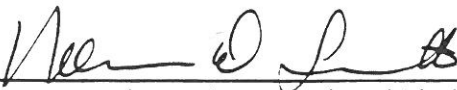
Section 16. Severability

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 United States of America or the State of California, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining portions or provisions shall not be affected thereby.

Section 17. Debts and Liabilities

The debts and liabilities of the Authority shall be those of the Authority and not of the Parties. The Authority shall save, keep, defend, indemnify and hold harmless all Parties, their officers and agents against and from all claims and liability for damage to property or personal injury received by reason of or in the course of development, construction, improvements or operations, whether aviation or otherwise authorized and approved by the Authority pursuant to its powers as stated in this Agreement, which may be occasioned by an act or omission on the part of the Authority, its agents or employees.

SAN BERNARDINO COMMUNITY
COLLEGE DISTRICT

By: 
Executive Director/Facilities Planning
Title: and Administrative Services
Dated: 6/29/98

(SEAL)
ATTEST:


Clerk of the Board
Allen B. Gresham

Approved as to Form:


Attorney to the District

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed and attested by their proper officers thereunto duly authorized, their official seals to be hereto affixed, as of the date first above written.

COUNTY OF SAN BERNARDINO

By: *Jerry Lewis*
Title: CHAIRMAN, BOARD OF SUPERVISORS

Dated: JUN 09 1998 #98-421

(SEAL)
ATTEST:

Clerk of the Board of
Supervisors

Approved as to Form:

David Hunter
County Counsel

CITY OF SAN BERNARDINO, CALIFORNIA

By: James
Title: Mayor
Dated: 6-22-98

(SEAL)
ATTEST:

Rachel B. Clark
City Clerk

Approved as to Form:

James F. Jenna
City Attorney

SBE0\0001\DOC\3292.4