A G E N D A
CITY OF SEASIDE
CITY COUNCIL

REGULAR MEETING
VIRTUAL ONLY
Thursday, May 7, 2020
7:00 PM

Item 10 C has been amended on May 6th, 2020 removing the minimum staffing provision in the original resolution, and no layoffs of firefighters are contemplated at this time

Pursuant to Governor Newsom's Executive Orders N-29-20 and N-33-20, and to do all we can to help slow the spread of COVID-19 (coronavirus) City of Seaside meetings will be adapted in the following ways:

- Meetings of the Seaside City Council and its Boards and Commissions will be conducted with virtual (electronic) participation only. Members of the public may watch the live stream of the City Council and Boards and Commission meetings at https://bit.ly/SeasideYouTube
- Members of the public may participate before and during each meeting by submitting comment(s) to cityclerk@ci.seaside.ca.us. The clerk will read each received public comment aloud into the record at the designated time, subject to time limits that may be imposed pursuant to the Brown Act. In the subject line of a public comment email, please specify the meeting body and date and indicate the relevant item number or "general" to help staff easily receive and organize public comments.

1. CALL TO ORDER

2. ROLL CALL – ESTABLISHMENT OF QUORUM

Ian N. Oglesby	Mayor
David R. Pacheco	Mayor Pro Tem
Jason Campbell	Council Member
Jon Wizard	Council Member
Alissa Kispersky	Council Member

3. PLEDGE OF ALLEGIANCE

4. REVIEW OF AGENDA

If there are any items that arose after the 72-hour posting deadline, this is the point in the meeting where a vote may be taken to add the item to the agenda. (A 2/3-majority vote is *required).*

5. PUBLIC COMMENT

Members of the public wishing to address the City Council on matters within the jurisdiction of the City of Seaside, but not on this agenda, may do so during the Public Comment period for up to three minutes. Public Comments on specific agenda items are heard under that item. For the public record, please state your name.

6. PUBLIC AGENCY COMMUNICATIONS

This is a time specifically set aside for representatives of public agencies to make brief comments of general interest to the City Council and the community.

7. PRESENTATIONS

8. CONSENT AGENDA

A. APPROVE MINUTES FROM APRIL 16, 2020

RECOMMENDATION: Approve minutes as presented.

B. APPROVE AND FILE CITY CHECKS

RECOMMENDATION: Approve and file the accounts payable and wired payments made during the period of April 4, 2020 through April 24, 2020 including the payroll and benefits checks, direct deposits and wired payments related to the pay period ending April 9, 2020 & April 23, 2020. Total Accounts Payable and Payroll for the above referenced period is $2,605,368.35.

C. PROCLAMATION FOR NATIONAL WATER SAFETY MONTH

RECOMMENDATION: Recognition of May as National Water Safety

Month.

D. **APPROVE RESOLUTION AMENDING THE TRAFFIC SIGNAL AND STREETLIGHT MAINTENANCE SERVICES CONTRACT WITH BEAR ELECTRICAL SOLUTIONS, INC. FOR TRAFFIC SIGNAL UPGRADES AT GENERAL JIM MOORE BLVD. AT GIGLING AND NORMANDY.**

RECOMMENDATION: To authorize an amendment to the Traffic Signal and Streetlight Maintenance Services Contract Agreement with Bear Electrical Solutions Inc. for an additional amount of $38,920.00 for traffic signal upgrades at General Jim Moore Blvd. at Giggling and Normandy.

E. **APPROVE AN AGREEMENT WITH THE SEASIDE COUNTY SANITATION DISTRICT TO REIMBURSE THE CITY FOR UPGRADES TO THE SANITARY SEWER SYSTEM AS A PART OF THE PAVEMENT REHABILITATION PROJECT**

RECOMMENDATION: To approve an agreement with Seaside County Sanitation District (SCSD) to reimburse the City for upgrades to the sanitary sewer system as a part of the City of Seaside's Pavement Rehabilitation Project.

F. **APPROVE RESOLUTION ACKNOWLEDGING REVIEW AND ACCEPTANCE OF THE 2019 GENERAL PLAN ANNUAL PROGRESS REPORT AUTHORIZING SUBMITTAL TO THE GOVERNOR'S OFFICE OF PLANNING AND RESEARCH (OPR) AND THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (HCD)**

RECOMMENDATION: To approve the annual progress report for submission to satisfy the reporting requirements of Government Code section 65400, subdivision (a)(2) reporting the status of the General Plan and accomplishments during 2019.

9. PUBLIC HEARING

A. **ADOPTION OF AN ORDINANCE REGARDING SHORT TERM RENTAL**

PROGRAM CHANGES (SECOND READING)

RECOMMENDATION: Adopt the ordinance as presented.

B. **ADOPTION OF AN ORDINANCE AMENDING THE SEASIDE MUNICIPAL CODE REPEALING SECTION 2.02.080 AND REPLACING IT WITH SECTIONS 2.02.080 AND 2.02.080a ADDRESSING THE AGENDA SETTING PROCESS (SECOND READING)**

RECOMMENDATION: Adopt the ordinance as presented.

10. BUSINESS ITEMS

A. **CONSIDER RE-PRIORITIZATION OF WATER ALLOCATIONS TO ACCOMMODATE THE ASCENT DEVELOPMENT WATER NEEDS**

RECOMMENDATION: To consider re-prioritize water allocations by adding 1.97553 to the Terrace and Broadway properties by taking .11 acre feet a year from the West Broadway Urban Village and 1.86553 from the small commercial to allocate to the Terrace and Broadway properties.

B. **CONSIDER BUILDING REMOVAL BOND FUNDING AGREEMENTS AND ADOPT RESOLUTION AUTHORIZING EXECUTION AND DELIVERY OF BOND FUNDING AGREEMENT**

RECOMMENDATION: Approve a resolution authorizing the City Manager, in consultation with the City Attorney, to execute and deliver a bond funding agreement to the Fort Ord Reuse Authority in order to receive bond revenues for building removal activities.

C. **CONSIDER ADOPTION OF RESOLUTION APPROVING THE FOURTH SUPPLEMENT TO THE PROCLAMATION OF LOCAL EMERGENCY THE CITY OF SEASIDE (GOV. CODE §8630)**

RECOMMENDATION: That the City Council adopt the resolution as presented.

Item 10 C has been amended on May 6th, 2020 removing the minimum staffing provision in the original resolution, and no layoffs of firefighters are contemplated at this time

11. <u>COUNCIL MEMBER REQUESTS</u>

A. <u>CONSIDER REQUEST TO SEND LETTER SUPPORTING ACCESS TO OPEN SPACE (CAMPBELL)</u>

12. <u>MAYOR, CITY COUNCIL, CITY MANAGER AND CITY ATTORNEY COMMENTS AND REPORTS ON COMMITTEE ASSIGNMENTS</u>

This is a time specifically set aside for members of the City Council, the City Manager and City Attorney to make brief comments of general interest to the community, make requests that items be added to future City Council meeting agendas as necessary and report on committee assignments.

13. <u>ADJOURNMENT</u>

<u>This meeting will be adjourned in honor of Edith Vallo Johnsen.</u>

Next Regularly Scheduled Meeting:
Thursday, May 21, 2020
7:00 PM

The City of Seaside is committed to providing accessible facilities and accommodating people with disabilities in all of its services programs and activities. If special considerations are needed by any person to fully participate in this meeting, contact the City Clerk at 899-6707 no fewer than two business days prior to the meeting to allow reasonable arrangements. Agendas are posted at: http://www.ci.seaside.ca.us/129/City-Council-Committee-Agendas

Agenda-related writings or documents provided during public meetings are available for public inspection during the meeting or from the office of the City Clerk. This agenda is posted in compliance with California Governor Newsom's Executive Orders N-29-20 and N-33-20.

DRAFT MINUTES
CITY OF SEASIDE
CITY COUNCIL

REGULAR MEETING
Council Chamber
Thursday, April 16, 2020
7:00 PM

1. CALL TO ORDER

The meeting was called to order at 7:00 PM.

2. ROLL CALL – ESTABLISHMENT OF QUORUM

PRESENT: Campbell, Kispersky, Pacheco, Oglesby, Wizard
ABSENT: None

3. PLEDGE OF ALLEGIANCE

4. REVIEW OF AGENDA

No changes requested.

5. PUBLIC COMMENT

SPEAKERS: Peter Keiser, Franco Pacheco

6. PUBLIC AGENCY COMMUNICATIONS

None.

7. PRESENTATIONS

8. CONSENT AGENDA

On motion by Council Member Jason Campbell and seconded by Mayor Pro Tem Dave Pacheco and passed by the following vote the City Council approved the Consent Agenda as presented.

RESULT:	***Approved***
AYES:	*Ian Oglesby, Dave Pacheco, Jason Campbell, Jon Wizard, Alissa Kispersky*
NOES:	*None*

A. **<u>APPROVAL OF MINUTES FROM APRIL 2, 2020 REGULAR MEETING</u>**
Action: Approved

B. **<u>APPROVE AND FILE CITY CHECKS</u>**
Action: Approved

C. **<u>PROCLAMATION FOR ARBOR DAY</u>**
Action: Approved

D. **<u>ADOPT A RESOLUTION TO AMEND THE PROFESSIONAL SERVICES AGREEMENT WITH SAGE RENEWABLES FOR DESIGN REVISIONS FOR THE CITY HALL SOLAR CANOPY PROJECT FOR AN AMOUNT NOT TO EXCEED $14,000 AND APPROVE $14,000 DEDUCTIVE CHANGE ORDER WITH SANDBAR TO OFFSET REVISION COSTS</u>**
Action: Approved and adopted Resolution 20-18

E. **<u>AUTHORIZE AMENDMENT NUMBER ONE OF AN AGREEMENT BETWEEN COUNTY OF MONTEREY EMERGENCY MEDICAL SERVICES AGENCY, ESO SOLUTIONS AND THE CITY OF SEASIDE FOR ELECTRONIC EMERGENCY MEDICAL SERVICES DATA COLLECTION AND REPORTING TO THE STATE OF CALIFORNIA EXTENDING THE DATE TO MARCH 30, 2022.</u>**
Action: Approved and adopted Resolution 20-19

F. **<u>RESOLUTION TO APPROVE A POLICY TO DESIGNATE SHORT-TERM PARKING ON BROADWAY</u>**
Action: Approved & Adopted Resolution 20-20
Speaker: Walter Georis

9. <u>PUBLIC HEARING</u>

A. **<u>INTRODUCTION OF AN ORDINANCE REGARDING SHORT TERM RENTAL PROGRAM CHANGES</u>**

Assistant City Manager Milton introduced the proposed ordinance change based on direction given at the January 23 City Council Meeting. Direction included modifications to the application and approval process, eligibility, fees, allocation of funding and cost recovery.

Additionally, staff proposed modifying the requirement of an annual inspections to an initial inspection and thereafter self certifications, unless any modifications were made to the property that required a permit. The Council discussed the draft ordinance, the inspection changes and impacts and opportunities if permits were to be expanded.

Public Comments on the item: Roelof Wijbrandus, Alex Miller, Dennis Volk, Jung-Ho Pak, Susan Bradley, Josh Ohanian

On motion by Mayor Pro Tem Dave Pacheco and seconded by Council Member Jason Campbell and passed by the following vote the City Council passed to print the draft ordinance with the modification that inspections be required on initial application and thereafter every four years.

RESULT:	***Approved***
AYES:	*Ian Oglesby, Dave Pacheco, Jason Campbell, Jon Wizard, Alissa Kispersky*
NOES:	*None*

B. INTRODUCTION OF AN ORDINANCE AMENDING THE SEASIDE MUNICIPAL CODE REPEALING SECTION 2.02.080 AND REPLACING IT WITH SECTIONS 2.02.080 AND 2.02.080a ADDRESSING THE AGENDA SETTING PROCESS

City Manager Malin introduced the draft ordinance which was the result of Council direction provided during the March 5, 2020 City Council Meeting.

The Council discussed the elements and the process of placing items on the agenda and ultimately agreed that the draft ordinance was consistent with their desires for the process.

PUBLIC COMMENT: None

On motion by Council Member Dave Pacheco and seconded by Council Member Wizard and passed by the following vote the City Council passed to print the draft ordinance as presented.

RESULT:	***Approved***
AYES:	*Ian Oglesby, Dave Pacheco, Jon Wizard, Alissa Kispersky*
NOES:	*Jason Campbell*

10. BUSINESS ITEMS

A. RECEIVE PRESENTATION OF THE JUNE 30, 2019 AUDIT REPORT, COMPREHENSIVE ANNUAL FINANCIAL REPORT AND THE GOVERNANCE LETTER AND ACCEPT AND FILE THE REPORTS

The City Council received the presentation regarding the City of Seaside's Comprehensive Annual Financial Report (CAFR) for the year-ended June 30, 2019. A representative from CliftonLarsen Allen presented the report. The Council received the report.

B. <u>ADOPT RESOLUTION RATIFYING THE THIRD SUPPLEMENT TO PROCLAMATION OF LOCAL EMERGENCY</u>

Action: Adopted Resolution 20-21

City Manager Malin presented the item explaining the fiscally challenging situation due to COVID-19 and the elements of the third supplement to the emergency proclamation. He detailed that the elements of this supplement being the expiration of administrative leave on May 4, that there will be a hiring freeze except for mission critical employees, that Deadlines are suspended for the public records act requests, deadline extensions for automatically approvals, business license renewals are delayed until 30 days post emergency, invoices will not be subject to late fees and enforcement of sleeping in vehicles is temporarily suspended at Roberts Lake parking lot. The City Manager answered questions from the Council.

On motion by Mayor Pro Tem Dave Pacheco and seconded by Council Member Jason Campbell and passed by the following vote the City Council adopted resolution 20-21 as presented.

RESULT:	***Approved***
AYES:	*Ian Oglesby, Dave Pacheco, Jason Campbell, Jon Wizard, Alissa Kispersky*
NOES:	*None*

C. <u>RECEIVE UPDATE ON CANNABIS BUSINESS OPERATIONS & REGULATIONS</u>

Economic Development Director Overmeyer presented an update on the issued cannabis permits. He detailed the revenues, the compliance with the community benefit provision, identified that there have been no significant issues and then presented options to the Council for discussion and direction.

After robust discussion and consideration of the presented options, there was majority support by the Council of the following elements; onsite consumption, consideration of a cannabis Friendly Hotel, future land use development for R&D and testing, cultivation within dispensaries so long as the irrigation can be from a non potable water source and consideration of future dispensary licenses but only in the Campus Town area.

11. <u>COUNCIL MEMBER REQUESTS</u>

Council Member Campbell requested the Council consider generating a letter to be sent to open space managers to encourage access to open space.

12. <u>MAYOR, CITY COUNCIL, CITY MANAGER AND CITY ATTORNEY COMMENTS AND REPORTS ON COMMITTEE ASSIGNMENTS</u>

13. ADJOURNMENT

On motion, the meeting was adjourned.

Respectfully submitted,

______________________________	______________________________
Lesley Milton-Rerig, City Clerk	**Ian N. Oglesby, Mayor**

CITY OF SEASIDE
STAFF REPORT

Item No.: 8.B.

TO: City Council

FROM: Craig Malin, City Manager

BY: Jessica Riley, Accounting Assistant
Kimberly Drabner, Finance Director

DATE: May 7, 2020

SUBJECT: **APPROVE AND FILE CITY CHECKS**

PURPOSE & RECOMMENDATION

Approve and file the accounts payable and wired payments made during the period of April 4, 2020 through April 24, 2020 including the payroll and benefits checks, direct deposits and wired payments related to the pay period ending April 9, 2020 & April 23, 2020. Total Accounts Payable and Payroll for the above referenced period is $2,605,368.35.

BACKGROUND

In accordance with Government Code Section 37208, at each City Council meeting the Council is provided a listing of the payroll and general checks issued since the last report so that it can inspect and confirm these checks. Each purchase has been reviewed and approved by the department making the purchase at the time of procurement. The invoice has been reviewed by the Finance Department prior to payment to ensure that it conforms to the approved budget.

Therefore, in accordance with Government Code Section 37208, the above referenced, and linked list of checks conforms to the approved budget and has been paid. These checks are submitted to the City Council for inspection and confirmation.

A description of the checks and wires exceeding $10,000 are as follows:

- $1,270,462.24 for Payroll and benefits.
- $17,908.00 to Boys & Girls Club of Monterey for Club house improvements. Invoice #4218.
- $19,496.28 to California-American Water for Water consumption for multiple City of Seaside service addresses. Billing period of 2/25/2020-3/24/2020.
- $36,268.44 to Granite Construction Company for Pavement Rehabilitation project, phase II for work thru March 2020. Application No. 5 for various streets including Ord Grove.$16,912.17 to Monterey County Convention & Visitor's Bureau for TID remittance for the reporting period ending February 2020 for the 13 City of Seaside Motels/Hotels.
- $43,597.66 to PG&E for Collective accts for street lights, highway lighting, park lights and city office buildings. Service period: 2/8/2020-3/25/2020.
- $31,723.12 to U.S. Bank - Cal Card for City of Seaside purchase card transactions for the billing period of 2/23/2020-3/23/2020.
- $10,450.00 to Felipe De Jesus Olvera for Professional services for trees and landscaping at multiple locations within Seaside. $2,200 for removing multiple trees at Plumas Ave, $2,200 for tree removal at Gen Jim Morre Blvd, $1,650.00 for tree removal at Canyon Del Rey, $4,400 fro property maintenance at 1590 Conyon Del Rey.
- $162,297.47 to Harris & Associates for SCSD - Professional svcs. Service for Pavement Rehabilitation Project. $41,525.33 for work 11/24/2019-12/18/2019,
- $62,674.75 for work 12/29/2019-1/25/2020, $58,097.39 for work 1/26/2020-2/22/2020.
- $13,515.00 to Harris & Associates for Professional svcs. from 11/24/2019-12/28/2019 related to the review of the McDonald's Canyon Del Rey site Redevelopment Plan and Preliminary Stormwater Control Plan.
- $16,952.75 to Don Chapin Company, Inc. for Draw request for Bike Safe Grate Project services for work thru 3/20/2020.
- $28,500.00 to Monterey Peninsula Engineering for SCSD - Professional Services related to the Seaside Lift Station Upgrades. For work thru 2/28/2020.
- $68,750.00 to Monterey Peninsula Engineering for Emergency storm drain repair at Birch Ave & Fremont St.
- $41,074.11 to Veterans Transition Center for CDBG payment for January-March FY2019/20 for operating expenses for structure renovations.
- $20,580.50 to Kimley-Horn and Associates for Draw request for Intersection control evaluation study for work during February 2020
- $36,826.04 to Torti Gallas and Partners for Campus Town specific plan services - December 2019, January-March 2020.
- $42,336.00 to Phoenix Iron Works for Draw request for grate manufacturing services for the Bike Safe Grates project.
- $11,939.75 to Russel Branson Consulting for Professional svcs related to the development of a 5 year financial forecast model for the City of Seaside. Services include construction of baseline model and meetings with City Staff.
- $14,072.00 to Workbench for Draw request for professional svcs related to the City of Seaside ADU project and includes work on developing blueprints and

conceptual design.

- $12,000.00 to Raftelis Financial Consultants, Inc. for Professional svcs rendered from 3/1/2020 - 3/31/2020 for Seaside 2020 Governance Workshop.

The remaining checks, totaling $689,406.00 include payments to vendors for operating expenditures.

The Checks report is available on the City's website here:
http://www.ci.seaside.ca.us/194/Check-Draft-Register

FISCAL IMPACT

There are no additional fiscal impacts.

ATTACHMENTS

None

City of Seaside
PROCLAMATION

Water Safety Month
May 2020

WHEREAS, *The American Red Cross, The National Recreation and Park Association, The California Park and Recreation Society and The Association of Pool and Spa Professionals have combined efforts to educate Americans to be more "Water Aware" during National Water Safety Month; and*

WHEREAS*, The City of Seaside offers swim lessons and lifeguarding classes and programs to people of all ages; and*

WHEREAS*, promoting water safety and providing education on preventing recreational water-related injuries, illnesses and deaths is paramount to our community especially during the summer months; and*

WHEREAS, *citizens of the City of Seaside recognize the vital role that safe swimming and aquatic-related activities play in good physical and mental health which enhance the quality of life for all people; and*

WHEREAS, *The City of Seaside is extremely proud of the swimming facilities and aquatic programs of this community located at The Pattullo Swim Center; and*

WHEREAS, *The City of Seaside's swimming facilities and programs provide a safe and healthy place to recreate, a place to learn and grow, to swim, to build self-esteem, confidence and a sense of self-worth which contributes to the quality of life in our community.*

NOW THEREFORE, BE IT PROCLAIMED, *that I, The Honorable Ian N. Oglesby, Mayor of the City of Seaside, on behalf of the City Council, hereby declares* ***May 2020 as Water Safety Month*** *and urges all our citizens in Seaside to support and promote this observance.*

Ian N. Oglesby, Mayor

May 7, 2020

CITY OF SEASIDE
STAFF REPORT

Item No.: 8.D.

TO: City Council

FROM: Craig Malin, City Manager

BY: Dave Fortune, Maintenance and Utilities Superintendent

DATE: May 7, 2020

SUBJECT: **APPROVE RESOLUTION AMENDING THE TRAFFIC SIGNAL AND STREETLIGHT MAINTENANCE SERVICES CONTRACT WITH BEAR ELECTRICAL SOLUTIONS, INC. FOR TRAFFIC SIGNAL UPGRADES AT GENERAL JIM MOORE BLVD. AT GIGLING AND NORMANDY.**

PURPOSE & RECOMMENDATION

To authorize an amendment to the Traffic Signal and Streetlight Maintenance Services Contract Agreement with Bear Electrical Solutions Inc. for an additional amount of $38,920.00 for traffic signal upgrades at General Jim Moore Blvd. at Giggling and Normandy.

BACKGROUND

The City of Seaside Maintenance and Utilities Division has received several complaints regarding the signalized intersections at General Jim Moore Blvd. at Giggling and Normandy. These intersections are military owned and fall under the IGSA (Intergovernmental Service Agreement) Contract. The City relayed the need for upgrades to the military and obtained a proposal for the traffic signal upgrades at these two intersections on General Jim Moore Blvd. from the City's Traffic Signal Maintenance contractor, Bear Electrical Solutions.

The proposal has been reviewed by all entities under the IGSA (Intergovernmental Service Agreement) contract which includes the military, the City of Seaside and the City of Monterey. The City of Seaside will receive the invoice thereafter for an amount not to exceed $38,920.00. This cost is 100% reimbursable under the IGSA contract.

It is recommended to adopt a resolution authorizing the City Manager to execute Amendment No. 1 with Bear Electrical Solutions for the additional traffic signal upgrades at General Jim Moore Blvd. at Gigling and Normandy for an amount not to exceed $38,920.00.

FISCAL IMPACT

There is no fiscal impact to the City of Seaside. Amendment No. 1 is 100% reimbursable and will be billed to the military.

ATTACHMENTS

1. Resolution
2. Contract Amendment #1

Reviewed for Submission to the
City Council by:

Craig Malin, City Manager

RESOLUTION NO. 20-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEASIDE

APPROVING CONTRACT AMENDMENT #1 TO BEAR ELECTRICAL SOLUTIONS, INC. FOR TRAFFIC SIGNAL UPGRADES FOR AN AMOUNT NOT TO EXCEED THIRTY EIGHT THOUSAND NINE HUNDRED TWENTY DOLLARS ($38,920.00).

WHEREAS, the City of Seaside has identified a need for traffic signal upgrades at military owned intersections; and

WHEREAS, the entities within the Intergovernmental Services Agreement (IGSA) has reviewed and accepted the scope of work and estimate from the City of Seaside’s traffic signal and streetlight maintenance contractor; and

WHEREAS, the work will be reimbursed to the City of Seaside upon project completion under the IGSA contract.

NOW, THEREFORE BE IT RESOLVED, City Council of the City of Seaside authorizes the City Manager to execute contract amendment #1 with Bear Electrical Solutions for traffic signal upgrades for an amount not to exceed Thirty Eight Thousand Nine Hundred Twenty Dollars ($38,920).

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Seaside duly held on the 7th day of May, 2020 by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:

____
Ian N. Oglesby, Mayor

ATTEST:

____
Lesley Milton, City Clerk

CONTRACT AMENDMENT #4
TRAFFIC SIGNAL AND STREETLIGHT MAINTENANCE SERVICES AGREEMENT
City of Seaside

Date: April 20, 2020 Change Requested by: _X_ City __ Consultant

Contract Date	**Project Name**
December 4, 2017	Traffic Signal and Steetlight Maintenance Services

To (Consultant): BEAR Electrical Solutions, Inc.

You are directed to make the following changes to the Contract Documents or amend the following described work not included in the contract documents for this project.

The purpose of this amendment is to extend the term of maintenance services related to the project named above. The contract terms and conditions shall not be modified except for as stated herein.

MODIFY the following text in **Section 1, "Scope of Work"**

> Contractor shall perform the tasks described and set for in Exhibit A, and A1 attached hereto and incorporated herein as though set forth in full. Consultant shall complete the tasks according to the schedule of performance which is also set forth in Exhibit A and A1.

MODIFY the following text in **Section 1 subsection II, "The Contract Sum"**

> Contractor is bound by the contents of City's Request for Proposal, Exhibit "A" hereto and incorporated herein by this reference, and the contents of the proposal submitted by the Contractor, Exhibit B and A1 attached hereto.

Original Contract Amount	Previous CCO Total (Not including this CCO)	This CCO Total	Revised Contract Amount
$73,090.00	$0.00	$38,920.00	$112,010.00
Original Contract Time	**Original Completion Date**	**CCO Months To Add (Including This CCO)**	**Revised Completion Date**
5 Years	November 30, 2022	0	November 30, 2022

CONTRACT AMENDMENT #4
TRAFFIC SIGNAL AND STREETLIGHT MAINTENANCE SERVICES AGREEMENT
City of Seaside

SUBMITTED BY:		
	Dave Fortune, Public Works Superintendent/ Acting Public Works Director	4/21/2020
Signature	Name and Title	Date
DISTRICT APPROVAL BY:		
	Craig Malin, City Manager	
Signature	Name and Title	Date

CONSULTANT ACCEPTANCE BY:		
	Robert Asuncion, Vice President	04/21/2020
Signature	Name and Title	Date

BEAR ELECTRICAL SOLUTIONS

Contractors License No. 982079
A - General Engineering
C-10 High Voltage Electrical
C-31 - Work Zone Traffic Control
D-31 Pole Installation and Maintenance
DIR# 1000002158
SBE# 1752478

1341 Archer Street, PO Box 924, Alviso, CA 95002-0924
Tel: 408-449-5178 Fax: 408-449-5147

Quote

DATE: 2/25/2020	**TO:** Richard Llantero
FROM: Robert Asuncion	**COMPANY:** City of Seaside
PHONE: (408) 449-5178	**PHONE:** (831) 646-3446
FAX: (408) 449-5147	**EMAIL:** llantero@monterey.org
BID/PROJECT: General Jim Moore & Normandy Deficiency List as of 2020	
PROPOSAL# WO-00127107	

Our quote is valid for: 30 days, expiring on: 03/26/2020
We are pleased to offer our quotation for the above referenced project as follows:
Site: GENERAL JIM MOORE BLVD | GIGLING ROAD
Scope Summary: Furnish and install (4) new hand hole covers. Remove and replace (8) existing pedestrian push buttons to new NON-APS, ADA button, assembly, and sign. Remove and replace existing pedestrian module with new LED countdown module. (existing pedestrian housing to be used) Epoxy open holes in poles. Troubleshoot and repair existing PPB wiring at NWC.
Exclusions: Holiday or weekend work. Exisitng conductors and cables to be used. No new cables or conductors to be added.

ESTIMATE

Item	Description	Estimated Quantity	Estimate Price Per Unit	Total Estimated Price
TOTAL LABOR, MATERIALS, AND EQUIPMENT	Remove and replace existing traffic signal controller with (1) new M60 controller with City of Monterey firmware.	1	$5,800.00	$5,800.00
TOTAL LABOR, MATERIALS, AND EQUIPMENT	Remove and replace existing pedestrian push button with new NON-APS, ADA compliant push button assembly, 2-in ADA button, and new sign.	6	$300.00	$1,800.00
TOTAL LABOR, MATERIALS, AND EQUIPMENT	Troubleshoot and repair pedestrian push button wiring at northwest corner.	1	$900.00	$900.00
TOTAL LABOR, MATERIALS, AND EQUIPMENT	Lead time 4-8 weeks. Furnish and install new lard hand holes at existing poles shafts. Hand holes are current missing covers.	4	$125.00	$500.00
TOTAL LABOR, MATERIALS, AND EQUIPMENT	Epoxy two existing holes on existing signal poles.	1	$300.00	$300.00
		Subtotal:	$9,300.00	

Customer Signature: ___________________________

Date:____________________________

TERMS AND CONDITIONS

Terms and Conditions of this proposal are per the existing maintenance agreement.

BES would like to thank you for the opportunity to provide you with this proposal.

Please give us a call with any questions or concerns.

Contractors License No. 982079
A - General Engineering
C-10 High Voltage Electrical
C-31 - Work Zone Traffic Control
D-31 Pole Installation and Maintenance
DIR# 1000002158
SBE# 1752478

1341 Archer Street, PO Box 924, Alviso, CA 95002-0924
Tel: 408-449-5178 Fax: 408-449-5147

Quote

DATE: 2/25/2020	**TO:** Richard Llantero
FROM: Robert Asuncion	**COMPANY:** City of Seaside
PHONE: (408) 449-5178	**PHONE:** (831) 646-3446
FAX: (408) 449-5147	**EMAIL:** llantero@monterey.org
BID/PROJECT: General Jim Moore & Gigling Deficiency List as of 2020	
PROPOSAL# WO-00127098	

Our quote is valid for: 30 days, expiring on: 03/26/2020
We are pleased to offer our quotation for the above referenced project as follows:
Site: GENERAL JIM MOORE BLVD | GIGLING ROAD
Scope Summary: Furnish and install loops at all approaches (splice new loops with pre-exisitng detector lead-in cable). Existing loops are damaged at all approaches. Remove and replace (8) existing pedestrian push buttons to new NON-APS, ADA button, assembly, and sign. Remove and replace existing pedestrian module with new LED countdown module. (existing pedestrian housing to be used)
Exclusions: Holiday or weekend work. Exisitng conductors and cables to be used. No new cables or conductors to be added.

ESTIMATE

Item	Description	Estimated Quantity	Estimate Price Per Unit	Total Estimated Price
TOTAL LABOR, MATERIALS, AND EQUIPMENT	Establish traffic control for our loop work. Furnish and install (4) Caltrans Type D, (12) Type A loops, and (6) 6by 45 Type C Loops. This is for all approach lanes. (Note during 2017 only SB and EB approaches were bad)	22	$850.00	$18,700.00
TOTAL LABOR, MATERIALS, AND EQUIPMENT	Remove existing traffic signal controller, furnish and install (1) new M60 controller with City of Monterey firmware	1	$5,800.00	$5,800.00
TOTAL LABOR, MATERIALS, AND EQUIPMENT	Remove and replace existing pedestrian module to countdown type module. (ALL pedestrian locations)	8	$340.00	$2,720.00
TOTAL LABOR, MATERIALS, AND EQUIPMENT	Remove and replace exisitng pedestrian push button with new NON-APS, ADA compliant push button assembly, 2-in ADA button, and new sign.	8	$300.00	$2,400.00
		Subtotal:	$29,620.00	

Customer Signature: ______________________________ **Date:**______________________________

TERMS AND CONDITIONS

Terms and Conditions of this proposal are per the existing maintenance agreement.

BES would like to thank you for the opportunity to provide you with this proposal.

Please give us a call with any questions or concerns.

CITY OF SEASIDE
STAFF REPORT

Item No.: 8.E.

TO: City Council

FROM: Craig Malin, City Manager

BY: Scott Ottmar, Senior Engineer
Misty Bradshaw, Associate Engineer

DATE: May 7, 2020

SUBJECT: **APPROVE AN AGREEMENT WITH THE SEASIDE COUNTY SANITATION DISTRICT TO REIMBURSE THE CITY FOR UPGRADES TO THE SANITARY SEWER SYSTEM AS A PART OF THE PAVEMENT REHABILITATION PROJECT**

PURPOSE & RECOMMENDATION

To approve an agreement with Seaside County Sanitation District (SCSD) to reimburse the City for upgrades to the sanitary sewer system as a part of the City of Seaside's Pavement Rehabilitation Project.

BACKGROUND

The City is preparing final plans and specifications for Pavement Rehabilitation Project that will repair and rehabilitate various arterial and collector roadways within the City of Seaside through a combination of digouts, slurry seal, AC Overlay, and Full Depth. This project also includes installation and repair of various ADA access ramps, sidewalks, and curb and gutters. The passage of Measure X in Monterey County and the Road Maintenance and Rehabilitation Act (RMRA or SB1) in the State of California have made available funding for improvements to the pavement networks within the City of Seaside.

As part of the Pavement Rehabilitation Project, the project is proposing to rehabilitate the intersection of Fremont Blvd. and Broadway Ave. by performing a full depth removal of the existing AC pavement, and replacing with new AC pavement. In order to avoid cutting into this new pavement in the future, any necessary utility improvements should be performed in conjunction with the Pavement Rehabilitation Project.

In 2016 the City installed a 15-inch sewer line down Broadway Ave. with stub-outs at either end for future connections to a larger Sewer System upgrade project as part of the West Broadway Urban Village Project (WBUV) through a reimbursement agreement with SCSD. The proposed project includes pavement rehabilitation immediately adjacent to where the WBUV pavement treatment and 15-inch sewer line terminated. It would be beneficial to install the additional 15-inch pipe through the intersection prior to implementation of pavement rehabilitation. This will prevent trenching within the new roadway and compromising the new AC pavement in the future when SCSD performs construction of the Fremont, Broadway, Ortiz Sewer Main Replacement Project, which is currently under design with construction anticipated in 2021.

The work will be performed concurrently and with the same construction contract for the Pavement Rehabilitation Project. The City will enter into an agreement with SCSD, describing the fiduciary responsibilities of each agency. The attached agreement identifies SCSD as responsible for this utility adjustment per Sections 673 and 680 of the Street and Highway Code.

The City retained the services of Harris and Associates (Harris) as the civil engineering firm to design the proposed upgrades. As part of this work, Harris entered into a contract with the SCSD on January 1, 2020 for designing the upgrades to the sewer system at the intersection of Fremont Blvd. and Broadway Ave. and has prepared an engineer's estimate of probable cost. The agreement proposes that the SCSD pay its share of the actual cost of the work determined on the basis of the actual bid price of the construction contract. The estimated cost to SCSD for the work being performed by the City's construction contractor is $53,500.00. A contingency amount of 20% for unforeseen circumstances associated with the construction of these sewer infrastructure facilities is appropriate. Other costs associated with the project include construction management and inspection of the sewer installation activities to ensure conformance to the project specifications. The total estimated costs of the agreement including the 20% contingency and construction management is sixty-four thousand two hundred dollars ($64,200.00). The actual cost will be based upon the construction contractor's bid for constructing the improvements. The construction contract is expected to be awarded in the late spring or early summer of 2020.

ENVIRONMENTAL COMPLIANCE

Per title 14 of the California Code of Regulations, Chapter 3, "Guidelines for Implementation of California Environmental Quality Act (CEQA)," section 15378.b, a project does not include government funding mechanisms or fiscal activities. The proposed action of the city council is categorically exempt. The Seaside County

Sanitation District is responsible for completing appropriate environmental documentation associated with the overall sewer improvement project.

FISCAL IMPACT

SCSD will pay the City the actual cost incurred by the City for upgrading the sanitary sewer within the project area.

ATTACHMENTS

1. Resolution
2. DRAFT Reimbursement Agreement

Reviewed for Submission to the
City Council by:

Craig Malin, City Manager

RESOLUTION NO. 20-___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEASIDE

APPROVE AN AGREEMENT WITH THE SEASIDE COUNTY SANITATION DISTRICT TO REIMBURSE THE CITY FOR UPGRADES TO THE SANITARY SEWER SYSTEM AS A PART OF THE CITY'S PAVEMENT REHABILITATION PROJECT

WHEREAS, The City of Seaside (City) is preparing plans and specifications for the Pavement Rehabilitation Project which will repair and rehabilitate various arterial and collector roadways within the City of Seaside; and

WHEREAS, the intersection of Broadway Ave. and Fremont Blvd. is included in the project, and will receive a full depth removal and replacement of the AC pavement surface; and

WHEREAS, in order to avoid trenching through the new AC pavement at this intersection it is recommended that all utilities perform all applicable repairs and upgrades prior to the placement of the new AC surface in order to extend the life of the pavement; and

WHEREAS, Seaside County Sanitation District (District) is the owner and operator of the sanitary sewer system within the proposed project limits; and

WHEREAS, The District is currently under design for the Fremont Sewer Main Replacement Project which would include installation of a 15-inch sewer pipe connecting a stub-out from Broadway Ave. to a new proposed manhole in the intersection of Broadway Ave. and Fremont Blvd; and

WHEREAS, The City retained the services of Harris and Associates (Harris) as the civil engineering firm to design the Pavement Rehabilitation Project; and

WHEREAS, the proposed work on the sanitary sewer upgrades will be performed in conjunction with the City's construction project with the District paying its share of probable cost; and

WHEREAS, Harris prepared an engineer's estimate of probable cost for an estimated sum of $64,200 representing construction, contingency and construction management costs associated with the work being performed on the sanitary sewer system upgrades; and

WHEREAS, the actual cost will be based upon the construction contractor's bid for constructing the improvements, which is scheduled to begin in June of 2020; and

WHEREAS, in accordance with Title 14, California Code of Regulations (CCR, Title 14), Chapter 3, "Guidelines for Implementation of California Environmental Quality

Act (CEQA)," section 15378.b, a project does not include government funding mechanisms or fiscal activities. The District will be responsible for completing environmental determination associated with sewer improvements; and

NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Seaside approves an agreement with the Seaside County Sanitation District to accept funds for upgrades to the sanitary sewer system as part of the Pavement Rehabilitation Project for an estimated amount of Sixty-Four Thousand Two Hundred dollars ($64,200) for reimbursement to the City following completion of the sanitary sewer upgrades.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Seaside duly held on the 7th day of May, 2020 by the following vote:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:
ABSTAIN: COUNCILMEMBERS:

____
Ian Oglesby, Mayor

ATTEST:

____
Lesley Milton, City Clerk

Exhibit 14-F Utility Agreements

**UTILITY
AGREEMENTS**

(City of Seaside)

UTILITY AGREEMENT

Project : Pavement Rehabilitation Project – Phase 3
FEDERAL PARTICIPATION: On the Project : Yes/No **On the Utilities: Yes/No**

UTILITY AGREEMENT NO. Cy Seaside-

The City of Seaside hereinafter called "LOCAL AGENCY" proposes to construct improvements at intersection of Fremont Boulevard and Broadway Avenue, in City of Seaside, Monterey County, California.

And: ***Seaside County Sanitation District***

hereinafter called "OWNER," owns and maintains *sanitary sewer* facilities; within the limits of LOCAL AGENCY's project that requires relocation of said facilities to accommodate LOCAL AGENCY's project.

It is hereby mutually agreed that:

I. WORK TO BE DONE:

LOCAL AGENCY shall install OWNER's sanitary sewer facilities.as shown on LOCAL AGENCY's Plan titled Pavement Rehabilitation Project – Phase 3 dated March 30, 2020.

Deviations from the OWNER's plan described above initiated by either the LOCAL AGENCY or the OWNER, shall be agreed upon by both parties hereto under a Revised Notice to Owner. Such Revised Notices to Owner, approved by the LOCAL AGENCY and acknowledged by the OWNER, will constitute an approved revision of the OWNER's Plan described above and are hereby made a part hereof. No work under said deviation shall commence prior to receipt by the OWNER of the Revised Notice to Owner. Changes in the scope of the work will require an amendment to this Agreement in addition to the revised Notice to Owner. OWNER shall have the right to inspect the work by LOCAL AGENCY's contractor during construction. Upon completion of the work by LOCAL AGENCY, OWNER agrees to accept ownership and maintenance of the constructed facilities and relinquishes to LOCAL AGENCY ownership of the replaced facilities.

II. LIABILITY FOR WORK

The existing facilities are located within the LOCAL AGENCY's right of way under permit and will be installed at OWNER's expense under the provisions of Sections (673) and (680) of the Streets and Highways Code.

III. PERFORMANCE OF WORK

OWNER shall have access to all phases of the proposed work to be performed by LOCAL AGENCY for the purpose of inspection to ensure that the work is in accordance with the specifications contained in the Highway Contract; however, all questions regarding the work being performed will be directed to LOCAL AGENCY's Resident Engineer for their evaluation and final disposition.

Pursuant to Public Works Case No. 2001-059 determination by the California Department of Industrial Relations dated October 25, 2002, work performed by OWNER's contractor is a public work under the definition of Labor Code Section 1720(a) and is therefore subject to prevailing wage requirements. OWNER shall verify compliance with this requirement in the administration of its contracts referenced above.

IV. PAYMENT FOR WORK

It is understood that the installation as herein contemplated includes betterment to OWNER's facilities by reason of increased capacity, in the estimated amount of $53,500.00 with a 20% contingency for a total amount of sixty four thousand two hundred dollar ($64,200.00) and OWNER shall credit the LOCAL AGENCY for the actual cost of said betterment; all of the accrued depreciation and the salvage value of any materials or parts salvaged and retained by OWNER.

Not more frequently than once a month, but at least quarterly, OWNER will prepare and submit progress bills for costs incurred not to exceed OWNER's recorded costs as of the billing date less estimated credits applicable to completed work. Payment of progress bills not to exceed the amount of this Agreement may be made under the terms of this Agreement. Payment of progress bills which exceed the amount of this Agreement may be made after receipt and approval by LOCAL AGENCY of documentation supporting the cost increase and after an Amendment to this Agreement has been executed by the parties to this Agreement."

The OWNER shall submit a final bill to the LOCAL AGENCY within 180 days after the completion of the work described in Section I above. If the LOCAL AGENCY has not received a final bill within 180 days after notification of completion of OWNER's work described in Section I of this Agreement, and LOCAL AGENCY has delivered to OWNER fully executed Director's Deeds, Consents to Common Use or Joint Use Agreements as required for OWNER's facilities; LOCAL AGENCY will provide written notification to OWNER of its intent to close its file within 30 days and OWNER hereby acknowledges, to the extent allowed by law that all remaining costs will be deemed to have been abandoned.

The final billing shall be in the form of an itemized statement of the total costs charged to the project, less the credits provided for in this Agreement, and less any amounts covered by progress billings. However, the LOCAL AGENCY shall not pay final bills, which exceed the estimated cost of this Agreement without documentation of the reason for the increase of said cost from the OWNER. If the final bill exceeds the OWNER's estimated costs solely as the result of a revised Notice to Owner as provided for in Section I, a copy of said revised Notice to Owner shall suffice as documentation.

In any event if the final bill exceeds 125% of the estimated cost of this Agreement, an amended Agreement shall be executed by the parties to this Agreement prior to the payment of the OWNERS final bill. Any and all increases in costs that are the direct result of deviations from the work described in Section I of this Agreement shall have the prior concurrence of LOCAL AGENCY.

Detailed records from which the billing is compiled shall be retained by the OWNER for a period of three years from the date of the final payment and will be available for audit in accordance with Contract Cost Principals and Procedures as set forth in 48 CFR, Chapter 1, Part 31 by LOCAL AGENCY and/or Federal Auditors.

V. GENERAL CONDITIONS

OWNER shall submit a Notice of Completion to the LOCAL AGENCY within 30 days of the completion of the work described herein.

IN WITNESS WHEREOF, the above parties have executed this Agreement the day and year above written.

City of Seaside

By: ______________________

Ian N. Oglesby
Mayor

Date: ______________________

ATTEST:

____
Lesley Milton-Rerig, City Clerk

APPROVED AS TO FORM:

____
Sheri Damon, City Attorney

Seaside County Sanitation District

By: ______________________

Jerry Blackwelder
Chair

Date: ______________________

ATTEST:

____
Lesley Milton-Rerig, District Clerk

APPROVED AS TO FORM:

____
Michael Whilden, District Counsel

CITY OF SEASIDE
STAFF REPORT

Item No.: 8.F.

TO: City Council

FROM: Craig Malin, City Manager

BY: Gloria Stearns, Community Development Manager
Sharon Mikesell, Administrative Analyst

DATE: May 7, 2020

SUBJECT: **APPROVE RESOLUTION ACKNOWLEDGING REVIEW AND ACCEPTANCE OF THE 2019 GENERAL PLAN ANNUAL PROGRESS REPORT AUTHORIZING SUBMITTAL TO THE GOVERNOR'S OFFICE OF PLANNING AND RESEARCH (OPR) AND THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (HCD)**

PURPOSE & RECOMMENDATION

To approve the annual progress report for submission to satisfy the reporting requirements of Government Code section 65400, subdivision (a)(2) reporting the status of the General Plan and accomplishments during 2019.

BACKGROUND

The General Plan Annual Progress Report (APR) has been prepared summarizing the notable progress on General Plan goals during 2019. Once approved, the document will be submitted to the OPR and HCD offices per statute.

The Housing Element APR was submitted electronically as a separate document on April 1, 2020 as directed by HCD on their specialized form and is attached to this report.

FISCAL IMPACT

There is no fiscal impact associated with this mandated report.

ATTACHMENTS

1. Resolution-General Plan APR
2. 2019 General Plan APR
3. 2019 Seaside Housing Element APR Uploaded to HCD 4-1-2020

Reviewed for Submission to the
City Council by:

____
Craig Malin, City Manager

RESOLUTION NO. 20-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEASIDE

ACCEPTING THE ANNUAL PROGRESS REPORT OF THE GENERAL PLAN

WHEREAS, Government Code sections 65400 and 65700 mandates that all cities and counties submit an annual report on the status of the General Plan and progress to their legislative bodies, the Governor's Office of Planning and Research (OPR) and the Housing and Community Development (HCD) each year; and

WHEREAS, the annual progress report provides local legislative bodies and the public with progress of implementation of the General Plan and progress in meeting community goals; and

WHEREAS, annual progress reports must be presented to the local legislative body, usually as a consent or discussion item on a regular meeting agenda for review and acceptance; and

NOW, THEREFORE, BE IT RESOLVED, that the Seaside City Council hereby acknowledges review of the 2019 General Plan Annual Progress Report for submission to the California Office of Planning and Research and the Office of Housing and Community Development.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Seaside, State of California, on the 7th day of May 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

____
Ian Oglesby, Mayor

ATTEST

____
Lesley Milton, City Clerk

City of Seaside
General Plan Annual Progress Report
January – December 2019

Presented to Seaside City Council

May 7, 2020l

Introduction

This document summarizes General Plan activities undertaken by the City of Seaside from January to December 2019. The City is currently conducting a General Plan Update and Environmental Impact Report.

Seaside's General Plan Update has been delayed as a settlement agreement entered into by the Marina Coast Water district required that the draft General Plan and Environmental Impact Report be revised; and the settlement agreement required that the General Plan and Environmental Impact Report consider the December 2018 CEQA Guidance published by the State of California be incorporated into any uncirculated EIR.

The General Plan Update is anticipated to be approved in 2020.

Implementation Plan associated with plan policies activities in 2019

Implementation Plan LU-1.1.3 Economic Development Outreach.

- The Seaside Creates satellite office brings planning and economic development staff closer to the community by utilizing a storefront at 656 Broadway
    - Multiple Seaside Chats events [community conversations] held at the multi-purpose office
    - Broadway Business meetings held onsite
    - Charrettes including Studio Gang "Design your Future"
    - Flyers frequently distributed to local businesses to gain feedback and advise of special events
    - Participation in the Monterey Peninsula Chamber Business walk
    - Email outreach to various businesses [over 800] via Constant Contact
    - Formation of C-JOBS to work with local businesses on workforce and small business issues
    - Outreach is often conducted in both English and Spanish

Policy LU-1.3: Encourage regional commercial and visitor-serving commercial development that will enhance the identity of Seaside and attract visitors to the community.

- Campus Town specific plan moves forward
- Seaside Resort Development moves forward with negotiations

- Short-term rentals allow visitors another option, for both hosted and non-hosted sites
- The improved street infrastructure allowed Exotics on Broadway car show to attract over 20,000 visitors to Seaside during Car Week

Implementation Plan LU-2.1.5 Project Processing Streamlining

- Seaside implemented the Smart Gov and Blue Beam software in Summer 2019

Implementation Plan LU-3.2.2 Advertise Residential Improvement Programs.

- The Neighborhood Improvement Commission (NIC) awards the House of the month during City Council meetings
- The NIC also facilitates neighborhood clean-ups periodically

Policy LU-4.3: Protect and preserve existing conforming and non-conforming multifamily residential buildings in order to continue to provide low cost and alternative housing options for Seaside residents.

- Resolution 19-40 Short term Low Interest Loan to Villa Del Monte for subsidy assistance to maintain affordable units 6/6/2019
- The City provided Del Monte Manor with a bridge loan, which led to renovation of affordable housing and lower market rate housing

Policy LU-9.1: Adopt and maintain level of service (e.g., response times, call handling) and staffing standards for the Fire Department.

- Resolution 19-87 Assistance to Firefighters Grant/Staffing for Adequate Fire and Emergency Response (SAFER) Grant for recruitment and retention of volunteer firefighters 10/13/2019

Policy LU-10.1: Adopt and maintain level of service (e.g., response times, call handling) and staffing standards for the Police Department.

- Resolution 19-85 New Hire Bonuses of $30,000 to attract lateral police candidates 9/19/2019
- The Police Department initiated steps to begin the accreditation process with the Commission on Accreditation for Law Enforcement Agenies (CALEA).

Policy UD-2.5: Improve business districts and neighborhood character by expanding rehabilitation and revitalization activities.

- Ordinance 1071 Outdoor dining and display carts in the West Broadway Urban Village 12/5/2019 to facilitate outdoor dining in the recently improved downtown

Policy UD-4.3: Provide attractive community gathering places that meet the social, civic, cultural, and recreational needs of the community.

- Studio Gang "Design Your Future" charrette
- Seaside Creates' office is used by the California State University at Monterey Bay (CSUMB) business start-up group
- Seaside Creates'office is used by the Small Business Development Corporation (SBDC) for business training classes
- Cutino Park renovations included a multipurpose field and skate park, both of which are tremendously popular
- July 4th fireworks event at the city-owned golf course, Bayonet and Black Horse

Policy ED-1.2: Diversify the local economy by targeting business development and attraction efforts toward businesses whose economic cycles are less likely to correspond to those of major retailers in the City.

- Ordinance 1062 Adding the Commission on Jobs, Opportunities and Businesses (C-JOBS) 9/5/2019
- City staff works with CCMT and MBEP on regional economic issues

Policy ED-1.4: Create a favorable environment in the Gigling Road /Surplus II Area to establish quality urban development compatible with CSUMB's academic environment, provide employment opportunities with high pay and benefits for community residents, new high-density rental and ownership housing opportunities and generate revenue to support City services.

- Campus Town Specific Plan moves forward

Policy ED-2.1: Coordinate with regional economic development agencies and business serving organizations to provide support for business growth, retention, and expansion in Seaside.

- The City partners with CalCoastal SBDC to provide monthly workshops and one-on-one counseling services to small businesses
- The City is an active member of the Monterey Peninsula Chamber of Commerce and participated in their Business Walk in November 2019
- The City works with CCMT and MBEP on regional economic development

- The City partners with Monterey County Convention & Visitor's Bureau (MCCVB) on a number of issues, including nationwide promotion of Car Week events

Policy ED-2.2: Support business expansion through active assistance to remove obstacles.

- Community and Economic Development staff are available at the Seaside Creates satellite office to meet with businesses and address their needs
- Free meetings and classes are held for businesses at Seaside Creates

Policy ED-5.2: Highlight cultural events and attractions in Seaside to help project a high quality of life image to potential visitors and business prospects.

- Seaside took a more active role in August 2019 Car Week activities with Porsche reunion, Concours de Lemons, Concorsa Italiano and Exotics on Broadway, bringing over 20,000 visitors to Seaside
- Blues in the Park continues to be a Peninsula favorite
- 4th of July fireworks held at Bayonet and Black Horse golf course was a regional attraction

Policy C-1.5: Use traffic calming methods within residential and mixed-use areas where necessary to create a pedestrian-friendly circulation system.

- Safe Routes to School event with Transporatation Agency of Monterey County (TAMC) at the Martin Luther King School of the Arts
- Collaborate on a corridor study considering roundabouts on Broadway for traffic calming and better pedestrian safety
- Sidewalks are planned for Canyon Del Rey
- The Campus Town Specific Plan considered multimodal transportation and connections
- The City continues to work with Fort Ord Regional Trail and Greenway (FORTAG) on bike trails [which pedestrians may also use]

Policy C-2.1: Coordinate planning, construction and maintenance of development projects and circulation improvements with adjacent jurisdictions and transportation agencies.

- Resolution 19-11 Civic Campus Feasibility Study (Contracting Studio Gang Architects and Denise Duffy Biological Services) addressing a need for a County Family Justice Center on the peninsula and possible use of lands located in Seaside East. 2/8/19

- Resolution 19-103 Compliance Report-Measure X Projects (Transportation Agency of Monterey County) 11/21/2019

Policy C-3.3: Promote mixed use, higher density residential, and employment-generating development in areas where public transit is convenient and desirable.

- Resolution 19-109 Ascent project (Broadway and Terrace) density bonus for 106 residential units and 4,079 SF commercial in CMX district 11/21/2019

Policy C-3.4: Support alternative modes of transportation that encourage physical activity, such as biking and walking.

- Safe Routes to School demonstration by MLK school (joint effort with TAMC)
- Coordinate with FORTAG on routes in Seaside
- Corridor study on Broadway considering roundabouts
- Plan for sidewalks on Canyon Del Rey

Policy COS-1.1: Provide a variety of well-maintained public parks and recreational facilities for Seaside residents.

- Resolution 19-06 $82,000 for improvements at Highland-Otis Park including ADA parking, walkway, whimsical seahorse rider, new swingset and trex boardwalk 2/8/2019
- Partner with Friends of Seaside Parks Association (FOSPA) for volunteer efforts with grant writing and park maintenance

Policy COS-1.2: Encourage public-private partnerships to fund, develop, and maintain parks and recreational facilities in the community.

- The Seaside Portal Project (coordinated by Neighborhood Improvement Commission) held a contest for design and funding for construction of the structure. Project completed and unveiled May 29,2019

- Partner with FOSPA for volunteer efforts to secure grants and neighborhood volunteers help with park maintenance
- The pollinator project, under the Environmental Committee purview, encouraged a wide-range of community partners who sponsored some of the 1,600 pollinator plants being installed throughout the city, complementing the Bee City efforts

Policy COS-7.1: Participate in local, regional, and State programs that promote energy conservation.

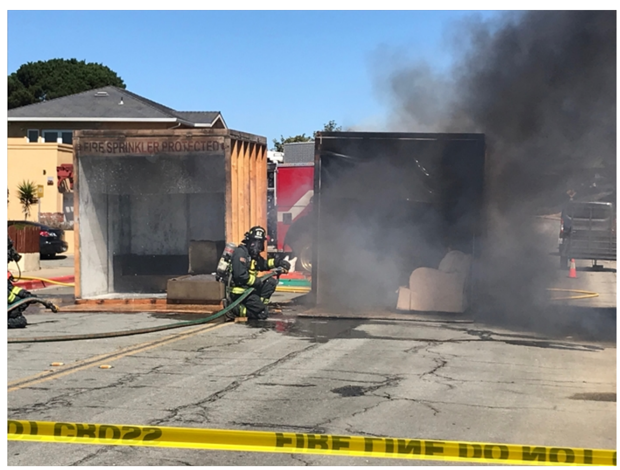
- Resolution 19-90 City Hall Solar Canopy Project construction contract awarded 10/13/2019
- The City hosted Seaside Chats…Electrification, a community conversation, about reducing or eliminating the reliance on fossil fuels in homes featuring guest speakers

Policy S-4.1: Implement coordinated emergency response planning.

- Recruitment for Seaside based Community Emergency Response Team (CERT) fall 2019)
- The Seaside Fire Department maintains regular contact with the County emergency response team, and leads city staff in periodic Emergency Operations Center (EOC)training.

Policy S-4.2: Educate City staff, residents, and businesses regarding appropriate actions to take during an emergency.

- Fire department held annual Open House with live demonstrations October 2019
- Seaside opened CERT recruitment
- Seaside held a family friendly National Night Out with emergency vehicles on display August 2019



Note: Housing Element Annual Progress report was submitted electronically to the Californai Office of Planning and Research (OPR) and the CA Department of Housing and Community

Development (HCD) using the HCD template on April 1, 2020 and is an appendix to this document.

Other notable priorities established by the City Council from January to December 2019 include:

- Resolution 19-117 Adopting a General Plan Amendment for the 5th Cycle 2015-2022 Housing Element 12/19/2019
- Resolution 19-26 Declaration of Climate Emergency and Call for a Green New Deal to Restore Safe Climate 4/18/2019
- Resolution 19-31 Supporting Census Complete Count Committee and Peninsula Action Team 5/16/2019
- Resolution 19-19 Bee City USA Affiliation-Seaside is Pollinator Friendly 4/4/2019
- Resolution 19-95 Modifying the Fee Schedule to Eliminate City Fees for Accessory Dwelling Units (ADUs) 10/17/19
- Ordinance 1063 Establishment of a Safe Parking Program 9/5/2019
- Ordinance 1064 Amending Section 13.24 Providing Water Allocation Criteria for ADUs 9/5/2019
- Ordinance 1059 Adding Section 9.21 Storage of Personal Property on City Property 7/18/2019

Urgency Ordinances adopted in Seaside in 2019

- Ordinance 1058 --Urgency Ordinance Adopting a Moratorium on the Use of Fireworks After 10 PM 6/20/19
- Ordinances 1060 and 1061-- Urgency Ordinances concerning skate park regulations (Skate Park at Cutino Park opened August 2019) 7/18/2019 and 8/15/2019
- Ordinances 1066 and 1072 --Urgency Ordinances Regulating Small Wireless Facilities Pursuant to Applicable Federal Laws 10/17/2019 and 12/2/2019

- Ordinances 1068 and 1073 --Urgency Ordinances Just Cause Eviction and Rental Rate Limits 11/13/2019 and 12/19/2019

In Summary:

Seaside looks forward to completion of the major revisions to the draft General Plan update necessitated by legal decisions so that the plan can move forward for adoption. During 2019, many decisions involving thoughtful land use and environmental preservation have moved forward.

Mail Message

Reply Reply All Read Later

Mail Properties

From: "Annual Progress Reports@HCD" <APR@hcd.ca.gov> Wednesday - April 1, 2020 3:37 PM
To: Sharon Mikesell <SMikesell@ci.seaside.ca.us>
CC: Gloria Stearns <GStearns@ci.seaside.ca.us>
Subject: RE: Seaside CA 2019 Housing Element Annual Progress Report
Attachments: Mime.822 (8 KB) [View] [Save As]

Hi Sharon,
Thank you for submitting! The APR has been successfully uploaded. Take care,

Becky Hersch
Data Manager, Data & Research
Housing & Community Development

Please Start Here

General Information	
Jurisidiction Name	Seaside
Reporting Calendar Year	2019
Contact Information	
First Name	Sharon
Last Name	Mikesell
Title	Administrative Analyst
Email	Smikesell@ci.seaside.ca.us
Phone	8318996734
Mailing Address	
Street Address	440 Harcourt
City	Seaside
Zipcode	93955

Optional: Click here to import last year's data. This is best used when the workbook is new and empty. You will be prompted to pick an old workbook to import from. Project and program data will be copied exactly how it was entered in last year's form and must be updated.

v 12_23_19

Optional: This runs a macro which checks to ensure all required fields are filled out. The macro will create two files saved in the same directory this APR file is saved in. One file will be a copy of the APR with highlighted cells which require information. The other file will be list of the problematic cells, along with a description of the nature of the error.

Optional: Save before running. This copies data on Table A2, and creates another workbook with the table split across 4 tabs, each of which can fit onto a single page for easier printing. Running this macro will remove the comments on the column headers, which contain the instructions. Do not save the APR file after running in order to preserve comments once it is reopened.

Optional: This macro identifies dates entered that occurred outside of the reporting year. RHNA credit is only given for building permits issued during the reporting year.

Link to the online system: https://apr.hcd.ca.gov/APR

Submittal Instructions

Please save your file as Jurisdictionname2019 (no spaces). Example: the city of San Luis Obispo would save their file as SanLuisObispo2019

Housing Element Annual Progress Reports (APRs) forms and tables must be submitted to HCD and the Governor's Office of Planning and Research (OPR) on or before April 1 of each year for the prior calendar year; submit separate reports directly to both HCD and OPR pursuant to Government Code section 65400. There are two options for submitting APRs:

1. **Online Annual Progress Reporting System (Preferred) - Please see the link to the online system to the left.** This enters your information directly into HCD's database limiting the risk of errors. If you would like to use the online system, email APR@hcd.ca.gov and HCD will send you the login information for your jurisdiction. *Please note: Using the online system only provides the information to HCD. The APR must still be submitted to OPR. Their email address is opr.apr@opr.ca.gov.*

2. **Email -** If you prefer to submit via email, you can complete the excel Annual Progress Report forms and submit to HCD at APR@hcd.ca.gov and to OPR at opr.apr@opr.ca.gov. Please send the Excel workbook, not a scanned or PDF copy of the tables.

Jurisdiction	Seaside	
Reporting Year	2019	(Jan. 1 - Dec. 31)

ANNUAL ELEMENT PROGRESS REPORT
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(CCR Title 25 §6202)

Note: "+" indicates an optional field
Cells in grey contain auto-calculation formulas

Table A
Housing Development Applications Submitted

Project Identifier					Unit Types		Date Application Submitted	Proposed Units - Affordability by Household Incomes								Total Approved Units by Project	Total Disapproved Units by Project	Streamlining	Notes
1					2	3	4	5							6	7	8	9	10
Prior APN+	Current APN	Street Address	Project Name+	Local Jurisdiction Tracking ID+	Unit Category (SFA,SFD,2 to 4,5+,ADU,MH)	Tenure R=Renter O=Owner	Date Application Submitted	Very Low-Income Deed Restricted	Very Low-Income Non Deed Restricted	Low-Income Deed Restricted	Low-Income Non Deed Restricted	Moderate-Income Deed Restricted	Moderate-Income Non Deed Restricted	Above Moderate-Income	Total **PROPOSED** Units by Project	Total **APPROVED** Units by project	Total **DISAPPROVED** Units by Project (Auto-calculated Can Be Overwritten)	Was **APPLICATION SUBMITTED** Pursuant to GC 65913.4(b)? (SB 35 Streamlining)	Notes+
Summary Row: Start Data Entry Below								0	0	0	0	0	0	5	5	5	0	0	
012-461-006	012-461-006	1095 Hart Street	Accessory Dwelling Unit	18969	ADU	O	1/14/19							1	1	1	0	No	834 SF finaled 8/29/19 Value $
012-702-003	012-702-003	1620 Waring Street	ADU	19655	ADU	O	7/23/19							1	1	1	0	No	380 sf $25,000
012-285-011	012-285-011	1299 Waring Street	ADU	19306	ADU	O	10/1/19							1	1	1	0	No	325 sf garage conversion to AD
011-343-003	011-343-003	416 Hamilton Ave	ADU	20243	ADU	O	11/8/19							1	1	1	0	No	490 SF ADU $20K
011-042-034	011-042-034	1536 Alta Vista Ct.	ADU	19902	ADU	O	11/19/19							1	1	1	0	No	492 SF ADU $75K

Jurisdiction	Seaside	
Reporting Year	2019	(Jan. 1 - Dec. 31)

ANNUAL ELEMENT PROGRESS REPORT
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(CCR Title 25 §6202)

Note: "+" indicates an optional field
Cells in grey contain auto-calculation formulas

Table A2
Annual Building Activity Report Summary - New Construction, Entitled, Permits and Completed Units

Project Identifier					Unit Types		Affordability by Household Incomes - Completed Entitlement								
1					2	3	4							5	6
Prior APN+	Current APN	Street Address	Project Name+	Local Jurisdiction Tracking ID+	Unit Category (SFA,SFD,2 to 4,5+,ADU,MH)	Tenure R=Renter O=Owner	Very Low-Income Deed Restricted	Very Low-Income Non Deed Restricted	Low-Income Deed Restricted	Low-Income Non Deed Restricted	Moderate-Income Deed Restricted	Moderate-Income Non Deed Restricted	Above Moderate-Income	Entitlement Date Approved	# of Units issued Entitlements
Summary Row: Start Data Entry Below							0	0	16	0	0	0	89		105
012-461-006	012-461-006	1095 Hart Street	Accessory Dwelling	18969	ADU	O									0
012-702-003	012-702-003	1620 Waring Street	ADU	19655	ADU	O									0
012-285-011	012-285-011	1299 Waring Street	ADU	19306	ADU	O									0
011-343-003	011-343-003	416 Hamilton Ave	ADU	20243	ADU	O									0
011-042-034	011-042-034	1536 Alta Vista Ct.	ADU	19902	ADU	O									0
	012-191-001	Broadway & Terrace	Ascent	Ascent	5+	R			16				89	11/7/19	105

Current APN	Affordability by Household Incomes - Building Permits									Affordability by Household Incomes - Certificates of Occupancy								
	7							8	9	10							11	12
Current APN	Very Low-Income Deed Restricted	Very Low-Income Non Deed Restricted	Low-Income Deed Restricted	Low-Income Non Deed Restricted	Moderate-Income Deed Restricted	Moderate-Income Non Deed Restricted	Above Moderate-Income	Building Permits Date Issued	# of Units Issued Building Permits	Very Low-Income Deed Restricted	Very Low-Income Non Deed Restricted	Low-Income Deed Restricted	Low-Income Non Deed Restricted	Moderate-Income Deed Restricted	Moderate-Income Non Deed Restricted	Above Moderate-Income	Certificates of Occupancy or other forms of readiness (see instructions) Date Issued	# of Units issued Certificates of Occupancy or other forms of readiness
Summary Row	0	0	0	0	0	0	5		5	0	0	0	0	0	0	1		1
012-461-006							1	1/14/19	1							1	8/29/19	1
012-702-003							1	7/23/19	1									0
012-285-011							1	10/1/19	1									0
011-343-003							1	11/8/19	1									0
011-042-034							1	11/19/19	1									0
012-191-001									0									0

Current APN		Streamlining	Infill	Housing with Financial Assistance and/or Deed Restrictions		Housing without Financial Assistance or Deed Restrictions	Term of Affordability or Deed Restriction	Demolished/Destroyed Units		
	13	14	15	16	17	18	19	20		
Current APN	How many of the units were Extremely Low Income?+	Was Project APPROVED using GC 65913.4(b)? (SB 35 Streamlining) Y/N	Infill Units? Y/N+	Assistance Programs for Each Development (see instructions)	Deed Restriction Type (see instructions)	For units affordable without financial assistance or deed restrictions, explain how the locality determined the units were affordable (see instructions)	Term of Affordability or Deed Restriction (years) (if affordable in perpetuity enter 1000)+	Number of Demolished/Destroyed Units+	Demolished or Destroyed Units+	Demolished/Destroyed Units Owner or Renter+
Summary Row	0	0						0	0	0
012-461-006		N	Y							
012-702-003		N	Y							
012-285-011		N	Y							
011-343-003		N	Y							
011-042-034		N	Y							
012-191-001		N	Y		INC		55			

Jurisdiction	Seaside	
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This table is auto-populated once you enter your jurisdiction name and current year data. Past year information comes from previous APRs.

Please contact HCD if your data is different than the material supplied here

Table B
Regional Housing Needs Allocation Progress
Permitted Units Issued by Affordability

		1	2									3	4
Income Level		RHNA Allocation by Income Level	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total Units to Date (all years)	Total Remaining RHNA by Income Level
Very Low	Deed Restricted	95											95
	Non-Deed Restricted												
Low	Deed Restricted	62											62
	Non-Deed Restricted												
Moderate	Deed Restricted	72										3	69
	Non-Deed Restricted		1	1	1								
Above Moderate		164				3	5					8	156
Total RHNA		393											
Total Units			1	1	1	3	5					11	382

Note: units serving extremely low-income households are included in the very low-income permitted units totals

Cells in grey contain auto-calculation formulas

Jurisdiction	Seaside	
Reporting Year	2019	(Jan. 1 - Dec. 31)

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Note: "+" indicates an optional field
Cells in grey contain auto-calculation formulas

Table C
Sites Identified or Rezoned to Accommodate Shortfall Housing Need

Project Identifier				Date of Rezone	RHNA Shortfall by Household Income Category				Type of Shortfall	Sites Description							
1				2	3				4	5	6	7	8		9	10	11
APN	Street Address	Project Name+	Local Jurisdiction Tracking ID+	Date of Rezone	Very Low-Income	Low-Income	Moderate-Income	Above Moderate-Income	Type of Shortfall	Parcel Size (Acres)	General Plan Designation	Zoning	Minimum Density Allowed	Maximum Density Allowed	Realistic Capacity	Vacant/Nonvacant	Description of Existing Uses
Summary Row: Start Data Entry Below																	

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Jurisdiction	Seaside	
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Table D

Program Implementation Status pursuant to GC Section 65583

Housing Programs Progress Report

Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.

1 Name of Program	2 Objective	3 Timeframe in H.E	4 Status of Program Implementation
Neighborhood Improvement Coordination	Focus code enforcement with concentrated efforts	Establish coordination among various departments in 2010	Code enforcement is no longer funded by CDBG and Redevelopment funds are no longer available Resource Management Services has been restructured and Code Enforcement duties fall under Building department. . Code enforcement is primarily complaint driven.
Homeowner Rehabilitation Loans	Expand eligbility of homeownership with loans with affordability restrictions	Modify program in 2010	Funding for the program was eliminated in 2012. No loans have been issued since that time.
Operation Paintbrush	Reimbursement of supplies and labor costs for housepainting program	Reimburse 10 eligible property owners per year	City partnered with Rebuilding Together until 2014 when abandoned due to lack of participation/funding
Emergency Home Repair Grants (up to $500) for minor health and safety	Increase grant to $5,000 with five year period of forgiveness, include mobile homes and garage reconversions. Utilize house of the month as outreach vehicle	Provide ten emergency grants per year, including two for extremely low income households	Funding for the program was eliminated in 2012. No loans have been issued since that time. NIPC continues the House of the Month program continues as a motivation for homeowners to fix up their property.
Energy Conservation	Implement state building standards regarding energy efficiency	Provide access to information on energy conservation	Information available through the Building department and information counters/website.
Land Use Element	Develop adequate site for the development of 598 housing units and market resedential, opportunity and Fort Ord Development	Monitor sites inventory	Community and Economic Development staff continue to work with developers and work on the Campus Town Specific Plan (on former Fort Ord lands) moves forward.
Lot Consolidation	Encourage lot consolidation by assisting interested developers in identifying site with consolidation potential	Augment CDBG incentive program to provide low interest loans for adjacent properties	Insufficient funding for CDBG incentives. Lot consolidation is encouraged to promote development. The Ascent Project was granted density bonus and inclusionary housing with Resolution 19-109 November 2019

Housing for Extremely Low income Households	Permit Emergency Shelters by right in CC,permit transitional housing, supportive housing and SRO in zones as noted in HE	Amend within one year	Emergency Shelters by Right in CC zones and Census tract 137 Ordinance 1048 adopted March 1, 2018 HEAP funding applied for shelter in census tract 137 in 2019
First Time Homebuyer Downpayment Assistance	Provide $50K to $75K loans to moderate, low and very low income households at 3%	Six loans a year	Program eliminated in 2012 (funding no longer available due to the dissolution of Redevelopment Agencies)
City Personnel Home Purchase Incentive Loan Program	Low interest loans to attract and retain City Employees	Offer program as part of City Recruitment Process	This program is no longer active.
Foreclosure Crisis Response program	Foreclosure counseling and acquisition of foreclosed units.	Use Neighborhood Stabilization funds in coordination with Monterey County	This program has expired.
Section 8 Housing Choice Voucher Program	Provide rental subsidies to very low income and elderly spending more than 30 percent of their income on housing.	Support HAMC's efforts to maintain assistance to households	Seaside continues to support Housing Authority of Monterey County as the lead agency for the Section 8 Voucher program.
Preservation of Pubicly Assisted Low Income Housing	The City must guard against the loss of housing units available to lower income households	Monitor at risk units, provide tenant education if a notice of intent to opt out of affordability is placed and work with potential priority purchasers	Not applicable. Affordable housing units have been maintained and no notices of intent to opt out of affordability have been issued during 2019. There will be more low income housing as a result of the Ascent project approved Reso 19-109 in November 2019
Affordable housing construction	Implement the West Broadway Urban Village Specific Plan and promote jobs/housing balance. Encourage mixed use projects & prioritize projects with affordable housing	As funding for projects and development interest is available	Campus Town draft specific plan is released. West Broadway Urban Village infrastructure project completed. RDA dissolved and CDBG funds are insufficient.
Affordable attached single family unit	Amend Zoning ordinance to provide consistent treatment for market rate and affordable attached single family homes	Amend within one year	State laws have shifted priorities. The City held a Tiny Home Charrette on August 10, 2018 to explore future options and ideas.
Inclusionary Housing Program	Review development applications on a case by case basis	As projects are developed	Projects are reviewed on a case by case basis.
Adequate water supply for the development of new housing	Work with Monterey Peninsula Water Management District to expand water supply and utilize conservation measures including encouraging retrofitting with low water use plumbing fixtures	Continuous	Moratorium on new meters continues with California American Water district. Water continues to be a challenge for all development.
Reasonable Accomodations	Provide flexibility in the application of planning and development regulations for persons with disabilities	Amend within one year	The City of Seaside follows the Uniform Building Code

Fair Housing Education	Disseminate information regarding agencies available to assist in resolving housing and discrimination issues	Coordinate with the Housing Authority of Monterey County and use CDBG financing	Coordination continues with HAMC. CDBG funding for public services in 2019 provided to Legal Services for Seniors and to Eden Council for Hope and Opportunity (ECHO) providing the outreach and counseling services.
Rental Mediation Services	City will sponsor mediation services for tenant/landlord disputes using CDBG funds	Continue to fund Conflict and Mediation Center of Monterey County	Conflict and Mediation Center of Monterey County disbanded during 2012-2013. Eden Council for Hope and Opportunity (ECHO) became a Seaside CDBG subrecipient in 2019 to provide rental mediation services.

Jurisdiction	Seaside	
Reporting Period	2019	(Jan. 1 - Dec. 31)

ANNUAL ELEMENT PROGRESS REPORT

Housing Element Implementation

(CCR Title 25 §6202)

Note: "+" indicates an optional field
Cells in grey contain auto-calculation formulas

Table E

Commercial Development Bonus Approved pursuant to GC Section 65915.7

Project Identifier				Units Constructed as Part of Agreement				Description of Commercial Development Bonus	Commercial Development Bonus Date Approved
1				2				3	4
APN	Street Address	Project Name+	Local Jurisdiction Tracking ID+	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Description of Commercial Development Bonus	Commercial Development Bonus Date Approved
Summary Row: Start Data Entry Below									

Jurisdiction	Seaside	
Reporting Period	2019	(Jan. 1 - Dec. 31)

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Housing Element Implementation
(CCR Title 25 §6202)

Note: "+" indicates an optional field

Cells in grey contain auto-calculation formulas

Table F
Units Rehabilitated, Preserved and Acquired for Alternative Adequate Sites pursuant to Government Code section 65583.1(c)(2)

This table is optional. Jurisdictions may list (for informational purposes only) units that do not count toward RHNA, but were substantially rehabilitated, acquired or preserved. To enter units in this table as progress toward RHNA, please contact HCD at APR@hcd.ca.gov. HCD will provide a password to unlock the grey fields. Units may only be credited to the table below when a jurisdiction has included a program in its housing element to rehabilitate, preserve or acquire units to accommodate a portion of its RHNA which meet the specific criteria as outlined in Government Code section 65583.1(c)(2).

Activity Type	Units that Do Not Count Towards RHNA+ Listed for Informational Purposes Only				Units that Count Towards RHNA + Note - Because the statutory requirements severely limit what can be counted, please contact HCD to receive the password that will enable you to populate these fields.				The description should adequately document how each unit complies with subsection (c)(7) of Government Code Section 65583.1+
	Extremely Low-Income+	Very Low-Income+	Low-Income+	TOTAL UNITS+	Extremely Low-Income+	Very Low-Income+	Low-Income+	TOTAL UNITS+	
Rehabilitation Activity									
Preservation of Units At-Risk									
Acquisition of Units									
Total Units by Income									

Jurisdiction	Seaside	
Reporting Period	2019	(Jan. 1 - Dec. 31)

NOTE: This table must only be filled out if the housing element sites inventory contains a site which is or was owned by the reporting jurisdiction, and has been sold, leased, or otherwise disposed of during the reporting year.

Note: "+" indicates an optional field
Cells in grey contain auto-calculation formulas

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Table G
Locally Owned Lands Included in the Housing Element Sites Inventory that have been sold, leased, or otherwise disposed of

Project Identifier						
1						4
APN	Street Address	Project Name+	Local Jurisdiction Tracking ID+	Realistic Capacity Identified in the Housing Element	Entity to whom the site transferred	Intended Use for Site
Summary Row: Start Data Entry Below						

Jurisdiction	Seaside	
Reporting Year	2019	(Jan. 1 - Dec. 31)

Building Permits Issued by Affordability Summary		
Income Level		**Current Year**
Very Low	Deed Restricted	0
	Non-Deed Restricted	0
Low	Deed Restricted	0
	Non-Deed Restricted	0
Moderate	Deed Restricted	0
	Non-Deed Restricted	0
Above Moderate		5
Total Units		**5**

Note: Units serving extremely low-income households are included in the very low-income permitted units totals

Housing Applications Summary	
Total Housing Applications Submitted:	5
Number of Proposed Units in All Applications Received:	5
Total Housing Units Approved:	5
Total Housing Units Disapproved:	0

Use of SB 35 Streamlining Provisions	
Number of Applications for Streamlining	0
Number of Streamlining Applications Approved	0
Total Developments Approved with Streamlining	0
Total Units Constructed with Streamlining	0

Units Constructed - SB 35 Streamlining Permits

Income	Rental	Ownership	Total
Very Low	0	0	0
Low	0	0	0
Moderate	0	0	0
Above Moderate	0	0	0
Total	0	0	0

Cells in grey contain auto-calculation formulas

CITY OF SEASIDE
STAFF REPORT

Item No.: 9.A.

TO: City Council

FROM: Craig Malin, City Manager

BY: Lesley Milton, Assistant City Manager

DATE: May 7, 2020

SUBJECT: **ADOPTION OF AN ORDINANCE REGARDING SHORT TERM RENTAL PROGRAM CHANGES (SECOND READING)**

PURPOSE & RECOMMENDATION

Adopt the ordinance as presented.

BACKGROUND

In 2018, after a lengthy study process and significant public input, the Short Term Rental program was created. The City Council adopted Ordinance 1053 establishing the provisions of licensing short term rentals and Ordinance 1054 which directed all transient occupancy tax (TOT) generated by short term rentals be accounted for in a separate fund with 50% reserved for affordable housing projects and 50% reserved for neighborhood improvement projects with recommendations to the City Council by the Neighborhood Improvement Commission.

The first short-term rental license was issued on September 1, 2018, and the first transient occupancy tax (TOT) payment was made on August 31, 2018.

In January of 2020 the City Council received an update on the program, and provided direction to staff for programmatic changes to make the application process more efficient, make the program fiscally sustainable and more user friendly for the applicants and permittees.

The following direction was provided to staff during the January 23, 2020 City Council

Meeting and have been incorporated into the attached, draft ordinance:

1. Adding regulations to prohibit the permitting of Accessory Dwelling Units as short term rentals
2. Allowing property managers to apply for the STR permit, with approval of the property owner.
3. Application process changes: Limiting the application process to 45 days; modifying the annual application deadline to a rolling deadline, instead of the July 1 deadline.
4. Providing for fiscal sustainability: allowing up to 10% of the TOT revenues to be used for program expenditures; adding penalties for late renewals; adding a permit application/renewal fee
5. Regulating the allocation of funds to the NIC/Affordable housing funds after the fiscal year has been closed.
6. Modifying to allow unlimited hosted applications, removing the regulation that a hosted property owner had to be operating prior to 2018.

The City Council met on April 16th to consider the proposed ordinance and passed to print the draft ordinance with the modification that inspections be conducted initially and then again every three years.

FISCAL IMPACT

The total TOT collected from short-term rentals was $520,915. Total annual program expenditures total $111,778.

The following changes are incorporated into the proposed modifications that can assist with off-setting or reducing the cost of operations:

1. Modifications to the inspection requirements are expected to reduce staffing costs for the Building & Code enforcement department
2. The following fees are being established to be incorporated into the adopted fee schedule for the program: Annual Application fee: $250; Late Fees: $250
3. Allowing the allocation of 10% of collected TOT payments for program expenditures.
4. Expiration of applications after 45 days will eliminate unnecessary staff time following up with applicants not ready to obtain their permit and will further reduce staff costs.
5. Modifying the provision that hosted short-term rental license can be issued, even if they were not operating prior to April 2018, may increase the total short term rental permits, and thus increase the amount of TOT revenue the City receives with minimal impacts to neighborhoods.
6. Modifying the code to regulate the allocation of net collected TOT revenues to

the community and neighborhood park improvements and affordable housing funds past the close of the fiscal year.

RECOMMENDATION

To approved the second reading of the draft ordinance as presented.

ATTACHMENTS

1. Draft Ordinance
2. Attachment A

Reviewed for Submission to the
City Council by:

Craig Malin, City Manager

ORDINANCE NO. 20-XX

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SEASIDE

MODIFYING SEASIDE MUNICIPAL CODE SECTION 17.52.251 SHORT TERM RENTAL PROGRAM AND 3.24.121 AFFORDABLE HOUSING AND NEIGHBORHOOD IMPROVEMENT

WHEREAS, In 2018, the Short Term Rental program was created by adopting Ordinance 1053 establishing the provisions of licensing short term rentals; and

WHEREAS, Ordinance 1054 was adopted which directed all transient occupancy tax (TOT) generated by short term rentals be accounted for in a separate fund with 50% reserved for affordable housing projects and 50% reserved for neighborhood improvement projects with recommendations to the City Council by the Neighborhood Improvement Commission; and

WHEREAS, the City Council received an update on the program and directed changes for more clarity and efficiencies to the program and to make it easier for both staff and operators.

THE CITY COUNCIL OF THE CITY OF SEASIDE DOES ORDAIN AS FOLLOWS:

SECTION 1. GENERAL PURPOSE AND FINDINGS.

The purpose of this Ordinance is to consider the following text amendments to the Seaside Municipal Code updating provisions of the short-term rental program structure and licensing and to the allocation of TOT revenues from short-term rentals to the affordable housing fund and for park improvements.

SECTION 2. ENVIRONMENTAL COMPLIANCE

The proposed changes to the Ordinance will not result in direct or indirect changes to the environment and do not meet the definition of project under CEQA. (14 CCR 15378(b))

SECTION 3. REVISIONS TO CHAPTER 17.52.251

Text amendment to the Seaside Municipal Code Chapter 17.52.251 modifying specific sections as included in ATTACHMENT A.

SECTION 4. REVISIONS TO CHAPTER 3.24

Chapter 3.24 is hereby amended as follows:

3.24.121 Affordable housing and neighborhood improvement.

Annually 10% of transient occupancy taxes collected can be used for Short Term Rental program costs and the remaining net funds shall be allocated after the close of the current fiscal year ~~S~~shared Fifty percent of the net transient occupancy tax collected from short-term rentals shall be set aside in the city of Seaside housing fund to be used to assist with affordable housing projects/activities in accordance with the direction of the city council and fifty percent of the net transient occupancy tax shall be directed toward community and neighborhood park improvements, with recommendations to the city council by the neighborhood improvement commission.

SECTION 5. SEVERABILITY

If any word, phrase, sentence, part, section, subsection, or other portion of this Chapter, or any application thereof to any person or circumstance is declared void, unconstitutional, or invalid for any reason, then such word, phrase, sentence, part, section, subsection, or other portion, or the prescribed application thereof, shall be severable, and the remaining provisions of this Chapter, and all applications thereof, not having been declared void, unconstitutional or invalid, shall remain in full force and effect. The City Council hereby declares that it would have passed this title, and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases had been declared invalid or unconstitutional."

SECTION 6. EFFECTIVE DATE

This Ordinance shall become effective thirty (30) days after its final passage and adoption at a duly noticed public hearing for the second reading of the proposed text revisions.

INTRODUCED AND PASSED TO PRINT at a regular meeting of the City Council of the City of Seaside, State of California, on the _____day of April, 2020.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Seaside, State of California, on the ____ day of April, 2020, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

____

Ian Oglesby, Mayor

ATTEST:

____

Lesley Milton, City Clerk

17.52.251 Short-Term Rental

A. Definitions. For the purpose of this section certain terms used herein have the meanings set forth in this chapter, and such meaning shall prevail in case of conflict with the definitions set forth in the SMC.

1. Person. An individual or a group of individuals, association, firm, partnership, entity, public or corporation or other private.

2. Owner. The person who possesses fee title to a transient use site.

3. Owner representative. Any person authorized by the owner to fully manage the transient use site.

4. Local contact person. The person designated by the owner or the owner's authorized representative who shall be available 24 hours per day, seven days per week for the purpose of responding within 60 minutes to complaints related to the short-term rental and taking remedial action to resolve such complaints.

5. Remuneration. Compensation, money, rent or other bargained for consideration given in return for occupancy, possession or use of real property.

6. Residential property. Any lawfully established residential dwelling unit. ~~, except those dwelling units lawfully established as second units established pursuant to Chapter 17.12, a permitted accessory dwelling unit, or as part of a bed and breakfast inn, motel, hotel, timeshare development, or other transient use.~~

7. Second Units, Accessory Dwelling Units and other Dwellings. Second Units lawfully established pursuant to Chapter 17.12, a permitted accessory dwelling unit or junior accessory dwelling unit, or any part of a bed and breakfast inn, motel, hotel, timeshare development or other transient use dwelling, shall not be considered as residential property for the purposes of short term rentals and Chapter 17.52.

8~~7~~. Hosted short-term rental. A dwelling unit where the owner with the majority interest in the residential property, or an owner holding an equal shared interest if no other owner owns a greater interest, occupies a dwelling unit as his or her principal residence and offers the dwelling or a habitable portion thereof for transient occupancy by others, and is present during the occupancy of the hosted short-term rental.

9~~8~~. Nonhosted short-term rental. A dwelling unit that is offered for transient occupancy where the owner or shared ownership interest does not occupy the dwelling offered for transient occupancy as his or her principal residence.

10~~9~~. Guest. The overnight occupant(s) renting the short-term rental for a specified period of one day and no longer than 30 days and the visitors of the overnight occupants.

11~~0~~. Good Neighbor Brochure. A brochure, available from the City, to be given to guests, which includes a summary of the City's regulations relating to short-term rentals.

12~~1~~. Transient. A period of not less than one day and one night nor more than 30 consecutive calendar days.

13~~2~~. Responsible tenant/guest. A person aged 18 or older who has received notice of occupancy, parking and other limits and regulations that apply to the transient use site, and who has agreed to be responsible to ensure that impermissible or inappropriate behavior does not occur at the transient use site, including, but not limited to, all applicable laws, rules and regulations pertaining to the use and occupancy of the short-term rental.

14~~3~~. Transient use of residential property. The commercial use by any person of residential property for transient lodging uses where the term of occupancy, possession or tenancy of the property by the person entitled to such occupancy, possession or tenancy is less than 30 consecutive calendar days.

15~~4~~. Transient use site and **transient use.** Property occupied and used for transient or short-term rental purposes.

1~~5~~6. **Use.** The purpose for which land or premises of a building thereon is designed, arranged or intended, or for which it is or may be occupied or maintained.

Transient use of residential property for remuneration is prohibited except (1) as otherwise expressly licensed by this title, or (2) when such use is licensed by a transient use license issued in accord with Section 17.52.252.

B. Liability and enforcement.

1. Any owner, owner representative, responsible tenant, person acting as agent, real estate broker, real estate sales agent, property manager or otherwise who uses, arranges, or negotiates for the use of, or allows the use of, residential property in violation of the provisions of this chapter is guilty of an infraction subject to an administrative citation for each day in which such residential property is used, or allowed to be used, in violation of this chapter.

2. Violations of this section shall be treated as a public nuisance and strict liability offense regardless of intent.

3. A violation of any provision of this section by any of the guests, owners or operators shall constitute grounds to suspend or revoke a short-term rental license. (Ord. 1053 § 2, 2018)

17.52.252 Short-Term Rental License

A. Statement of purpose. The purpose of this chapter is to establish a licensing process, together with appropriate standards that regulate short-term rental of single-family and multi-family dwellings in residential districts, to minimize negative secondary effects of short-term rental use on surrounding neighborhoods, and to preserve the character of neighborhoods in which any such use occurs. This chapter addresses traffic, noise and density; ensures health, safety and welfare of neighborhoods as well as of renters and guests patronizing short-term rentals; and imposes limits on the number of licenses issued to ensure long-term availability of the affordable housing stock. This chapter also sets regulations to ensure enforcement of these standards, and collection and payment of fees and transient occupancy taxes.

This chapter shall not provide any property owner with the right or privilege to violate any private conditions, covenants or restrictions applicable to the owner's property that may prohibit the use of such owner's residential property for short-term rental purposes as defined in this chapter.

The City Council finds adoption of a comprehensive code to regulate issuance of, and conditions attached to, short-term rental licenses is necessary to protect the public health, safety and welfare. The purposes of this chapter are to provide a licensing system and to impose operational requirements in order to minimize the potential adverse impacts of transient uses on residential neighborhoods.

The City Council finds the regulation of short-term rental uses, including its nontransferability provisions, to be a valid exercise of the City's police power in furtherance of the legitimate governmental interests documented in this chapter.

B. Definitions. The terms "person," "owner," "owner representative," "local contact person," remuneration," "residential property," "hosted short-term rental," "nonhosted short-term rental," "guest," "Good Neighbor Brochure," "transient," "responsible tenant/guest," "transient use of residential property," "transient use site," "transient use," and "use" as used in this chapter are given the same definition as those definitions set forth in Section 17.52.251.

C. Allowed use.

1. Transient use of residential property for remuneration is allowed pursuant to Section 17.52.251 or this chapter; provided, that a separate short-term rental license has first been granted and validly maintained for each transient use site.

2. Each transient use must meet all the requirements of this section. Short-term rental licenses are issued for a one-year term. No guarantee is given or implied that a short-term rental license will be extended or renewed for a term subsequent to its expiration.

3. For the purposes of this section the City recognizes and sets discrete requirements for each of two different classes of short-term rental licenses. These are hosted short-term rental and nonhosted short-term rental.

4. Each contract or tenancy that allows transient use shall identify the name, address, phone number and email contact information of at least one responsible tenant who has been informed of, and has agreed to abide by, occupancy, parking and other limits that apply to that transient use.

5. For each initial short-term rental license, and each license renewal, the applicant and each property owner shall submit an inspection report that provides and verifies information, in the form and manner required by the City and the Chief Building Official, to ensure the property is safe and habitable for its intended use, including verification of adequate egress from sleeping quarters and common areas, installation of accessible fire extinguishers, and a carbon monoxide alarm on each level, and that the property exists in accord with appropriate land use and building licenses.

6. The owner or owner representative shall cause notice of the application or any license renewal, and of any hearing on the application or renewal, to be posted and mailed to notify neighbors within 100 feet of the short-term rental licensed site. The notice shall include a statement of the maximum number of guests licensed to stay in the short-term rental.

D. Short-term rental license caps. All non-hosted short-term rentals found to be in existence prior to April 10, 2018, are hereby approved for the period of one year from the effective date of the ordinance codified in this section.

In years 2019 and beyond the City Council may establish the maximum allowable number of ~~hosted and~~ nonhosted short-term rental licensees annually by resolution at the second regularly scheduled City Council meeting in July and, in doing so, will project forward the maximum allowable number of nonhosted short-term rental licenses for a period not to exceed three years.

There are no caps for hosted short-term rental licenses. ~~senes.~~

E. Limits on transient use. Transient use of residential property for remuneration allowed by Section 17.52.251 or this section shall be subject to each and every limitation in this section:

1. Each contract or tenancy that enables transient use shall be in writing, and identify thereon the name, address, phone number and email contact information of:

a. The owner;

b. The owner representative; and

c. At least one responsible tenant occupying the transient site who shall be responsible for all limits required by this section.

2. Each nonhosted contract or tenancy shall identify the name, address, phone number and email contact information of at least one responsible tenant who has been informed by the owner or owner representative of the occupancy, parking and other limits that apply to transient use by this section and shall be informed of residential parking and noise limits, including but not limited to Chapter 9.12, the City codes that regulate unlawful noises.

3. Trash and refuse shall not be left stored within public view, except in proper containers for purpose of collection by the City's authorized waste hauler.

4. A short-term rental shall not change the residential character of the outside appearance of the residence including color, material, lighting or any advertising mechanism, including "vacation rental" signs.

5. Guests of the short-term rental shall comply with Chapter 9.12 regulating noise, including quiet hours between the hours of 10:00 p.m. and 7:00 a.m.

6. The owner or owner representative for all nonhosted short-term rentals shall post in a prominent location within the short-term rental:

a. Owner or owner representative name and telephone number;

b. Local contact person name and telephone number;

c. Telephone number for Seaside Code Enforcement and the Seaside Police Department;

d. The maximum number of parking spaces available on site;

e. Trash pick-up day and applicable rules and regulations;

f. A copy of City of Seaside noise regulations;

g. A copy of the Good Neighbor Brochure; and

h. Notification that a guest, local contact person, responsible person or owner may be cited and/or fined by the City in accordance with this section.

7. The transient use site:

a. Shall be used and maintained in a manner consistent with the character of the neighborhood;

b. Shall not impair the desirability of investment or occupation of the surrounding neighborhood; and

c. Shall not have displayed thereon any sign that indicates the property is used or available for transient or short-term rental purposes.

8. Owner and owner representative shall each use their best efforts, and respond in a reasonable and timely manner, to ensure that every occupant of the transient use site does not create or contribute to unreasonable use of the property, cause unreasonable noise or disturbance, engage in disorderly or unlawful conduct, or overcrowd the site.

9. Local contact person shall be on call full-time (24 hours per day, seven days per week) to manage the property and shall be able to be physically present at the transient use site within 60 minutes of request during any time the property is occupied for transient use. Within 24 hours of the time an initial call is attempted, the owner, owner representative or local contact person shall use his or her best efforts to prevent the recurrence of such conduct by the occupants and take corrective action to address any violation. Failure to respond timely to two or more complaints regarding guest violations is grounds for penalties as set forth in this chapter. The owner, owner representative or local contact person shall be subject to all administrative, legal and equitable remedies available to the City for failing to respond within 60 minutes of request.

10. The maximum number of occupants aged 18 or older authorized to stay overnight at any transient use site shall be determined by the City Building Official.

11. Each designated on-site parking space at a nonhosted transient use site shall be made available for use by overnight occupants of that site and any on-site driveway must be available for the use of the guests of the site.

12. Amplified sound that is audible beyond the property boundaries of the transient use site is prohibited.

13. Commercial functions and other similar events are prohibited at the transient use site.

F. **Short-term rental license.** It is unlawful for any person to transact and carry on any business relating to or supporting the transient use of residential property in the City without first having procured a short-term rental license from the City, and paying the license fee and any other fees associated with approval of an application for a license, hereinafter prescribed, and also without complying with any and all applicable provisions of this section. A short-term rental license, however, shall not be required for any lawfully established bed and breakfast inn, motel, hotel, or timeshare development.

G. Display of short-term rental license. The owner or owner representative shall cause a copy of the transient use license to be displayed in a prominent location within the interior of the transient use site, and shall provide a copy to each responsible tenant. Each internet or online advertisement, sign, circular, card, telephone book, or newspaper advertisement that indicates or represents a transient use site is available for transient or short-term rental purposes shall prominently display thereon the transient use license number assigned to that site by the City of Seaside.

H. Separate properties. A separate short-term rental license shall be obtained for each separate transient use site. A single short-term rental license may be issued for multiple residential dwelling units under identical ownership at a single site. In all other circumstances, a separate license shall be required for each transient use site. A transient use license shall authorize the licensed owner to transact and carry on transient use of residential property only at the location and in the manner and subject to the limits designated in such license.

I. Contents of license. Every person required to have a license under the provisions of this section shall make application to the City and tender payment of the prescribed application and license fee. Thereafter in accord with the provisions of this section the City shall issue to such person a license which shall contain the following information:

1. The name and contact information of the owner to whom the license is issued, and the name and contact information for the owner representative, if any;

2. The transient use site to be licensed, and whether the license is for a hosted short-term rental or a nonhosted short-term rental;

3. The date of expiration of such license;

4. The maximum number of occupants aged 18 or older who are authorized to stay overnight at that transient use site determined by the City Building Official;

5. The maximum number of motor vehicles allowed for use by overnight guests at that nonhosted transient use site based upon the available on-site parking as shown on the application site plan; and

6. Such other administrative information as may be necessary for the enforcement of the provisions of this section.

J. Application – First license. Each short-term rental license shall be in the name of the owner of the real property upon which the short-term rental use is to be licensed and shall be valid ~~until June 30, 2019~~ for twelve (-12) calendar months from date of issuance. When a person first makes an application for a license pursuant to this section, such person shall furnish to the City a sworn affidavit upon a form provided by the City setting forth the following information:

1. The address of the transient use site to which the license shall apply, and all places of residence of the owner(s) of the transient use site:

a. In the event an application is made for issuance of a license to a person doing business under a fictitious name, the application shall set forth the names and places of residence of those owning the business;

b. In the event an application is made for the issuance of a license to a corporation or a partnership, the application shall set forth the names and places of residence of the principal officers and all partners thereof;

C. In the event an application is made for the issuance of a license ~~to~~ by a property management company, the application shall set forth the names and places of residence of the management company, thereof as well as include the property owner signature approving the application and use of the property.

2. Each application shall set forth such information as may be therein required by the City and deemed necessary to estimate the annual transient occupancy tax to be charged for that property;

3. The owner and applicant shall maintain a City business license at all times, and shall agree to collect and remit transient occupancy taxes on all gross receipts pertaining to the transient use site;

4. Each application shall identify the name, address, phone number and email contact information of the owner and the owner representative;

5. Each application for a nonhosted license shall include a site plan and floor plan which labels each room and the structures of the property, including the number of and square footage of bedrooms and the number of off-street parking spaces;

6. The owner shall affirm that smoke detectors are installed on all levels in all sleeping quarters and common areas, and that fire extinguishers are accessible to protect the health and safety of the guests of the transient use site, and the applicant shall provide access and information to the Fire Inspector as needed to ensure health and safety for occupants of the transient use site; and

7. Such further information which the City may require to enable proper administration of the license.

The applicant shall remit all required annual fees in accord with the master fee schedule set by City Council resolution. The applicant shall agree to renew and/or amend the license in accord with the requirements of this section, and if there is a change in any material fact stated in the application. Applications are valid until license is issued, but not to exceed forty-five (45) calendar days, unless extended by approval of the program administrator.

K. Renewal of license.

1. In all cases, the applicant for the renewal of a license shall submit to the City on ~~or before July 1, 2018~~expiration of their existing license, or 12 calendar months, an application for renewal containing a sworn affidavit upon a form to be provided by the City setting forth such information concerning the applicant's transient occupancy activity during the preceding calendar year as may be required by the City to enable the City to verify the amount of the transient occupancy tax paid by said applicant pursuant to the provisions of this section.

2. The applicant shall remit the annual license fee as set by resolution at the same time as the renewal application. The applicant shall submit an annual sworn affidavit affirming that smoke detectors are installed and maintained on all levels in all sleeping quarters and common areas and that fire extinguishers are accessible, and a carbon monoxide alarm is installed on each level and no modifications to the structure have been made since the initial inspection that requires as permit ~~. The applicant shall provide access and information to the Inspector as may be needed to ensure health and safety for guests of the transient use site, in order to verity adequate egress from sleeping quarters and common areas, and installation of accessible fire extinguishers, and a carbon monoxide alarm on each level~~. If any modifications that require a permit were made during the calendar year, the applicant will be subject to an annual inspection and the associated fee. If no modifications are made that require a permit, inspections are required every 4th year.

3. Applications for the renewal of a license submitted after the expiration of the existing license will incur a fee set by resolution and is due at the time of the late renewal application.

L. Change to license information.

1. A request to amend any information provided on the license issued pursuant to this section shall be made within 14 days of any change of owner, a change of the owner representative, a change in any material fact upon which the license was issued, or if any other person acquires an ownership interest in the transient use site.

2. In the event that the transient use site ownership transfers to an immediate family member by means of a gift or testamentary transfer, the new owner of the property shall also acquire ownership of the existing short-term rental license until its expiration without paying additional fees. The new property title owner shall, within 14 days of transfer of ownership of the transient rental site, update the information provided on the license issued.

M. Evidence of transient occupancy of residential property. When any owner, owner representative or other person makes use of internet services, signs, circulars, cards, telephone books, or newspapers and/or advertises, holds out, or represents that he or she allows transient occupancy of residential property in the City, and such person fails to provide a sworn affidavit to the City that he or she does not allow transient occupancy of residential property in the City after being requested to do so by the City, then such information shall be considered prima facie evidence that he or she is conducting a business in the City by allowing transient occupancy of residential property. Until proper evidence to the contrary is presented to the City, the City shall be entitled to presume that residential property is subject to the license required by this section, and/or that the transient use of residential property has occurred at the subject property.

N. Statement and records. No statement shall be conclusive as to the matters set forth therein, nor shall the filing of such statement keep the City from collecting by appropriate action taxes and/or fees that are due and payable hereunder. In the event that the City deems it necessary, the City may require that an already licensed owner, or applicant for a license, submit verification of financial information necessary to calculate the transient occupancy tax due, or, at the option of the already licensed owner or applicant, authorize the City to examine records or business transactions to compute the transient occupancy tax that is owed. In addition, a~~n~~ owner or applicant is required to furnish proof and affidavit that the subject property was used as a non-hosted short-term rental 12 months prior to April 10, 2018.

O. Failure to file statement or corrected statement. If any person fails to file any required statement within the time prescribed, or if after demand therefor made by the City the licensed owner or applicant fails to file a corrected statement, or if any person subject to the tax imposed by this section fails to apply for a license, the City may determine the amount of tax due from such person by means of such information as City may be able to obtain and shall give written notice thereof to such person. Delinquent payment shall be subject to penalties calculated in the same manner as set forth in Chapter 3.24.

P. Transient occupancy tax. The owner or owner representative shall comply with all the requirements of Chapter 3.24 (Transient Occupancy Tax). For the purposes of Section 3.24.010, a short-term rental shall qualify as a hotel. The City Manager or designee shall be responsible for the enforcement of the provisions of Chapter 3.24.

Transient occupancy tax collected for short-term rentals shall be set aside in a separate fund account.

Q. Appeal of tax. Any person aggrieved by any decision of the City with respect to the amount of the transient occupancy tax or fees associated therewith may appeal to the Administrative Enforcement Hearing Office Panel by filing a notice of appeal with the City Clerk within 15 calendar days after receipt of written notice from the City. The Hearing Officer assigned by the Panel shall thereupon fix a time and place for hearing such appeal. The City Clerk shall give notice to such person of the time and place of hearing by serving it personally or by depositing in the United States Post Office at Seaside, California, postage prepaid, addressed to such person at his or her last known address. The Hearing Officer shall have authority to determine all questions raised by such appeal; provided, however, that no such determination shall conflict with any substantive provision of this chapter.

R. Additional power of City. In addition to all other power conferred upon the City, the property owner/applicant shall have the power, for good cause shown:

1. To extend the time for filing any required sworn affidavit or application for a period not exceeding 30 days, and in such case to waive any penalty that would otherwise have accrued; and

2. Whenever any fee, tax or penalty pursuant to this section is due and payable but has not been satisfied in full within 90 days and/or has not been successfully deposited by a timely writ of mandate, such amounts shall constitute a lien against the real property, and be subject to the processes set forth in the SMC.

S. License nontransferable – Changed location. No license issued pursuant to this section shall be transferable to any other person or location, except as noted in Section 17.52.252.L.2.

T. License denial or revocation. Any application for a license may be denied, and any license issued pursuant to this section may be revoked. Substantial evidence shall be presented as to why the application should be denied or the license should be revoked for any reasons, including but not limited to:

1. A false material statement or misrepresentation has been made in, or in support of, the application;

2. A change occurs in any material fact upon which the license was issued that has not been reported to the City as a change to the required license content within 14 days;

3. The transient use site, or any other location owned by the owner or applicant, has been the site of a violation of any provision of law, or otherwise fails to meet sanitation or health standards of the neighborhood, within the 12 months immediately preceding;

4. The owner, owner representative or applicant has been convicted of any crime involving moral turpitude;

5. The owner, owner representative or applicant has failed to timely respond to two or more complaints within the 12 months immediately preceding; and

6. The owner, applicant, guest or any occupant of a transient use site regularly engages in disorderly conduct, violates provisions of this code or any state law pertaining to noise, disorderly conduct, or uses illegal drugs.

U. Appeal of revocation or suspension. Any person who has been denied a license or to whom notice of revocation or suspension of a license has been mailed may appeal to the Administrative Enforcement Hearing Panel under Chapter 2.58, pursuant to a request for hearing under Chapter 2.58. Notice of the proceeding shall conform to Section 2.58.080, and the hearing shall conform to the process set in Section 2.58.090. The Hearing Officer shall have authority to determine all questions raised by such appeal; provided, however, that no such determination shall conflict with any substantive provision of this section. Any applicant or license holder whose license shall have been denied or revoked shall be ineligible for a two-year period from applying for a new license. No person whose license has been revoked shall continue to engage in, or carry on, the activity for which the license was granted unless and until such license has been reinstated or reissued. The decision of the Hearing Officer shall be final. Notice of the decision, and the opportunity for judicial review, shall conform to Section 2.58.180.

V. Penalties. Penalties as set forth in Section 17.80.050 may be imposed for failure to comply with the provisions of this section, with respect to:

1. Any owner, owner representative, or person who transacts or carries on any activity relating to or supporting the transient use of residential property in the City without first having procured and complied with a transient use license from the City to do so, and paying all applicable license fees, shall be subject to administrative penalties as set forth in Section 17.80.050.A, including administrative penalties imposed by a Hearing Officer for violation of any provisions of this code in an amount not to exceed a maximum of $2,500 per day for each continuing violation, exclusive of administrative costs, interest and restitution for compliance reinspections, for any related series of violations, and/or forfeiture of all rents received during the period transient use was allowed without a transient use license, whichever amount is greater;

2. Any owner, owner representative, or person who carries on any activity that advertises to the surrounding neighborhood that the site has been licensed to allow, or is used for, transient occupancy, and who has failed to timely remedy this violation in response to two or more complaints, shall be subject to administrative penalties;

3. Any owner, owner representative, responsible tenant or person who allows a transient use site to be used or maintained in a manner detrimental to the peace, public health, safety or general welfare of persons or property of the neighborhood or the public, and fails to timely remedy this violation in response to two or more complaints;

4. Any owner, owner representative, responsible tenant or person who allows impermissible or inappropriate behavior at the transient use site or action that exceeds the limits on transient use following two or more complaints;

5. Limits upon administrative penalties in Section 17.80.050 shall not apply to any violation of this section.

W. Liens. Whenever the amount of any penalty forfeiture and/or administrative cost imposed by a Hearing Officer pursuant to this section or to Section 2.58.170 has not been satisfied in full within 90 days and/or has not been successfully challenged by a timely writ of mandate, this obligation shall constitute a lien against the real property on which the violation occurred, and be subject to the processes set forth in Section 2.58.170. (Ord. 1053 § 3, 2018)

CITY OF SEASIDE
STAFF REPORT

Item No.: 9.B.

TO: City Council

BY: Craig Malin, City Manager

DATE: May 7, 2020

SUBJECT: **ADOPTION OF AN ORDINANCE AMENDING THE SEASIDE MUNICIPAL CODE REPEALING SECTION 2.02.080 AND REPLACING IT WITH SECTIONS 2.02.080 AND 2.02.080a ADDRESSING THE AGENDA SETTING PROCESS (SECOND READING)**

PURPOSE & RECOMMENDATION

Adopt the ordinance as presented.

BACKGROUND

At the March 19 City Council Meeting, Council members agreed, by a 4 – 1 consensus, to a collection of new and clarified rules for placing items on the City Council Meeting agenda. The attached ordinance includes the rules discussed and agreed to, by consensus.

On April 16, 2020, the City Council approved the first reading of the draft ordinance.

ATTACHMENTS

1. Draft Ordinance Agenda Preparation (Autosaved)-rev1

Reviewed for Submission to the
City Council by:

Craig Malin, City Manager

ORDINANCE NO. 20-XX

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SEASIDE

DELETING THE EXISTING SEASIDE MUNICIPAL CODE SECTION 2.02.080 AND REPLACING IT AS TO AGENDA PREPARATION AND ADDING A NEW SECTION 2.02.080a AGENDA REVIEW

WHEREAS, the City of Seaside has multiple resolutions and ordinances which address agenda preparation; and

WHEREAS, it is now desired to provide for more clarity in the Agenda preparation and review process.

THE CITY COUNCIL OF THE CITY OF SEASIDE DOES ORDAIN AS FOLLOWS:

SECTION 1. **GENERAL PURPOSE AND FINDINGS.**

The purpose of this Ordinance is to consider the following text amendments to the Seaside Municipal Code:

> Text amendment to the Seaside Municipal Code Chapter 2.02 deleting the existing Section 2.02.080 and replacing it in its entirety and adding Section 2.02.080a Agenda Review.

SECTION 2. ENVIRONMENTAL COMPLIANCE

The proposed changes to the Ordinance will not result in direct or indirect changes to the environment and do not meet the definition of project under CEQA. (14 CCR 15378(b))

SECTION 3. DELETE AND REPLACE

This ordinance deletes the existing Seaside Municipal Code section 2.02.080 and replaces it entirely with the following two sections:

Section 2.02.080. AGENDA. An Agenda shall be prepared for each regular and special meeting of the City Council containing the specific items of business to be transacted. Items may be placed on the agenda by: 1) any Council member upon oral request made during the previous regular City Council meeting, 2) majority vote of the City Council at a regularly scheduled City Council meeting after any

Council member makes a request to place an item on the agenda any time after the previous regular City Council meeting, up to 72 hours prior to the next regular City Council meeting, or 3) by the City Manager or City Attorney.

Section 2.02.080 a. AGENDA REVIEW. The draft agenda may be reviewed by the Mayor and Mayor Pro Tem prior to the publication of the Agenda in order to facilitate the proper sequencing of items and time management of the City Council meeting. The City Attorney may remove any item from the Agenda where they determine there is a significant risk of litigation or liability to the City. Said removal shall be disclosed to the City Council in Closed Session.

SECTION 4. REPEAL OF CONFLICTING ORDINANCES AND RESOLUTIONS.

All ordinances, parts of ordinances and resolutions in conflict herewith, including but not limited to Resolution 77-106 and Resolution 17-07, are hereby repealed insofar as they conflict with this ordinance.

SECTION 5. EFFECTIVE DATE

This Ordinance shall become effective thirty (30) days after its final passage and adoption at a duly noticed public hearing for the second reading of the proposed text revisions.

INTRODUCED AND PASSED TO PRINT at a regular meeting of the City Council of the City of Seaside, State of California, on the _____day of April, 2020.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Seaside, State of California, on the ____ day of April, 2020, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

____

Ian N. Oglesby, Mayor

ATTEST:

____

Lesley Milton, City Clerk

CITY OF SEASIDE
STAFF REPORT

Item No.: 10.A.

TO: City Council

FROM: Craig Malin, City Manager

BY: Kurt Overmeyer, Economic Development Manager

DATE: May 7, 2020

SUBJECT: **CONSIDER RE-PRIORITIZATION OF WATER ALLOCATIONS TO ACCOMMODATE THE ASCENT DEVELOPMENT WATER NEEDS**

PURPOSE & RECOMMENDATION

To consider re-prioritize water allocations by adding 1.97553 to the Terrace and Broadway properties by taking .11 acre feet a year from the West Broadway Urban Village and 1.86553 from the small commercial to allocate to the Terrace and Broadway properties.

BACKGROUND

In January 2020, City Council approved an Affordable Housing Agreement on a project at Terrace and Broadway that will result in the construction of 106 apartment units, of which 16 will be made affordable to people with income that meets the HCD definition of "low-income," and 4,000 square feet of retail space. In August of 2019, City Council prioritized water allocations that included 10.91 Acre Feet per Year (AFY) to the Terrace and Broadway project. In the intervening months, the project has evolved somewhat and as a result, MPWMD provided the city with a revised water need assessment for the project. A small fraction, .11 AFY, is required for the additional unit that was added as part of the Affordable Housing Agreement. The remaining 1.86553 AFY needed is for the commercial space and commercial landscaping. The City will require that the developer plumb the commercial landscaping for recycled water, however, no recycled water is available at this time on Broadway. Should a recycled source of water become available, the developer will be asked to connect the pre-plumbed recycled irrigation system and roughly half of the 1.86553 AFY will return to the small commercial account.

Re-prioritizing the water allocation will allow the Ascent project to move forward as considered and will provide a new 106 unit development and 4,000 square feet of high quality retail space.

FISCAL IMPACT

There is no direct fiscal impact to this project, however, the water allocation will allow the full project to move forward resulting new property tax and sales taxes to the City.

ATTACHMENTS

1. WaterRESO

Reviewed for Submission to the
City Council by:

Craig Malin, City Manager

RESOLUTION 20-__

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEASIDE

AMENDING RESOLUTION 11-03 FOR A RE-PRIORITATION OF 38.831 ACRE-FEET OF AVAILABLE WATER ALLOCATION

WHEREAS, the City of Seaside has an available water allocation total of 38.831 AFY from all three water accounts of the Monterey Peninsula Water Management District as of April 2020; and

WHEREAS, the City of Seaside has water allocated accros 5 categories which include: Broadway Catalyst between Hillsdale and Alhambra; Broadway and Terrace; Auto Center Properties, West Broadway Urban Village; and Small Commercial; aand

WHEREAS, the City of Seaside values economic development and being business friendly, resulting in new or expanding small businesses requiring water; and

WHEREAS, several Auto Center properties have already upgraded facilities and only a few remain to upgrade; and

WHEREAS, the City of Seaside chooses to allocate 33.831 AFY of water at this time; and

WHEREAS, the active project at Terrace and Broadway requires an additional allocation of 1.97553 AFY to accommodate an additional unit and commercial space;

NOW THEREFORE BE IT RESOLVED, the City of Seaside reallocates water as reflected below:

Broadway Catalyst Project [Alhambra to Hillsdale] 0.0 AFY
Broadway and Terrace Project 12.88553 AFY
Auto Center 3.602 AFY
West Broadway Urban Village 11.543 AFY
Small Commercial 5.82247 AFY

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Seaside duly held on the 7th day of May 202 by the fallowing vote:

AYES: COUNCILMEMBERS
NOES: COUNCILMEMBERS
ABSENT: COUNCILMEMBERS
ABSTAIN: COUNCILMEMBERS

____
Ian N. Oglesby, Mayor

ATTEST:

____
Lesley Milton-Rerig, City-Clerk

CITY OF SEASIDE
STAFF REPORT

Item No.: 10.B.

TO: City Council

FROM: Craig Malin, City Manager

BY: Sheri Damon, City Attorney

DATE: May 7, 2020

SUBJECT: **CONSIDER BUILDING REMOVAL BOND FUNDING AGREEMENTS AND ADOPT RESOLUTION AUTHORIZING EXECUTION AND DELIVERY OF BOND FUNDING AGREEMENT**

PURPOSE & RECOMMENDATION

Approve a resolution authorizing the City Manager, in consultation with the City Attorney, to execute and deliver a bond funding agreement to the Fort Ord Reuse Authority in order to receive bond revenues for building removal activities.

BACKGROUND

The Fort Ord Reuse Authority is intending to issue bonds to fund building removal activities on the former Fort Ord by late May 2020. In order to accomplish this, there are multiple legal documents that need to be approved by either the Fort Ord Reuse Authority and/or the jurisdictions that are receiving bond revenue.

The amount of revenue to be raised by the bond issuance is uncertain and will depend upon market conditions at the time of issuance at the end of May/beginning of June, but has been estimated anywhere from $25 million to a best-case scenario of $55 million. Of that amount, a portion would be set aside for CalPERS contingent obligations and administrative costs. Seaside's share of the net bond proceeds would be 32.25%, Marina 50%, County 4.5%, Transportation Agency of Monterey County 7%, Marina Coast Water District 5.25%, Monterey-Salinas Transit 1.0%.

Seaside has multiple buildings and parcels upon which these revenues may be spent. The Surplus II area has multiple concrete hammerhead buildings that must be removed in order to move the Campus Town project forward. Other areas of the former Fort Ord within City of Seaside boundaries also have buildings and other eligible activities that could be funded with the bond proceeds.

The bonds will be repaid from tax increment revenues collected from redevelopment areas on Fort Ord. The City of Marina will be the administrator for the bond. The Funding Agreement contains provisions regarding the following:

1. FORA and the City of Marina, in its capacity as Administrator for the bond issue are counterparts to the Funding Agreements.
2. Use bond proceeds solely for "Building Removal Costs" as defined.
3. The Funding Recipient will control the expenditure of the bond proceeds allocated for Building Removal Costs.
4. Each Funding Recipient will be responsible to track and account for its eligible Building Removal Costs and to maintain records.
5. Each Funding Recipient agrees not to pre-pay any debt/bond obligations early.
6. The Funding Agreements terminate when all of the bond proceeds allocated have been expended by the Funding Recipients.
7. The Agreements provide that none of the Funding Recipients will have any responsibility to pay the costs of the Authority or the Administrator related to the cost of administering the bonds.

Attached to this report is the DRAFT Bond Indenture of Trust, which is anticipated to return to the FOR A Board for ratification at its May 14th meeting to include information on the inclusion of CalPERS-related matters. Additionally, the Official Statement and Bond Purchase Agreement are expected to return to the FOR A Board at its May 14th meeting. The Official Statement is the disclosure document to bond investors regarding the potential risks of the bond issue. The Bond Purchase Agreement, is the proposed contract between FORA and its bond underwriting team of Stifel and Citi. FORA's finance team anticipates selling the bonds on May 20th and closing the bond issue on June 2nd.

FISCAL IMPACT

Bond revenue will be received by the City to fund Building Removal Activities

ATTACHMENTS

1. Draft Resolution
2. Draft Funding Agreement
3. Draft Indenture Document

4. Draft-Bond Purchase Agreement

Reviewed for Submission to the
City Council by:

____
Craig Malin, City Manager

RESOLUTION NO. 2020-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEASIDE

APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BUILDING REMOVAL FUNDING AGREEMENT

WHEREAS, the Fort Ord Reuse Authority (the "Authority") plans to issue its Fort Ord Reuse Authority Tax Allocation Bonds, Series 2020 (Federally Taxable) (the "Bonds") pursuant to an Indenture of Trust, dated as of May 1, 2020 (the "Indenture") among the Authority, the City of Marina, as administrator (the "Administrator"), and U.S. Bank National Association, as trustee (the "Trustee"); and

WHEREAS, pursuant to the Indenture, a portion of the proceeds of the Bonds will be deposited to an account held by the Trustee, and will be transferred by the Trustee to the City of Seaside (the "City") to be used by the City to pay Building Removal Costs, as identified in the Building Removal Funding Agreement (the "Funding Agreement") referred to below; and

WHEREAS, in order to assure the Authority that the proceeds of the Bonds will only be used by the City for Building Removal Costs, and to otherwise set forth matters related thereto, the Authority has requested that the City enter into the Funding Agreement with the Authority and Administrator, a form of which Funding Agreement has been presented to this City Council for its approval; and

WHEREAS, the City Council, with the assistance of City Staff, has reviewed the Funding Agreement and now desires to approve the Funding Agreement and to direct its execution and delivery so that the City will have funds to pay the Building Removal Cost.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Seaside, as follows:

1. The City Council hereby approves the Funding Agreement in the form on file with the City Clerk, and hereby authorizes and directs the City Manager to execute and deliver the Funding Agreement in such form together with any changes therein deemed advisable by the City Manager upon consultation with the City Attorney, the approval of such changes to be conclusively evidenced by the execution and delivery by the City Manager of the Funding Agreement.

2. The Mayor, the City Manager and the City Clerk, and all other officers of the City, are hereby authorized and directed to take all actions and do all things necessary or desirable hereunder to implement the Funding Agreement, including but not limited to the execution and delivery of any and all certificates, documents and other

instruments which they, or any of them, deem necessary or desirable and not inconsistent with the purposes of this Resolution and the Funding Agreement.

3. This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Seaside duly held on the 7th day of May, 2020 by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:

____
Ian N. Oglesby, Mayor

ATTEST:

____
Lesley Milton, City Clerk

APPROVED AS TO FORM:

____
CITY ATTORNEY

BUILDING REMOVAL FUNDING AGREEMENT

among the

FORT ORD REUSE AUTHORITY,

and the

CITY OF MARINA, CALIFORNIA,
as Administrator,

and the

CITY OF SEASIDE, CALIFORNIA

Dated as of May 1, 2020

Relating to:
Fort Ord Reuse Authority
Tax Allocation Bonds,
Series 2020
(Federally Taxable)

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BUILDING REMOVAL FUNDING AGREEMENT

THIS BUILDING REMOVAL FUNDING AGREEMENT (the "Agreement"), dated as of May 1, 2020, is by and among the FORT ORD REUSE AUTHORITY (the "Authority"), the CITY OF MARINA, CALIFORNIA, as Administrator (the "Administrator") and the CITY OF SEASIDE, CALIFORNIA (the "Funding Recipient"), and is related to use by the Funding Recipient of proceeds of the Fort Ord Reuse Authority Tax Allocation Bonds, Series 2020 (Federally Taxable) (the "Bonds").

R E C I T A L S :

WHEREAS, the Authority is issuing the Bonds pursuant to an Indenture of Trust, dated as of May 1, 2020 (the "Indenture"), by and among the Authority, the Administrator and U.S. Bank National Association, as trustee (the "Trustee") in order to fund Building Removal Costs of Building Removal to be undertaken by the Local Agencies, as such capitalized terms are defined in the Indenture; and

WHEREAS, the Funding Recipient is one of the Local Agencies, and the Indenture provides for the deposit of a portion of the proceeds of the Bonds on the date of issuance of the Bonds (the "Closing Date") to a Seaside Bond Proceeds Account of a Project Fund held by the Trustee as set forth in Section 3.02(a)(vi) of the Indenture; and

WHEREAS, pursuant to Section 3.04(b) of the Indenture, the Trustee will remit the amount in the Seaside Bond Proceeds Account to the Funding Recipient on the Closing Date to be used by the Funding Recipient as provided in this Agreement; and

WHEREAS, the Authority will be dissolved on June 30, 2020, and the Administrator is entering into this Agreement as assignee of the Authority under the Indenture solely to perform certain limited administrative activities as expressly set forth in the Indenture;

WHEREAS, the Authority, the Administrator and the Funding Recipient now desire to set forth provisions related to the disposition by the Funding Recipient of the amount transferred to it by the Trustee on the Closing Date, and to specify the rights and limited liability of the Administrator hereunder.

A G R E E M E N T :

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, and for other consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto do hereby agree as follows:

1. <u>Recitals</u>. Each of the above recitals as applicable to it is true and correct.

2. <u>Issuance of the Bonds</u>. The Authority hereby agrees to (a) issue the Bonds, (b) cause _____% of the proceeds of the Bonds to be deposited to the Seaside Bond Proceeds Account under the Indenture, and (c) cause the Trustee to remit the amount deposited to the Seaside Bond Proceeds Account to the Funding Recipient on the Closing Date. Notwithstanding the foregoing, this Agreement shall be null and void ab initio if for any reason whatsoever the Authority does not perform its obligations under the preceding sentence prior to its dissolution, and no damages or liability whatsoever shall arise or be incurred by the Authority as a consequence of its failure to perform such obligations. In no event shall the Funding Recipient have a right to compel the issuance of the Bonds.

The Funding Recipient hereby advises that its wire transfer instructions for the transfer of funds provided for in clause (c) of the first sentence of the preceding paragraph are: ____________.

3. <u>Use of Proceeds</u>. The Funding Recipient hereby agrees to establish an account on its books and records (referred to in this Agreement as the "Building Removal Account") in order to account for its use of the proceeds of the Bonds remitted to it as described in clause (c) of the first sentence of Section 2. Amounts deposited to the Building Removal Account may be comingled with other monies of the Funding Recipient for investment purposes, but the Funding Recipient shall at all times maintain records as to the funds in the Building Removal Account and the investment earnings thereon as provided below.

The Funding Recipient agrees that amounts withdrawn from the Building Removal Account will be used solely to pay costs of the Building Removal Costs, as described in Exhibit A hereto then due and payable by the Funding Recipient, or that have otherwise theretofore been paid by the Funding Recipient after the date of this Agreement. In no event shall the Authority or the Administrator have any responsibility for the use by the Funding Recipient of amounts disbursed from the Building Removal Account, or any Building Removal activities of the Funding Recipient, or for any Building Removal Costs incurred by the Funding Recipient.

The Funding Recipient shall have the sole right to direct the investment of the amounts on deposit in the Building Removal Account. While the Funding Recipient shall have no obligation or liability with respect to any such investment, including any losses with respect thereto, any investment earnings on funds in the Building Removal Account shall be credited to such account and used solely for the purposes thereof as provided in this Section 3.

The Funding Recipient agrees to maintain accounting records relating to the use of amounts disbursed to or upon its order from the Building Removal Account in accordance with Funding Recipient's accounting procedures for similar funds. The Funding Recipient will, upon written request, provide the Authority or the Administrator, whichever requests the same, complete copies of the Funding Recipient's records related to such disbursements.

In the event that the Funding Recipient determines in its sole discretion that it has funds in the Building Removal Account that it will not expend on Building Removal Costs, it shall remit such amount to the Trustee for deposit in the Surplus Account under the Indenture for disposition from the Surplus Account as provided in the Indenture.

Neither the Authority nor the Administrator shall have any liability or responsibility whatsoever with respect to any Building Removal activities of the Funding Recipient or any Building Removal Costs or other costs incurred for any reason by the Funding Recipient. The Funding Recipient hereby agrees to hold the Authority and the Administrator harmless with respect to any claim by any entity in opposition to the provisions of the preceding sentence.

4. <u>Reimbursement of Administrative Costs</u>. The Funding Recipient hereby agrees to pay, other than from amounts in the Building Removal Account, any and all costs with respect to its review, execution and performance of this Agreement. Neither the Authority nor the Administrator shall have any obligation to pay any costs of the Funding Recipient incurred by it in connection with this Agreement or the Building Removal activities of the Funding Recipient.

Costs of the Authority and the Administrator with respect to this Agreement (a) incurred on or before the Closing Date, shall be Costs of Issuance to be paid from the Costs of Issuance Fund under the Indenture; (b) incurred from and after the Closing Date shall be Administrative Expenses to be paid from the Administrative Expense Fund under the Indenture (as such capitalized terms used in the preceding clauses (a) and (b) are defined in the Indenture); and the Funding Recipient shall have no responsibility to pay any such costs. The Funding Recipient shall have no responsibility to pay any costs of the Authority or the Administrator incurred by them with respect to the Indenture for the repayment or the administration of the Bonds.

5. Building Removal. The Funding Recipient shall have sole responsibility for all of its Building Removal activities..

6. Limited Obligations. All obligations of the Authority under and pursuant to this Agreement shall be limited to those specified in the first sentence of Section 2, subject in any event to the provisions of the second sentence of Section 2. No Boardmember, officer or employee of the Authority shall in any event be personally liable hereunder. Following any deposit of Bond proceeds in the Building Removal Account as provided in Section 3 above, the Authority shall have no liability with respect to the handling or the investment of such funds by the Funding Recipient, or the disposition of such funds by the Funding Recipient.

The only obligations of the Funding Recipient hereunder shall be to expend amounts in Building Removal Account for Building Removal Costs, and to maintain records as to the use of the amounts withdrawn from the Building Removal Account. If, for any reason whatsoever, there are insufficient funds in the Building Removal Account to pay all of the Building Removal Costs of the Funding Recipient, none of the Funding Recipient, the Authority or the Administrator shall have any obligation under this Agreement to fund any such shortfall. If the Funding Recipient shall fail to perform any of its obligations hereunder, the sole remedy of the Authority or the Administrator shall be the commencement of an action in the Superior Court for specific performance by the Funding Recipient of such obligations. No member of the governing board of the Funding Recipient, or any officer or employee thereof, shall in any event be personally liable hereunder.

The Administrator shall have no obligation or liability to the Funding Recipient or the Authority under this Agreement. It is hereby acknowledged that the sole reason for the Administrator to be a party to this Agreement is to recognize its rights to accounting records of, and to compel performance by, the Funding Recipient hereunder, and to consent to amendments hereto in its sole discretion. In no event shall the Administrator have any liability to the Authority or the Funding Recipient under or by reason of this Agreement, and no Councilmember, officer or employee of the Administrator shall in any event be personally liable hereunder.

7. Termination. This Agreement shall cease to be effective and shall terminate (a) upon the dissolution of the Authority, if the Authority has not issued the Bonds prior to its dissolution, or (b) if not terminated pursuant to clause (a), upon the disbursement by the Funding Recipient of all amounts in the Building Removal Account. Notwithstanding the foregoing, the provisions of the fourth paragraph of Section 3 and the provisions of Section 6 shall survive such termination.

8. Amendment. This Agreement may be amended at any time but only in writing signed by (a) prior to the dissolution of the Authority, the Authority, the Administrator and the Funding Recipient, and (b) after dissolution of the Authority, the Administrator and the Funding Recipient.

9. Entire Agreement. This Agreement contains the entire agreement among the parties with respect to the matters provided for herein and supersedes all prior agreements and negotiations between the parties with respect to the subject matter of this Agreement.

10. Notices. Any notice required or permitted by this Agreement to be given or delivered to another party shall be deemed to have been received when personally delivered or seventy-

two hours following deposit of the same in any United States Post Office in California, registered or certified, postage prepaid, addressed as follows:

The Authority:	Fort Ord Reuse Authority 920 2nd Avenue, Suite A Marina, California 93933 Attention: Executive Officer
Administrator:	City of Marina 211 Hillcrest Avenue Marina, California 93933 Attention: City Manager
Funding Recipient:	City of Seaside 440 Harcourt Avenue Seaside, California 93955 Attention: City Manager

A copy of any notice to be given to the Authority hereunder shall be given to the Administrator. Each party may change its address for delivery of notice by delivering written notice of such change of address to the other parties hereto.

11. Exhibit. The exhibit attached hereto is incorporated into this Agreement by this reference.

12. Severability. If any part of this Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent reasonably possible.

13. Governing Law. This Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of the State of California.

14. Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by another party hereto, or the failure by a party to exercise its rights upon the default of another party, shall not constitute a waiver of such party's right to insist and demand strict compliance by such other party with the terms of this Agreement thereafter.

15. No Third Party Beneficiaries. No person or entity (including but not limited to the Trustee or the owners of the Bonds) shall be deemed to be a third party beneficiary hereof, and nothing in this Agreement (either express or implied) is intended to confer upon any person or entity, other than Administrator, the Authority and Funding Recipient, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

16. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute but one instrument.

17. Prepayment of Bonds. The Funding Recipient hereby agrees to use its best efforts to prevent the Successor Agency to the Redevelopment Agency of the City of Seaside (the "Successor Agency") from redeeming such entities' outstanding bonds prior to their stated maturity. To that end, the Funding Recipient agrees to exercise any influence it may have over the Successor Agency or the consultants for the Successor Agency to avoid the early redemption or retirement of the Successor Agency's bonds titled Successor Agency to the Redevelopment Agency of the City of Seaside Tax Allocation Refunding Bonds Series 2014.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written above.

FORT ORD REUSE AUTHORITY

By: ________________________________

Josh Metz,
Executive Director

CITY OF MARINA, CALIFORNIA,
as Administrator

By: ________________________________

Layne Long,
City Manager

CITY OF SEASIDE, CALIFORNIA

By: ________________________________

Craig Malin,
City Manager

06006.05:J16872

EXHIBIT A

BUILDING REMOVAL COSTS AND RELATED PARCELS

"*Building Removal Costs*" means the costs of Building Removal, including, without limitation, all costs of planning, engineering, management, risk management (including insurance premiums, legal fees and litigation costs associated with the Building Removal), and associated administrative services required to removed blighted buildings from certain parcel(s) of property within the boundaries of the former Fort Ord listed below.

"*Building Removal*" means any or all of the following: waste characterization, abatement, building demolition, building removal, building repair, waste disposal, and remediation of buildings and building sites located at certain parcels of property within the boundaries of the former Fort Ord listed below.

The parcels on which the Building Removal activities of the Funding Recipient are to occur are as follows:

L32.4.1.1	Surplus II
L19.4	Surplus II
L15.1	Surplus II
F2.3.2	Main Gate
F2.3.3	GJMB Parcel
F5.2	National Guard
L23.5.1	Chartwell School
E18.1.3	Nurses Barracks

Any other parcel within the boundaries of the former Fort Ord Military Base that is now located within the City of Seaside.

INDENTURE OF TRUST

by and among the

FORT ORD REUSE AUTHORITY,

CITY OF MARINA, CALIFORNIA,

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

Dated as of May 1, 2020

Relating to:
$___________
Fort Ord Reuse Authority
Tax Allocation Bonds, Series 2020
(Federally Taxable)

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INDENTURE OF TRUST

This INDENTURE OF TRUST (this "Indenture"), dated as of May 1, 2020, is by and among the FORT ORD REUSE AUTHORITY, a public entity duly existing under the laws of the State of California (the "Authority"), the CITY OF MARINA, CALIFORNIA, a municipal corporation (the "Administrator") and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as trustee (the "Trustee").

R E C I T A L S :

WHEREAS, the Authority is a public corporation of the State of California duly formed and presently existing and exercising its powers pursuant to the Fort Ord Reuse Authority Act, constituting Title 7.85 (commencing with Section 67650) of the California Government Code (the "Fort Ord Reuse Authority Act"); and

WHEREAS, the Authority is authorized by Section 67679(d)(9) of the California Government Code to issue bonds pursuant to the Marks-Roos Local Bond Pooling Act of 1985, constituting Section 6584 et seq. of the California Government Code (the "Marks-Roos Act") to finance the Building Removal (as more fully described below); and

WHEREAS, the Authority is authorized pursuant to Section 6592(a) of the Marks-Roos Act to pledge to payment of its bonds any moneys of the Authority, including without limitation the portion of property tax revenues allocated to the Authority pursuant to California Health and Safety Code Section 33492.71(c)(1)(A) and (D), as applicable; and

WHEREAS, in order to finance costs of Building Removal, the Authority desires to issue its Ford Ord Reuse Authority Tax Allocation Bonds, Series 2020 (Federally Taxable) (the "Bonds"); and

WHEREAS, the Building Removal is with respect to property described in Exhibit B to this Indenture, which property is located within the boundaries of the County of Monterey, California (the "County"), and within the boundaries as the former Fort Ord Military Base; and

WHEREAS, on December 10, 2019, the Board of Supervisors of the County held a duly noticed public hearing regarding the financing of the Building Removal with the proceeds of the issuance of the Bonds in accordance with Section 6586.5 of the Marks-Roos Act; and

WHEREAS, following such public hearing, the Board of Supervisors of the County adopted Resolution No. 19-412 pursuant to which it found and determined that the Authority's assistance in financing Building Removal by the issuance of the Bonds will result in significant public benefits of the type described in Section 6586(a) through (d), inclusive, of the Marks-Roos Act, and approved the Building Removal project and the financing thereof using proceeds of the Bonds; and

WHEREAS, pursuant to Government Code Section 67700, the Authority will be dissolved on and as of June 30, 2020; and

WHEREAS, the Bonds will be payable from Pledged Tax Revenues (as defined herein); and

WHEREAS, the Authority has submitted to the County, and the County has acknowledged, certain Irrevocable Instructions (as defined herein) pursuant to which the County will transfer Pledged Tax Revenues directly to the Trustee, on behalf of the Authority, to ensure that scheduled principal and interest payments and other amounts due on the Bonds, as well as administrative expenses incurred in connection with the administration of this Indenture and the Bonds, are paid when due both prior to and following the dissolution of the Authority; and

WHEREAS, pursuant to California Government Code Section 67675 the Authority has prepared and adopted the Fort Ord Reuse Plan; and

WHEREAS, pursuant to California Government Code Section 67679, the Authority has designated certain basewide public capital improvements to be planned, designed, constructed, repaired, remodeled, or replaced, and financed by the Authority in the Fort Ord Reuse Plan, specifically including the demolition, removal, repair and remediation of buildings and building sites located at certain parcels within the boundaries of the former Fort Ord Military Base (as more fully defined herein, "Building Removal"); and

WHEREAS, pursuant to California Government Code Section 67679 and the Fort Ord Reuse Plan, the Authority has determined that Building Removal constitutes the improvement of basewide capital facilities to be performed by the Authority as set forth in the Fort Ord Reuse Plan; and

WHEREAS pursuant to California Government Code Section 67679(a)(i) the Authority may conduct the Building Removal, or may delegate any of its powers related thereto to one or more of its member agencies; and

WHEREAS, the County and the Cities of Marina and Seaside desire to use proceeds of the Bonds to pay for the costs of the Building Removal ("Building Removal Costs") and also desire that a portion of the proceeds of the Bonds be used by the Transportation Agency of Monterey County, Marina Coast Water District and Monterey-Salinas Transit to pay for Building Removal Costs; and

WHEREAS, each of the Cities of Seaside and Marina, the County, the Transportation Agency of Monterey County, the Marina Coast Water District and Monterey-Salinas Transit (collectively, the "Local Agencies" and each a "Local Agency") have each entered into a Building Removal Funding Agreement, dated as of May 1, 2020 (collectively, the "Funding Agreements") with the Authority and the Administrator, whereby they have each agreed to use Bond proceeds initially deposited into each such Local Agency's designated account provided for herein and thereafter transferred to the respective Local Agency for Building Removal Costs; and

WHEREAS on December 13, 2019, at a regular meeting of the Governing Body of the Authority, the Governing Body adopted Resolution No. 19-13 authorizing the issuance of the Bonds and the execution and delivery of this Indenture, as well as the filing of judicial validation proceedings under Section 860 et. Seq. of the California Code of Civil Procedure related to the Bonds, this Indenture and the Pledged Tax Revenues (the "Validation Action"); and

WHEREAS on March 12, 2020, the Superior Court of the State of California, County of Monterey, rendered a judgement in the Validation Action in favor of the Authority with respect to the matters that were the subject of the Validation Action; and

WHEREAS, the Administrator is entering into this Indenture solely to perform certain administrative functions as specified herein with respect to the Bonds following the dissolution of the Authority; and

WHEREAS, in order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and secured and to secure the payment of the principal thereof and interest and redemption premium (if any) thereon, the Authority, the Administrator and the Trustee have duly authorized the execution and delivery of this Indenture; and

WHEREAS, the Authority has determined that all acts and proceedings required by law necessary to make the Bonds when executed by the Authority, and authenticated and delivered by the Trustee, the valid, binding and legal special obligations of the Authority, and to constitute this Indenture a legal, valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done or taken.

A G R E E M E N T :

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that in order to secure the payment of the principal of and the interest and redemption premium (if any) on the Bonds issued and Outstanding under this Indenture according to their tenor and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the Owners thereof, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Authority, the Administrator and the Trustee do hereby covenant and agree with one another, for the benefit of the respective Owners from time to time of the Bonds as follows:

ARTICLE I

DETERMINATIONS; DEFINITIONS

Section 1.01. Findings and Determinations. The Authority has reviewed all proceedings heretofore taken and, as a result of such review, hereby finds and determines that all things, conditions and acts required by law to exist, happen or be performed precedent to and in connection with the issuance of the Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the Authority is now duly empowered, pursuant to each and every requirement of law, to issue the Bonds in the manner and form provided in this Indenture.

Section 1.02. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.02 shall, for all purposes of this Indenture, of any Supplemental Indenture, and of any certificate, opinion or other document herein mentioned, have the meanings herein specified.

"Administrative Expense Account" means the account by that name established in the Debt Service Fund in accordance with Section 4.02(d) hereof.

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of this Indenture and the Bonds: fees and costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under this Indenture; any fees or expenses of the County (including its legal counsel) under or in connection with the Irrevocable Instructions; any [Policy Costs] (other than in respect of the reimbursement of draws under the Reserve Policy); the costs incurred by the Authority or the Administrator to comply with or implement any provision of this Indenture, the Continuing Disclosure Certificate or any provision of the Marks-Roos Act or the Fort Ord Reuse Authority Act relating to the Bonds or the payment thereof; an allocable share of the salaries of Authority and Administrator staff related to the foregoing and a proportionate amount of Authority or Administrator general administrative overhead related thereto.

"Administrator" means the City of Marina, California, in its capacity as Administrator under this Indenture.

"Annual Debt Service" means, for each Bond Year, the sum of (a) the interest payable on the Outstanding Bonds in such Bond Year, assuming that the Outstanding Bonds are retired as scheduled, and (b) the principal or sinking fund amount of the Outstanding Bonds payable by their terms in such Bond Year.

"Authority" means the Fort Ord Reuse Authority, a public corporation formed pursuant to the Fort Ord Reuse Authority Act, Title 7.85 of the California Government Code, commencing with Section 67650.

"Authorized Denomination" means $5,000 or any integral multiple thereof.

"Bond Counsel" means (a) Quint & Thimmig LLP, or (b) any other attorney or firm of attorneys appointed by or acceptable to the Authority, of nationally-recognized experience in the issuance of obligations the interest on which is excludable from gross income for federal income tax purposes.

"Bond Year" means each twelve (12) month period extending from September 2 in one calendar year to September 1 of the succeeding calendar year, both dates inclusive; provided that the first Bond Year with respect to the Bonds shall commence on the Closing Date and end on September 1, 2020.

"Bonds" means the Fort Ord Reuse Authority Tax Allocation Bonds, Series 2020 (Federally Taxable) issued and Outstanding under this Indenture..

"Building Removal" means any or all of the following: waste characterization, abatement, building demolition, building removal, building repair, waste disposal, and remediation of buildings and building sites located at certain parcels of property within the boundaries of the former Fort Ord listed on Exhibit B hereto.

"Building Removal Costs" means the costs of Building Removal, including, without limitation, all costs of planning, engineering, management, risk management (including insurance premiums, legal fees and litigation costs associated with the Building Removal), and associated administrative services required to remove blighted buildings from certain parcels of property within the boundaries of the former Fort Ord listed on Exhibit B.

"Business Day" means any day, other than a Saturday or Sunday or a day on which commercial banks in New York, New York, or any other city or cities where the Principal Corporate Trust Office of the Trustee is located are required or authorized by law to close or a day on which the Federal Reserve System is closed.

"Closing Date" means the date on which a series of Bonds is delivered by the Authority to the original purchaser thereof. The Closing Date with respect to the Bonds is May __, 2020.

"Continuing Disclosure Certificate" means the Continuing Disclosure Certificate, dated as of May 1, 2020, executed by the Authority and the Administrator, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"Costs of Issuance" means all items of expense directly or indirectly payable by or reimbursable to the Authority relating to the authorization, issuance, sale and delivery of the Bonds, including but not limited to printing expenses, bond insurance and surety bond premiums, if any, rating agency fees, filing and recording fees, initial fees and charges and first annual administrative fee of the Trustee and fees and expenses of its counsel, fees, charges and disbursements of attorneys, financial advisors, accounting firms, consultants and other professionals, fees and charges for preparation, execution and safekeeping of the Bonds, administrative costs of the Authority and the Administrator incurred in connection with the issuance of the Bonds, expenses of the underwriters of the Bonds, the fees and expenses of counsel to the underwriters of the Bonds, and any other cost, charge or fee in connection with the original issuance of the Bonds.

"Costs of Issuance Fund" means the fund by that name established and held by the Trustee pursuant to Section 3.03.

"County" means the County of Monterey, California.

"County Auditor-Controller" means the Auditor-Controller of the County.

"County Bond Proceeds Account" means the account of that name established within the Project Fund.

"Debt Service Fund" means the fund by that name established and held by the Trustee pursuant to Section 4.02.

"Defeasance Obligations" means any of the following which, at the time of investment, are legal investments under the laws of the State for the moneys proposed to be invested therein and are in compliance with the Authority's investment policies then in effect (provided that the Trustee shall be entitled to rely upon any investment direction from the Authority as conclusive certification to the Trustee that investments described therein are legal and are in compliance with the Authority's investment policies then in effect): (a) Cash; (b) non-callable, direct obligations of the United States of America; (c) securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America; and (d) other investments approved by the Insurer.

"Depository" means (a) initially, DTC, and (b) any other Securities Depository acting as Depository pursuant to Section 2.11.

"Depository System Participant" means any participant in the Depository's book-entry system.

"DTC" means The Depository Trust Company, New York, New York, and its successors and assigns.

"Dissolution Date" means June 30, 2020, the day on which the Authority will be dissolved.

"Event of Default" means any of the events described in Section 8.01.

"Federal Securities" means any direct, noncallable general obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America and CATS and TGRS), or obligations the payment of principal of and interest on which are directly or indirectly guaranteed by the United States of America.

"Fiscal Year" means any twelve-month period beginning on July 1 in any year and extending to the next succeeding June 30, both dates inclusive, or any other twelve month period selected and designated by the Authority to the Trustee in writing as its official fiscal year period.

"Fort Ord Reuse Authority Act" means the Fort Ord Reuse Authority Act, codified at Title 7.85 of the California Government Code, commencing with Section 67650, and the acts amendatory thereof and supplementary thereto.

"Funding Agreements" means, collectively, the Building Removal Funding Agreements, each dated as of May 1, 2020, each among a Local Agency, the Authority and the Administrator.

"Indenture" means this Indenture of Trust by and among the Authority, the Administrator and the Trustee, as originally entered into or as it may be amended or supplemented by any Supplemental Indenture entered into pursuant to the provisions hereof.

"Independent Accountant" means any accountant or firm of such accountants duly licensed or registered or entitled to practice as such under the laws of the State, appointed by the Administrator, and who, or each of whom: (a) is in fact independent and not under domination of the Authority or the Administrator; (b) does not have any substantial interest, direct or indirect, with the Authority or the Administrator; and (c) is not connected with the Authority or the Administrator as an officer or employee of the Authority or the Administrator, but who may be regularly retained to make reports to the Authority or the Administrator.

"Independent Fiscal Consultant" means any consultant or firm of such consultants appointed by the Administrator, and who, or each of whom: (a) is judged by the Administrator to have experience in matters relating to the collection of Pledged Tax Revenues or otherwise with respect to the financing of redevelopment projects; (b) is in fact independent and not under domination of the Authority or the Administrator; (c) does not have any substantial interest, direct or indirect, with the Authority or the Administrator; and (d) is not connected with the Authority or the Administrator as an officer or employee of the Authority or the Administrator, but who may be regularly retained to make reports to the Authority or the Administrator.

"Information Services" means, in accordance with then current guidelines of the Securities and Exchange Commission, such services providing information with respect to the redemption of bonds as the Administrator may designate in a Written Request of the Administrator filed with the Trustee.

"Insurance Policy" means the insurance policy issued by the Insurer guaranteeing the scheduled payment of principal of and interest on the Bonds when due.

"Insurer" means ______________________.

"Interest Account" means the account by that name established and held by the Trustee pursuant to Section 4.02(a).

"Interest Payment Date" means each March 1 and September 1, commencing September 1, 2020, for so long as any of the Bonds remain Outstanding hereunder.

"Irrevocable Instructions" means that certain Irrevocable Direction to Transfer of the Authority to, and acknowledged by, the County Auditor-Controller and the County Treasurer and Tax Collector and the Administrator, dated as of the Closing Date for the Bonds.

"Local Agency" and "Local Agencies" means, individually and collectively, the County, the City of Marina, California, the City of Seaside, California, TAMC, MCWD and MST.

"Marina Bond Proceeds Account" means the account of that name established within the Project Fund.

"Marks-Roos Act" means the Marks-Roos Local Bond Pooling Act of 1985, codified at Article 4 of Chapter 6 of Division 7 of Title 1 of the California Government Code, commencing with Section 6584, and the acts amendatory thereof and supplementary thereto.

"MCWD" means the Marina Coast Water District.

"MCWD Bond Proceeds Account" means the account of that name established within the Project Fund.

"Maximum Annual Debt Service" means, as of the date of calculation, the largest amount for the current or any future Bond Year payable on the Bonds in such Bond Year. For purposes of such calculation, (i) the amount of interest on any Bonds that is payable from the proceeds of such Bonds that is set aside solely for such purpose shall not be included in the calculation of Maximum Annual Debt Service; and (ii) there also shall be excluded payments with respect to the Bonds to the extent that amounts due with respect to the Bonds are prepaid or otherwise discharged in accordance with this Indenture.

"MST" means Monterey-Salinas Transit.

"MST Bond Proceeds Account" means the account of that name established within the Project Fund.

"Minimum Administrative Expense Requirement" means $____________ per Fiscal Year.

"Moody's" means Moody's Investors Service and its successors.

"Nominee" means (a) initially, Cede & Co., as nominee of DTC, and (b) any other nominee of the Depository designated pursuant to Section 2.11(a).

"Original Purchaser" means, collectively, Stifel Nicolaus & Company Incorporated and Citibank, N.A.

"Outstanding" when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 9.05) all Bonds except: (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (b) Bonds paid or deemed to have been paid within the meaning of Section 9.03; and (c) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered by the Authority pursuant hereto.

"Owner" or "Bondowner" means, with respect to any Bond, the person in whose name the ownership of such Bond shall be registered on the Registration Books.

"Participating Underwriter" has the meaning ascribed thereto in the Continuing Disclosure Certificate.

"Permitted Investments" means any of the following which, at the time of investment, are legal investments under the laws of the State for the moneys proposed to be invested therein and are in compliance with the Authority's investment policies then in effect (provided that the Trustee shall be entitled to rely upon any investment direction from the Authority as conclusive certification to the Trustee that investments described therein are legal and are in compliance with the Authority's investment policies then in effect):

(a) Federal Securities;

(b) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the Authority itself): (i) direct obligations or fully guaranteed certificates of beneficial ownership of the U.S. Export-Import Bank; (ii) certificates of beneficial ownership of the Farmers Home Administration; (iii) Federal Housing Administration debentures; (iv) participation certificates of the General Services Administration; (v) Federal Financing Bank bonds and debentures; (vi) guaranteed mortgage-backed bonds or guaranteed pass-through obligations of Ginnie Mae (formerly known as the Government National Mortgage Association); (vii) guaranteed Title XI financings of the U.S. Maritime Administration; and (viii) project notes, local authority bonds, new communities debentures and U.S. public housing notes and bonds of the U.S. Department of Housing and Urban Development;

(c) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities only as stripped by the Authority itself): (i) senior debt obligations of the Federal Home Loan Bank System; (ii) participation certificates and senior debt obligations of the Federal Home Loan Mortgage Corporation; (iii) mortgaged-backed securities and senior debt obligations of Fannie Mae; (iv) senior debt obligations of Sallie Mae (formerly known as the Student Loan Marketing Association); (v) obligations of the Resolution Funding Corporation; and (vi) consolidated system-wide bonds and notes of the Farm Credit System;

(d) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of at least AAAm-G, AAAm or AAm, and a rating by Moody's of Aaa, Aa1 or Aa2, including such funds for which the Trustee, its affiliates or subsidiaries provide investment advisory or other management services or for which the Trustee or an affiliate of the Trustee serves as investment administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Trustee or an affiliate of the Trustee receives fees from funds for services rendered, (ii) the Trustee collects fees for services rendered pursuant to this Indenture, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Indenture may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee;

(e) Certificates of deposit (including those of the Trustee, its parent and its affiliates) secured at all times by collateral described in (a) or (b) above or by collateral that may be used by a national bank for purposes of satisfying its obligations to collateralize pursuant to federal law, which have a maturity not greater than one year from the date of investment and which are issued by commercial banks, savings and loan associations or mutual savings banks;

(f) Certificates of deposit, savings accounts, deposit accounts or money market deposits (including those of the Trustee and its affiliates), but only to the extent that the amount being invested in such certificates of deposit, savings accounts, deposit accounts or money market deposits are fully insured by FDIC, including BIF and SAIF, secured at all times by collateral described in (a) or (b) above or by collateral that may be used by a national bank for purposes of satisfying its obligations to collateralize pursuant to federal law;

(g) Investment agreements, including guaranteed investment contracts, forward purchase agreements, reserve fund put agreements and collateralized investment agreements with an entity rated "A" or better by Moody's and "A" or better by S&P, or unconditionally guaranteed by an entity rated "A" or better by Moody's and "A" or better by S&P;

(h) Commercial paper rated, at the time of purchase, "Prime-1" by Moody's and "A-1+" or better by S&P;

(i) Bonds or notes issued by any state or municipality which are rated by Moody's and S&P in one of the two highest rating categories assigned by such agencies;

(j) Federal funds, money market deposits or bankers acceptances of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime-1" or "A3" or better by Moody's, and "A-1+" or better by S&P; and

(k) The Local Authority Investment Fund that is administered by the California Treasurer for the investment of funds belonging to local agencies within the State of California, provided that for investment of funds held by the Trustee, the Trustee is entitled to make investments and withdrawals in its own name as Trustee.

"Pledged Tax Revenues" means all taxes that are allocated, or available to be allocated, to (a) the Authority pursuant to California Health and Safety Code Section 33492.71, subsection (c)(1)(A) or (b) the Administrator, as successor in interest to the

Authority upon its dissolution, pursuant to California Health and Safety Code Section 33492.71, subsection (c)(1)(D), as applicable.

"Principal Account" means the account by that name established and held by the Trustee pursuant to Section 4.02(b).

"Principal Corporate Trust Office" means the corporate trust office of the Trustee in San Francisco, California, or such other or additional offices as the Trustee may designate in writing to the Authority from time to time as the corporate trust office for purposes of the Indenture; except that with respect to presentation of Bonds for payment or for registration of transfer and exchange, such term means the office of the Trustee at which, at any particular time, its corporate trust agency or corporate trust operations business is conducted.

"Project Fund" means the fund by that name established and held by the Trustee pursuant to Section 3.04.

"Qualified Reserve Account Credit Instrument" means (i) the Reserve Policy, and (ii) an irrevocable standby or direct-pay letter of credit, insurance policy, or surety bond issued by a commercial bank or insurance company and deposited with the Trustee, provided that all of the following requirements are met at the time of acceptance thereof by the Trustee: (a) S&P or Moody's have assigned a long-term credit rating at the time of issuance of such Qualified Reserve Account Credit Instrument to such bank or insurance company of "A" (without regard to modifier) or higher; (b) such letter of credit, insurance policy or surety bond has a term of at least 12 months; (c) such letter of credit, insurance policy or surety bond has a stated amount at least equal to the portion of the Reserve Requirement with respect to which funds are proposed to be released; and (d) the Trustee is authorized pursuant to the terms of such letter of credit, insurance policy or surety bond to draw thereunder an amount equal to any deficiencies which may exist from time to time in the Interest Account or the Principal Account for the purpose of making payments required pursuant to Sections 4.02(a), 4.02(b) or 4.02(c) of this Indenture.

"Record Date" means, with respect to any Interest Payment Date, the close of business on the fifteenth (15th) calendar day of the month preceding such Interest Payment Date, whether or not such fifteenth (15th) calendar day is a Business Day.

"Redemption Account" means the account by that name established and held by the Trustee pursuant to Section 4.02(e).

"Registration Books" means the records maintained by the Trustee pursuant to Section 2.08 for the registration and transfer of ownership of the Bonds.

"Report" means a document in writing signed by an Independent Fiscal Consultant and including: (a) a statement that the person or firm making or giving such Report has read the pertinent provisions of this Indenture to which such Report relates; (b) a brief statement as to the nature and scope of the examination or investigation upon which the Report is based; and (c) a statement that, in the opinion of such person or firm, sufficient examination or investigation was made as is necessary to enable said consultant to express an informed opinion with respect to the subject matter referred to in the Report.

"Reserve Account" means the account by that name established and held by the Trustee pursuant to Section 4.02(c).

"Reserve Policy" means the Municipal Bond Debt Service Reserve Insurance Policy issued by the Insurer for the Bonds.

"Reserve Requirement" means, subject to Section 4.02(c) of this Indenture, the lesser of (i) 125% of average Annual Debt Service, (ii) Maximum Annual Debt Service, or (iii) 10% of the original principal amount of the Bonds; provided, that the Authority may meet all or a portion of the Reserve Requirement by providing to the Trustee for deposit to the Reserve Account a Qualified Reserve Account Credit Instrument meeting the requirements of Section 4.02(c) hereof.

"Reuse Plan" means the Fort Ord Reuse Plan prepared by the Authority, dated May 1996, as amended and supplemented from time to time.

"S&P" means S&P Global Ratings, LLC, a Standard & Poor's Financial Services LLC business, and its successors.

"Seaside Bond Proceeds Account" means the account of that name established within the Project Fund.

"Securities Depositories" means The Depository Trust Company, New York, New York 10041-0099, Fax-(212) 855-7232; or, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the Authority may designate in a Written Request of the Authority delivered to the Trustee.

"Serial Bonds" means all Bonds other than Term Bonds.

"State" means the State of California.

"Supplemental Indenture" means any resolution, agreement or other instrument which has been duly adopted or entered into by the Authority and the Administrator (if prior to the Dissolution Date), or by the Administrator (after the Dissolution Date), but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

"Surplus Account" means the account by that name established and held by the Trustee pursuant to Section 4.02(f).

"TAMC" means the Transportation Agency for Monterey County.

"TAMC Bond Proceeds Account" means the account of that name established within the Project Fund.

"Term Bonds" means (i) the Bonds maturing on September 1, 20__ and September 1, 20__, payable from mandatory sinking account payments.

"Trustee" means U.S. Bank National Association, as trustee hereunder, or any successor thereto appointed as trustee hereunder in accordance with the provisions of Article VI.

"Written Request of the Administrator" or "Written Certificate of the Administrator" means a request or certificate, in writing signed by the City Manager of the Administrator, or the designee of either, or by any other officer of the Administrator or the City duly authorized by the Administrator for that purpose.

"Written Request of the Authority" or "Written Certificate of the Authority" means a request or certificate, in writing signed by the Executive Officer or Treasurer of the Authority, or the designee of either, or by any other officer of the Authority duly authorized by the Authority for that purpose.

Section 1.03. Rules of Construction. All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture, and the words "herein," "hereof," "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II

BOND AUTHORIZATION AND TERMS

Section 2.01. Authorization of the Bonds. The Bonds are hereby authorized to be issued by the Authority under and subject to the terms of this Indenture, the Marks-Roos Act and the Fort Ord Reuse Authority Act. This Indenture constitutes a continuing agreement with the Owners of all of the Bonds issued or to be issued hereunder and then Outstanding to secure the full and final payment of principal and redemption premiums (if any) and the interest on all Bonds which may from time to time be executed and delivered hereunder, subject to the covenants, agreements, provisions and conditions herein contained. The Bonds shall be designated the "Fort Ord Reuse Authority Tax Allocation Bonds, Series 2020 (Federally Taxable)." The Bonds shall be issued in the initial aggregate principal amount of $__________.

Section 2.02. Terms of the Bonds. The Bonds shall be issued in fully registered form without coupons. The Bonds shall be issued in Authorized Denominations, and no Bond shall have more than one maturity date. The Bonds shall be dated the Closing Date. The Bonds shall be lettered and numbered as the Trustee shall prescribe.

The Bonds shall mature on the dates, and shall bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) at the rates per annum, as follows:

Maturity Date (September 1)	Principal Amount	Interest Rate
	$	%

* Term Bond.

Each Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (b) it is authenticated on or before August 15, 2020, in which event it shall bear interest from its Closing Date; provided, however, that if, as of the date of authentication of any Bond, interest thereon is in default, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Interest on the Bonds (including the final interest payment upon maturity or redemption) is payable when due by check or draft of the Trustee mailed on the Interest Payment Date to the Owner thereof at such Owner's address as it appears on the Registration Books at the close of business on the preceding Record Date; provided that at the written request of the Owner of at least $1,000,000 aggregate principal amount of the Bonds, which written request is on file with the Trustee as of any Record Date, interest on such Bonds shall be paid on the succeeding Interest Payment Date to such account in the United States as shall be specified in such written request. The principal of the Bonds and any premium upon redemption, are payable in lawful money of the United States of America upon presentation and surrender thereof at the Principal Corporate Trust Office of the Trustee.

Section 2.03. Redemption of Bonds.

(a) Optional Redemption. The Bonds maturing on or prior to __________ 1, 20__ are not subject to optional redemption. The Bonds maturing on or after __________ 1, 20__, are subject to optional redemption prior to their respective maturity dates as a whole, or in part by lot, on any date on or after __________ 1, 20__, by such maturity or maturities as shall be directed by the Authority (or in absence of such direction, pro rata by maturity and by lot within a maturity), from any source of available funds. Such optional redemption shall be at a redemption price equal to the principal amount to be redeemed, plus accrued but unpaid interest to the date fixed for redemption, without premium.

The Authority shall be required to give the Trustee written notice of its intention to redeem Bonds under this subsection (a) with a designation of the principal amount and maturities to be redeemed at least forty five (45) days prior to the date fixed for such redemption (or such later date as shall be acceptable to the Trustee in the sole determination of the Trustee), and shall transfer to the Trustee for deposit in the Debt Service Fund all amounts required for such redemption not later than the date fixed for such redemption.

(b) Mandatory Sinking Fund Redemption. The Term Bonds maturing September 1, 20__ and September 1, 20__ shall be subject to mandatory redemption in whole, or in part by lot, on September 1 in each year, commencing September 1, 20__ and September 1, 20__, respectively, as set forth below, from sinking fund payments made by the Authority to the Principal Account pursuant to Section 4.02(b), at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on __________ 1 in the respective years as set forth in the following tables; provided however, that (y) in lieu of redemption thereof the Term Bonds may be purchased by the Authority pursuant to Section 2.03(h) hereof, and (z) if some but not all of the Term Bonds have been redeemed pursuant to subsection (a) above, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of such Term Bonds so redeemed, to be allocated among such sinking fund payments in integral multiples of $5,000 as determined by the Administrator (notice of which determination shall be given by the Administrator to the Trustee).

Term Bonds of 20__

September 1	Principal Amount
	$

† Final Maturity.

Term Bonds of 20__

September 1	Principal Amount
	$

† Final Maturity.

(c) [reserved]

(d) Notice of Redemption; Rescission. The Trustee on behalf and at the expense of the Administrator shall mail (by first class mail, postage prepaid) notice of any redemption at least twenty (20) (or such longer period, up to thirty (30) days, as may be required by the Depository) but not more than sixty (60) days prior to the redemption date, (i) to the Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books, and (ii) to the Securities Depositories and one or more Information Services designated in a Written Request of the Administrator filed with the Trustee; but such mailing shall not be a condition precedent to such redemption and neither failure to receive any such notice nor any defect therein shall affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice shall state the redemption date and the redemption price, shall state, in the case of a redemption pursuant to (a) above, that such redemption is conditioned upon the timely delivery of the redemption price to the Trustee for deposit in the Redemption Account, shall designate the CUSIP number of the Bonds to be redeemed, shall state the individual number of each Bond to be redeemed or shall state that all Bonds between two stated numbers (both inclusive) or all of the Bonds Outstanding are to be redeemed, and shall require that such Bonds be then surrendered at the Principal Corporate Trust Office of the Trustee for redemption at the redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date.

The Administrator shall have the right to rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any such notice of optional redemption shall be canceled and annulled if for any reason funds will not be or are not available in the Redemption Account on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under this Indenture. None of the Authority, the Administrator or the Trustee shall have any liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall mail notice of such rescission of redemption in the same manner and to the same recipients as the original notice of redemption was sent; provided, however, the notice of rescission shall not be required to be mailed within the time period required for the notice of redemption.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall, to the extent practicable, bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

(e) Partial Redemption of Bonds. In the event only a portion of any Bond is called for redemption, then upon surrender of such Bond the Authority shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Administrator, a new Bond or Bonds of the same interest rate and maturity, of Authorized Denominations, in aggregate principal amount equal to the unredeemed portion of the Bond to be redeemed.

(f) Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the redemption price of and interest on the Bonds so called for redemption shall have been duly deposited with the Trustee, such Bonds so called shall cease to be entitled to any benefit under this Indenture other than the right to receive payment of the redemption price and accrued interest to the redemption date, and no interest shall accrue thereon from and after the redemption date specified in such notice.

All Bonds redeemed and purchased by the Trustee pursuant to this Section shall be canceled by the Trustee. The Trustee shall destroy the canceled Bonds and, upon written request of the Administrator, issue a certificate of destruction thereof to the Administrator.

(g) Manner of Redemption. Whenever any Bonds or portions thereof are to be selected for redemption by lot, the Trustee shall make such selection in such manner as the Trustee shall deem appropriate and shall notify the Administrator thereof to the extent Bonds are no longer held in book-entry form. In the event of redemption by lot of Bonds, the Trustee shall assign to each Bond then Outstanding a distinctive number for each $5,000 of the principal amount of each such Bond. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected, but only so much of the principal amount of each such Bond of a denomination of more than $5,000 shall be redeemed as shall equal $5,000 for each number assigned to it and so selected. All Bonds redeemed or purchased pursuant to this Section 2.03 shall be cancelled and destroyed by the Trustee.

(h) Purchase in Lieu of Redemption. In lieu of redemption of the Term Bonds pursuant to the subsection (b) above, amounts on deposit in the Principal Account may also be used and withdrawn by the Trustee, upon the Written Request of the Administrator, for the purchase of the Term Bonds at public or private sale as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as the Administrator may in its discretion determine. The par amount of any Term Bonds so purchased by the Authority in any twelve-month period ending on July 15 in any year shall be credited towards and shall reduce the par amount of the Term Bonds required to be redeemed pursuant to subsection (e) on September 1 in each year; provided that evidence satisfactory to the Trustee of such purchase has been delivered to the Trustee by said July 15.

Section 2.04. Form of Bonds. The Bonds, the form of Trustee's Certificate of Authentication, and the form of Assignment to appear thereon, shall be substantially in the form set forth in Exhibit A, which is attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

Section 2.05. Execution of Bonds. The Bonds delivered on the Closing Date and at any time prior to the Dissolution Date shall be executed on behalf of the Authority by the signature of the Chair or the Executive Officer or the written designee of either of them and the signature of the Secretary of the Authority who are in office on the date of execution and delivery of this Indenture. Bonds executed on or after the Dissolution Date shall be executed on behalf of the

Administrator by the signature of the Mayor or City Manager of the Administrator who are in office as of the date of execution thereof. Any of such signatures may be made manually or may be affixed by facsimile thereof. If any officer whose signature appears on any Bond ceases to be such officer before delivery of the Bonds to the purchaser, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the Bonds to the purchaser. Any Bond may be signed and attested on behalf of the Authority or the Administrator by such persons as at the actual date of the execution of such Bond shall be the proper officers of the Authority or the Administrator, respectively, although on the date of such Bond any such person shall not have been such officer of the Authority or the Administrator.

Only such of the Bonds as shall bear thereon a Certificate of Authentication in the form hereinbefore set forth, manually executed and dated by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such Certificate shall be conclusive evidence that such Bonds have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture. In the event temporary Bonds are issued pursuant to Section 2.09 hereof, the temporary Bonds may bear thereon a Certificate of Authentication executed and dated by the Trustee, may be initially registered by the Trustee, and, until so exchanged as provided under Section 2.09 hereof, the temporary Bonds shall be entitled to the same benefits pursuant to this Indenture as definitive Bonds authenticated and delivered hereunder.

Section 2.06. Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender of such Bond to the Trustee at its Principal Corporate Trust Office for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed. Whenever any Bond shall be surrendered for transfer, the Authority (prior to the Dissolution Date) or the Administrator (on or after the Dissolution Date) shall execute and the Trustee shall thereupon authenticate and deliver to the transferee a new Bond or Bonds of like tenor, maturity and aggregate principal amount of Authorized Denominations. The Trustee shall require the payment by the Owner of any tax or other governmental charge on the transfer of any Bonds pursuant to this Section 2.06. The cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer shall be paid by the Administrator.

The Trustee may refuse to transfer, under the provisions of this Section 2.06, either (a) any Bonds during the period fifteen (15) days prior to the date established by the Trustee for the selection of Bonds for redemption, or (b) any Bonds selected by the Trustee for redemption.

Section 2.07. Exchange of Bonds. Bonds may be exchanged at the Principal Corporate Trust Office of the Trustee for Bonds of the same tenor and maturity and of other Authorized Denominations. The Trustee shall require the payment by the Owner of any tax or other governmental charge on the exchange of any Bonds pursuant to this Section 2.07. The cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any exchange shall be paid by the Administrator.

The Trustee may refuse to exchange, under the provisions of this Section 2.07, either (a) any Bonds during the fifteen (15) days prior to the date established by the Trustee for the selection of Bonds for redemption or (b) any Bonds selected by the Trustee for redemption.

Section 2.08. Registration of Bonds. The Trustee will keep or cause to be kept, at its Principal Corporate Trust Office, sufficient records for the registration and registration of transfer of the Bonds, which shall at all times during normal business hours be open to inspection and copying by the Administrator, upon reasonable prior notice to the Trustee; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on the Registration Books Bonds as hereinbefore provided.

Section 2.09. Temporary Bonds. The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such Authorized Denominations as may be determined by the Authority, and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed by the Authority upon the same conditions and in substantially the same manner as the definitive Bonds. If the Authority issues temporary Bonds, it will execute and furnish definitive Bonds without delay and in any event prior to the Dissolution Date, and thereupon the temporary Bonds shall be surrendered, for cancellation, in exchange therefor at the Principal Corporate Trust Office of the Trustee, and the Trustee shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of Authorized Denominations, interest rates and like maturities. Until so exchanged, the temporary Bonds shall be entitled to the same benefits pursuant to this Indenture as definitive Bonds authenticated and delivered hereunder.

Section 2.10. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Authority (prior to the Dissolution Date) or the Administrator (after the Dissolution Date), at the expense of the Owner of such Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor and amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to it and indemnity for the Trustee, the Authority and the Administrator satisfactory to the Trustee shall be given, the Administrator, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor and amount in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond has matured or has been called for redemption, instead of issuing a substitute Bond, the Trustee may pay the same without surrender thereof upon receipt of indemnity satisfactory to the Trustee and the Authority). The Authority or the Administrator, as applicable, may require payment by the Owner of a sum not exceeding the actual cost of preparing each new Bond issued under this Section 2.10 and of the expenses which may be incurred by the Authority or the Administrator, and the Trustee, in the premises. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Authority whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Indenture with all other Bonds issued pursuant to this Indenture.

Section 2.11. Book-Entry System.

(a) Original Delivery. The Bonds shall be initially delivered in the form of a separate single fully registered Bond without coupons (which may be typewritten) for each maturity of the Bonds. Upon initial delivery, the ownership of each such Bond shall be registered on the Registration Books in the name of the Nominee. Except as provided in subsection (c), the ownership of all of the Outstanding Bonds shall be registered in the name of the Nominee on the Registration Books.

With respect to Bonds the ownership of which shall be registered in the name of the Nominee, none of the Authority, the Administrator or the Trustee shall have any responsibility or obligation to any Depository System Participant or to any person on behalf of which the

Depository System Participant holds an interest in the Bonds. Without limiting the generality of the immediately preceding sentence, none of the Authority, the Administrator or the Trustee shall have any responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Depository System Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Depository System Participant or any other person, other than a Bondowner as shown in the Registration Books, of any notice with respect to the Bonds, including any notice of redemption, (iii) the selection by the Depository of the beneficial interests in the Bonds to be redeemed in the event the Administrator elects to redeem the Bonds in part, (iv) the payment to any Depository System Participant or any other person, other than a Bondowner as shown in the Registration Books, of any amount with respect to principal, premium, if any, or interest on the Bonds or (v) any consent given or other action taken by the Depository as Owner of the Bonds. The Authority, the Administrator and the Trustee may treat and consider the person in whose name each Bond is registered as the absolute owner of such Bond for the purpose of payment of principal, premium and interest on such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers of ownership of such Bond, and for all other purposes whatsoever. The Trustee shall pay the principal of and interest and premium, if any, on the Bonds only to the respective Owners or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge all obligations with respect to payment of principal of and interest and premium, if any, on the Bonds to the extent of the sum or sums so paid. No person other than a Bondowner shall receive a Bond evidencing the obligation of the Authority to make payments of principal, interest and premium, if any, pursuant to this Indenture. Upon delivery by the Depository to the Nominee of written notice to the effect that the Depository has determined to substitute a new nominee in its place, and subject to the provisions herein with respect to Record Dates, such new nominee shall become the Nominee hereunder for all purposes; and upon receipt of such a notice the Authority shall promptly deliver a copy of the same to the Trustee.

(b) Representation Letter. In order to qualify the Bonds for the Depository's book-entry system, the Authority shall execute and deliver to such Depository a letter representing such matters as shall be necessary to so qualify the Bonds and provide a copy of such letter to the Trustee. The execution and delivery of such letter shall not in any way limit the provisions of subsection (a) above or in any other way impose upon the Authority, the Administrator or the Trustee any obligation whatsoever with respect to persons having interests in the Bonds other than the Bondowners. The Trustee agrees to comply with all provisions in such letter with respect to the giving of notices thereunder by the Trustee. In addition to the execution and delivery of such letter, upon written request of the Depository or the Trustee, the Authority or the Administrator, as applicable, may take any other actions, not inconsistent with this Indenture, to qualify the Bonds for the Depository's book-entry program.

(c) Transfers Outside Book-Entry System. In the event that either (i) the Depository determines not to continue to act as Depository for the Bonds, or (ii) the Administrator determines to terminate the Depository as such, then the Administrator shall thereupon discontinue the book-entry system with such Depository. In such event, the Depository shall cooperate with the Administrator and the Trustee in the issuance of replacement Bonds by providing the Trustee with a list showing the interests of the Depository System Participants in the Bonds, and by surrendering the Bonds, registered in the name of the Nominee, to the Trustee on or before the date such replacement Bonds are to be issued. The Depository, by accepting delivery of the Bonds, agrees to be bound by the provisions of this subsection (c). If, prior to the termination of the Depository acting as such, the Administrator fails to identify another Securities Depository to replace the Depository, then the Bonds shall no longer be required to be registered in the Registration Books in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Article II. Prior to its termination, the Depository shall furnish the Trustee with the names and addresses of the Depository System Participants and respective ownership interests thereof.

(d) Payments to the Nominee. Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to principal of and interest and premium, if any, on such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the letter described in subsection (b) of this Section or as otherwise instructed by the Depository.

ARTICLE III

DEPOSIT AND APPLICATION

Section 3.01. Issuance of Bonds. Upon the execution and delivery of this Indenture, the Authority shall execute and deliver to the Trustee the Bonds in the aggregate principal amount of $__________, and the Trustee shall authenticate and deliver the Bonds upon the Written Request of the Authority.

Section 3.02. Application of Proceeds of Sale and Certain Other Amounts.

(a) On the Closing Date with respect to the Bonds, the net proceeds of sale of the Bonds, being $__________ (calculated as the par amount thereof, less (plus) net original issue discount (premium) in the amount of $__________, less the discount of the Original Purchaser in the amount of $__________, and less the portion of the premiums for the Insurance Policy and the Reserve Policy allocable to the Bonds in the amount of $__________ paid directly to the Insurer), shall be paid to the Trustee and applied as follows:

(i) The Trustee shall deposit the amount of $__________ in the Costs of Issuance Fund.

(ii) The Trustee shall deposit $__________ in the County Bond Proceeds Account of the Project Fund.

(iii) The Trustee shall deposit $__________ in the Marina Bond Proceeds Account of the Project Fund.

(iv) The Trustee shall deposit $__________ in the MCWD Bond Proceeds Account of the Project Fund.

(v) The Trustee shall deposit $__________ in the MST Bond Proceeds Account of the Project Fund.

(vi) The Trustee shall deposit $__________, in the Seaside Bond Proceeds Account of the Project Fund.

(vii) The Trustee shall deposit $__________ in the TAMC Bond Proceeds Account of the Project Fund.

(viii) The Trustee shall deposit $_________ in the Administrative Expense Account.

(b) The Trustee may establish a temporary account to facilitate the deposits referred to in Section 3.02(a).

Section 3.03. Costs of Issuance Fund. There is hereby established a separate fund to be known as the "Costs of Issuance Fund," which shall be held by the Trustee in trust. The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance with respect to the Bonds, upon submission of a Written Request of the Authority (delivered to the Trustee prior to the Dissolution Date) or the Written Request of the Administrator (delivered to the Trustee on or after the Dissolution Date), stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. On the date which is six (6) months following the Closing Date with respect to the Bonds, or upon the earlier Written Request of the Administrator, all amounts (if any) remaining in the Costs of Issuance Fund shall be withdrawn therefrom by the Trustee and transferred to the Administrative Expense Account and the Costs of Issuance Fund shall be closed.

Section 3.04. Project Fund.

(a) There shall be established a separate and segregated fund to be known as the Project Fund and within the Project Fund a County Bond Proceeds Account, a Marina Bond Proceeds Account, a Seaside Bond Proceeds Account, a MCWD Bond Proceeds Account, a MST Bond Proceeds Account, and a TAMC Bond Proceeds Account.

(b) On the Closing Date, the Trustee will remit the amount deposited in the respective Accounts of the Project Fund to the applicable Local Agency as directed in the Funding Agreement for the Local Agency, to be applied by the Local Agencies to the payment of the costs of the Building Removal and of expenses incidental thereto pursuant to the Funding Agreements and the Trustee shall close the respective Accounts of the Project Fund. The Trustee shall be provided a copy of the Funding Agreement for each Local Agency and the Trustee may conclusively rely upon the wire transfer instructions in the respective Funding Agreement for the Local Agency.

(c) It is hereby expressly understood and agreed that none of the Authority, the Administrator, the County (except only with respect to the County's obligations set forth in the Funding Agreement to which it is a party) or the Trustee shall be under any liability of any kind or character whatsoever with respect to the use by the Local Agencies of the amounts remitted to them, or the payment of any Building Removal Costs, and that any such Building Removal Costs shall be the responsibility of the applicable Local Agency.

ARTICLE IV

SECURITY FOR THE BONDS; FLOW OF FUNDS

Section 4.01. Security of Bonds; Equal Security. Except as may otherwise be provided below and in Section 6.06, the Bonds shall be equally secured by a pledge of, security interest in and lien on all of the Pledged Tax Revenues, and the Bonds shall also be secured by a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Debt Service Fund, the Interest Account, the Principal Account, the Redemption Account and the Reserve Account without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. Except for the Pledged Tax Revenues and such moneys, no funds or properties of the Authority, the County or the Administrator shall be pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium (if any) on the Bonds.

In the event the Administrator receives any moneys that constitute Pledged Tax Revenues, the Administrator shall promptly transfer to the Trustee such Pledged Tax Revenues for deposit by the Trustee in the Debt Service Fund. Prior to the payment in full of the principal of and interest and redemption premium (if any) on the Bonds and the payment in full of all other amounts payable hereunder, neither the Authority nor the Administrator shall have any beneficial right to or interest in the Pledged Tax Revenues, except as may be provided in this Indenture.

Amounts in the Project Fund (and the accounts therein) and the Administrative Expense Account are not pledged to the repayment of the Bonds.

The Authority and the Administrator shall not be obligated to make any payments required hereunder or under any Bond, or be deemed to incur any liability hereunder or by reason hereof or arising out of any of the transactions contemplated hereby, payable from any funds or assets other than the Pledged Tax Revenues as provided herein. The Bonds and the obligation to pay principal of and interest thereon and any redemption premium with respect thereto will not constitute an indebtedness or an obligation of the Authority, the members and officers of the Authority, the Administrator, any agency, any district, any city, the County, the State or any other political subdivision thereof, within the meaning of any constitutional or statutory debt limitation, or a charge against the general credit or taxing powers of any of them. The Bonds shall be limited obligations of the Authority, payable solely from the Pledged Tax Revenues duly pledged therefor. Neither the faith and credit nor the taxing power of the Authority, any member of the Authority, the Administrator, any agency, any district, any city, the County, the State or any political subdivision thereof is pledged to the payment of the Bonds.

In consideration of the acceptance of the Bonds by those who shall hold the same from time to time, this Indenture shall be deemed to be and shall constitute a contract between the Authority and the Administrator, and the Owners from time to time of the Bonds, and the covenants and agreements herein set forth to be performed on behalf of the Authority or the Administrator shall be for the equal and proportionate benefit, security and protection of all Owners of the Bonds without preference, priority or distinction as to security or otherwise of any of the Bonds over any of the others by reason of the number or date thereof or the time of sale, execution and delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or herein.

Section 4.02. Deposit of Amounts by Trustee. There is hereby established a trust fund to be known as the Debt Service Fund, and within the Debt Service Fund a Principal Account, an Interest Account, a Reserve Account, an Administrative Expense Account, a Redemption Account and a Surplus Account, each which shall be held by the Trustee hereunder in trust. Pledged Tax Revenues received by the Trustee pursuant to the Irrevocable Instructions or otherwise shall be deposited by the Trustee in the Debt Service Fund. The Trustee shall transfer from the Debt Service Fund the following amounts, at the following times, to the following respective special accounts, which are hereby established in the Debt Service Fund, and in the following order of priority:

(a) Interest Account. Not later than the fifth (5th) Business Day preceding each Interest Payment Date, commencing with the Interest Payment Date of September 1, 2020 the Trustee shall deposit in the Interest Account an amount which when added to the amount contained in the Interest Account on that date, will be equal to the aggregate amount of the interest becoming due and payable on the Outstanding Bonds on such Interest Payment Date. No such transfer and deposit need be made to the Interest Account if the amount contained therein is at least equal to the interest to become due on the next succeeding Interest Payment Date upon all of the Outstanding Bonds. All moneys in the

Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds redeemed prior to maturity pursuant to this Indenture).

(b) Principal Account. Not later than the fifth (5th) Business Day preceding September 1 in each year beginning September 1, 202__ the Trustee shall deposit in the Principal Account an amount which, when added to the amount then contained in the Principal Account, will be equal to the principal becoming due and payable on the Outstanding Serial Bonds and Outstanding Term Bonds, including pursuant to mandatory sinking account redemption, on the next September 1. No such transfer and deposit need be made to the Principal Account if the amount contained therein is at least equal to the principal to become due on the next September 1 on all of the Outstanding Serial Bonds and Term Bonds. All moneys in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Serial Bonds and the Term Bonds, including by mandatory sinking account redemption, as the same shall become due and payable.

(c) Reserve Account. In the event that the amount on deposit in the Reserve Account as of any Interest Payment Date is less than the then Reserve Requirement (taking into account the amount available to be drawn on the Reserve Policy), the Trustee shall transfer to the Reserve Account an amount sufficient to increase the amount in the Reserve Account to the then amount of the Reserve Requirement.

[The Reserve Requirement will be satisfied by the delivery of the Reserve Policy by the Insurer on the Closing Date with respect to the Bonds. Neither the Authority nor the Administrator will have any obligation to replace the Reserve Policy or to fund the Reserve Account with cash if, at any time that the Bonds are Outstanding, any rating assigned to the Insurer is downgraded, suspended or withdrawn or amounts are not available under the Reserve Policy other than in connection with a draw on the Reserve Policy. Notwithstanding anything to the contrary set forth herein the amounts available under the Reserve Policy shall be used and withdrawn by the Trustee solely for the purpose of making transfers to the Interest Account and the Principal Account in such order of priority, in the event of any deficiency at any time in any of such accounts with respect to the payment of debt service on the Bonds.]

The Trustee shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of this Section 4.02(c) and provide notice to the Insurer in accordance with the terms of the Reserve Policy at least five Business Days prior to each date upon which interest or principal is due on the Bonds.

If there shall then not be sufficient Pledged Tax Revenues to transfer an amount sufficient to maintain the Reserve Requirement on deposit in the Reserve Account, the Authority shall be obligated to continue making transfers as Pledged Tax Revenues become available until there is an amount sufficient to maintain the Reserve Requirement on deposit in the Reserve Account. No such transfer and deposit need be made to the Reserve Account so long as there shall be on deposit therein a sum at least equal to the Reserve Requirement. All money in the Reserve Account shall be used and withdrawn by the Trustee solely for the purpose of making transfers hereunder to the Interest Account and the Principal Account, in the event of any deficiency at any time in any of such accounts or for the retirement of all the Bonds then Outstanding, except that so long as the Authority (prior to the Dissolution Date) or the Administrator (after the Dissolution Date) is not in default hereunder, any amount in the Reserve Account in excess of the Reserve Requirement shall be withdrawn from the Reserve Account semiannually on or before two (2) Business Days preceding each Interest Payment Date by the Trustee and deposited in the Surplus Account. All amounts in the Reserve Account on the Business Day preceding the final Interest Payment Date shall be withdrawn from the Reserve Account and shall be transferred to the Interest Account and the Principal Account, in such order, to the extent required to make the deposits then required to be made pursuant to this Section 4.02.

[With the prior written consent of the Insurer, the Administrator shall have the right at any time to direct the Trustee to release funds from the Reserve Account, in whole or in part, by tendering to the Trustee a Qualified Reserve Account Credit Instrument. Upon tender of such items to the Trustee, and upon delivery by the Administrator to the Trustee of written calculation of the amount permitted to be released from the Reserve Account (upon which calculation the Trustee may conclusively rely), the Trustee shall transfer such funds from the Reserve Account to the Surplus Account to be applied in accordance with Section 4.02(f) hereof. The Trustee shall comply with all documentation relating to a Qualified Reserve Account Credit Instrument as shall be required to maintain such Qualified Reserve Account Credit Instrument in full force and effect and as shall be required to receive payments thereunder in the event and to the extent required to make any payment when and as required under this paragraph (d). Upon the expiration of any Qualified Reserve Account Credit Instrument, the Administrator shall either (i) replace such Qualified Reserve Account Credit Instrument with a new Qualified Reserve Account Credit Instrument, or (ii) deposit or cause to be deposited with the Trustee an amount of funds equal to the Reserve Requirement, to be derived from the first legally available Pledged Tax Revenues. If the Reserve Requirement is being maintained partially in cash and partially with a Qualified Reserve Account Credit Instrument, including the Reserve Policy, the cash shall be first used to meet any deficiency which may exist from time to time in the Interest Account or the Principal Account for the purpose of making payments required pursuant to Sections 4.02(a) or 4.02(b) of this Indenture. If the Reserve Requirement is being maintained with two or more Qualified Reserve Account Credit Instruments, including the Reserve Policy, on which there is available coverage, any draw to meet a deficiency which may exist from time to time in the Interest Account or the Principal Account for the purpose of making payments required pursuant to Sections 4.02(a), 4.02(b) or 4.02(c) of this Indenture shall be pro-rata with respect to each such instrument after applying all cash and investments in the Reserve Account. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regarding to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.]

(d) <u>Administrative Expense Account</u>. On the Closing Date, the Trustee shall make a deposit to the Administrative Expense Fund as required by Section 3.02(a)(viii). Thereafter, on each September 1, following the deposits required by subsections (a), (b), and (if applicable) (c) of this Section 4.02 on such date, the Trustee shall transfer an amount equal to the Minimum Expense Requirement to the Administrative Expense Fund. Deposits may also be made to the Administrative Expense Fund as provided in Section 4.02(f).

Amounts in the Administrative Expense Account shall be withdrawn by the Trustee and paid to or as directed by the Administrator upon receipt by the Trustee of a Written Certificate of the Administrator stating the amount to be withdraw, that such amount is to be used to pay an Administrative Expense and the nature of such Administrative Expense.

(e) Redemption Account. On or before the Business Day preceding any date on which Bonds are to be redeemed pursuant to Section 2.03(a), the Trustee shall withdraw from the Debt Service Fund any amount transferred to the Trustee to be applied to the redemption of Bonds pursuant to Section 2.03(a) for deposit in the Redemption Account, such amount being the amount required to pay the principal of and premium, if any, on the Bonds and on other Bonds to be redeemed on such date pursuant to Section 2.03(a). All moneys in the Redemption Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of and premium, if any, on the Bonds to be redeemed pursuant to Section 2.03(a) on the date set for such redemption. Interest due on the Bonds to be redeemed on the date set for redemption shall, if applicable, be paid from funds available therefor in the Interest Account. Notwithstanding the foregoing, at any time prior to giving notice of redemption of any such Bonds, the Trustee may, at the direction of the Administrator, apply amounts deposited or otherwise to be deposited in the Redemption Account to the purchase of the Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest on such Bonds, which is payable from the Interest Account) as shall be directed by the Administrator.

(f) Surplus Account. On September 2 of each year, after making the deposits required under subsections (a) through (e) above on the preceding September 1, the Trustee shall transfer all amounts remaining on deposit in the Debt Service Fund to the Surplus Account. Any amounts transferred to the Surplus Account shall be disposed of by the Trustee as follows: (i) transfer to the Administrative Expense Account an amount determined by the Administrator as necessary to pay Administrative Expenses to the extent amounts in the Administrative Expense Account are not sufficient for such purpose as directed in a Written Request of the Administrator delivered to the Trustee by _____ of each year; and (ii) promptly following the foregoing transfer to the Administrative Expense Fund, and in any event no later than 10 Business Days following the deposit of funds in the Surplus Fund each year, any remaining amount in the Surplus Fund shall be transferred by the Trustee, without further direction, to the County Auditor-Controller for redistribution by the County Auditor-Controller as provided in Section 33492.71(c)(1)(D) of the Health and Safety Code.

ARTICLE V

OTHER COVENANTS OF THE AUTHORITY AND THE ADMINISTRATOR

Section 5.01. Punctual Payment. The Administrator, on behalf of the Authority, shall punctually pay or cause to be paid the principal and interest to become due on the Bonds together with any premium thereon, if applicable, in strict conformity with the terms of the Bonds and of this Indenture, solely from the Pledged Tax Revenues and other amounts pledged to such payments hereunder. The Authority shall faithfully observe and perform all of the conditions, covenants and requirements of this Indenture, all Supplemental Indentures and the Bonds.

Section 5.02. Limitation on Additional Indebtedness; Against Encumbrances. The Authority hereby covenants that, so long as the Bonds are Outstanding, the Authority shall not issue any bonds, notes or other obligations, enter into any agreement or otherwise incur any indebtedness, which is in any case payable from all or any part of the Pledged Tax Revenues. Neither the Authority nor the Administrator will encumber, pledge or place any charge or lien upon any of the Pledged Tax Revenues or other amounts pledged to the Bonds.

Section 5.03. Extension of Payment. Neither the Authority nor the Administrator will directly or indirectly, extend or consent to the extension of the time for the payment of any Bond or claim for interest on any of the Bonds and will not, directly or indirectly, be a party to or approve any such arrangement by purchasing or funding the Bonds or claims for interest in any other manner. In case the maturity of any such Bond or claim for interest shall be extended or funded, whether or not with the consent of the Authority or the Administrator, such Bond or claim for interest so extended or funded shall not be entitled, in case of default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest which shall not have been so extended or funded.

Section 5.04. Enforcement of Irrevocable Instructions. The Administrator, on behalf of the Authority, hereby covenants to take such actions within its power as may be reasonable and necessary to compel the County Auditor-Controller to comply with the direction set forth in the Irrevocable Instructions to transfer to the Trustee for deposit in the Debt Service Fund, all of the Pledged Tax Revenues in the amounts and at the times provided in the California Health and Safety Code and other applicable law.

Section 5.05. Payment of Claims. The Administrator, on behalf of the Authority, shall promptly pay and discharge from funds in the Administrative Expense Fund, or cause to be paid and discharged, any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge upon the Pledged Tax Revenues or any part thereof, or upon any funds in the hands of the Trustee, or which might impair the security of the Bonds. Nothing herein contained shall require the Administrator to make any such payment so long as the Administrator in good faith shall contest the validity of said claims or if there are not sufficient funds in the Administrative Expense Fund to make such payment.

Section 5.06. Books and Accounts; Financial Statements. The Administrator, on behalf of the Authority, shall keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Administrator, in which complete and correct entries shall be made of all transactions relating to the Pledged Tax Revenues and the Administrative Expense Fund. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Owners of not less than ten percent (10%) in aggregate principal amount of the Bonds then Outstanding, or their representatives authorized in writing.

Section 5.07. Protection of Security and Rights of Owners. The Administrator, on behalf of the Authority, will preserve and protect the security of the Bonds and the rights of the Owners. From and after the Closing Date with respect to the Bonds, the Bonds shall be incontestable by the Authority or the Administrator.

Section 5.08. Maintenance of Pledged Tax Revenues. The Authority (prior to the Dissolution Date) and the Administrator on behalf of the Authority (after the Dissolution Date) shall comply with all requirements of the California Health and Safety Code to ensure the allocation and payment to the Trustee of the Pledged Tax Revenues pursuant to the Irrevocable Instructions or otherwise. The Authority shall not undertake proceedings for amendment of the Reuse Plan or the Authority's transition plan if such amendment shall result in a reduction in the amount of Pledged Tax Revenues available to pay the Bonds.

Section 5.09. Continuing Disclosure. The Administrator hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Indenture, failure of the Administrator to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; however, any Owner or beneficial owner of the Bonds may take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

Section 5.10. Further Assurances. The Authority and the Administrator, as applicable, will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Owners of the Bonds the rights and benefits provided in this Indenture.

ARTICLE VI

THE TRUSTEE

Section 6.01. Duties, Immunities and Liabilities of Trustee.

(a) The Trustee shall, prior to the occurrence of an Event of Default, and after the curing or waiver of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants, duties or obligations shall be read into this Indenture against the Trustee. The Trustee shall, during the existence of any Event of Default (which has not been cured or waived), exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(b) The Administrator may remove the Trustee at any time, and shall remove the Trustee (i) if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or (ii) if at any time the Administrator has knowledge that the Trustee shall cease to be eligible in accordance with subsection (f) of this Section, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation. In each case such removal shall be accomplished by the giving of written notice of such removal by the Administrator to the Trustee, whereupon the Administrator shall appoint a successor Trustee by an instrument in writing.

(c) The Trustee may at any time resign by giving written notice of such resignation to the Administrator and by giving the Owners notice of such resignation by first class mail, postage prepaid, at their respective addresses shown on the Registration Books. Upon receiving such notice of resignation, the Administrator shall promptly appoint a successor Trustee by an instrument in writing, with notice of such appointment to be furnished to any Insurer.

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and have accepted appointment within forty-five (45) days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Owner (on behalf of such Owner and all other Owners) may petition any court of competent jurisdiction at the expense of the Administrator for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture shall signify its acceptance of such appointment by executing, acknowledging and delivering to the Administrator and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the Written Request of the Administrator or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Administrator shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the Administrator shall cause either the predecessor Trustee or the successor Trustee to mail a notice of the succession of such Trustee to the trusts hereunder to each rating agency which then has a current rating on the Bonds and to the Owners at their respective addresses shown on the Registration Books.

(e) If an Event of Default hereunder occurs with respect to any Bonds of which the Trustee has been given or is deemed to have notice, as provided in Section 6.03(d) hereof, then the Trustee shall immediately give written notice thereof, by first-class mail to the Owner of each such Bond, unless such Event of Default shall have been cured before the giving of such notice; provided, however, that unless such Event of Default consists of the failure to make any payment on the Bonds when due, the Trustee shall, within thirty (30) days of the Trustee's knowledge thereof, give such notice to the Bondowners, provided that the Trustee may elect not to give such notice if and so long as the Trustee in good faith determines that it is in the best interests of the Bondowners not to give such notice.

(f) The Authority and the Administrator agree that, so long as any Bonds are Outstanding, the Trustee shall be a financial institution having a corporate trust office in the State, having (or in the case of a corporation or trust company included in a bank holding company system, the related bank holding company shall have) a combined capital and surplus of at least $75,000,000, and subject to supervision or examination by federal or state authority. If such financial institution publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such financial institution shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (f), the Trustee shall resign immediately in the manner and with the effect specified in this Section.

Section 6.02. Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under subsection (f) of Section 6.01, shall be the successor to such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 6.03. Liability of Trustee.

(a) The recitals of facts herein and in the Bonds contained shall be taken as statements of the Authority and the Trustee shall not assume responsibility for the correctness of the same, nor make any representations as to the validity or sufficiency of this Indenture or of the security for the Bonds nor shall incur any responsibility in respect thereof, other than as expressly stated herein. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Trustee shall not be liable for the acts of any agents of the Trustee selected by it with due care. The Trustee and its officers and employees may become the Owner of any Bonds with the same rights it would have if they were not Trustee and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of the Owners, whether or not such committee shall represent the Owners of a majority in principal amount of the Bonds then Outstanding.

(b) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in accordance with the direction of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

(c) The Trustee shall not be liable for any action taken by it and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture, except for actions arising from the negligence or willful misconduct of the Trustee. Where the Trustee is given the permissive right to do things enumerated in this Indenture, such right shall not be construed as a mandatory duty.

(d) The Trustee shall not be deemed to have knowledge of any Event of Default hereunder unless and until a responsible officer shall have actual knowledge thereof, or shall have received written notice thereof from the Administrator at its Principal Corporate Trust Office. In the absence of such actual knowledge or notice, the Trustee may conclusively assume that no Event of Default has occurred and is continuing under this Indenture. Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance by any other party of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Bonds, or as to the existence of an Event of Default thereunder. The Trustee shall not be responsible for the validity or effectiveness of any collateral given to or held by it. Without limiting the generality of the foregoing, the Trustee may rely conclusively on the Administrator's certificates to establish the Administrator's compliance with its financial covenants hereunder, including, without limitation, its covenants regarding the deposit of Pledged Tax Revenues into the Debt Service Fund.

(e) The Trustee shall have no liability or obligation to the Bondowners with respect to the payment of debt service on the Bonds or with respect to the observance or performance by the Authority or the Administrator of the other conditions, covenants and terms contained in this Indenture.

(f) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers. The Trustee shall be entitled to interest on all amounts advanced by it at the maximum rate permitted by law.

(g) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys or receivers and the Trustee shall not be responsible for any intentional misconduct or negligence on the part of any agent, attorney or receiver appointed with due care by it hereunder.

(h) The Trustee shall have no responsibility, opinion, or liability with respect to any information, statements or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

(i) Before taking any action under Article VIII or this Article at the request of the Owners, the Trustee may require that a satisfactory indemnity bond be furnished by the Owners for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful misconduct in connection with any action so taken.

(j) The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Trustee shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Authority or the Administrator elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Authority or the Administrator, as applicable, agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

(k) The Trustee shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the Trustee and could not have been avoided by exercising due care. Force majeure shall include but not be limited to acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics, pandemics or other similar occurrences.

(l) The Trustee shall not be responsible for or accountable to anyone for the subsequent use or application of any moneys which shall be released or withdrawn in accordance with the provisions hereof.

Section 6.04. Right to Rely on Documents and Opinions. The Trustee shall have no liability in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, facsimile transmission, electronic mail, or other paper or document reasonably believed by it to be genuine and to have been signed or prescribed by the proper party or parties, and shall not be required to make any investigation into the facts or matters contained thereon. The Trustee may consult with counsel, including, without limitation, counsel of or to the Authority, with regard to legal questions, and, in the absence of negligence or intentional misconduct by the Trustee, the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Trustee hereunder in accordance therewith.

The Trustee shall not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto is established to the satisfaction of the Trustee.

Whenever in the administration of the trusts imposed upon it by this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Written Certificate of the Authority or a Written Certificate of the Administrator, which shall be full warrant to the Trustee for any action taken or suffered under the provisions of this Indenture in reliance upon such written certificate, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as it may deem reasonable. The Trustee may conclusively rely on any certificate or report of any Independent Accountant or Independent Fiscal Consultant appointed by the Administrator.

Section 6.05. Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject at all reasonable times upon reasonable notice to the inspection of and copying by the Administrator and any Owner, and their agents and representatives duly authorized in writing, during regular business hours and under reasonable conditions.

Section 6.06. Compensation and Indemnification. The Administrator shall pay to the Trustee from time to time, solely from amounts in the Administrative Expense Account, reasonable compensation for all services rendered under this Indenture in accordance with the letter proposal from the Trustee approved by the Authority and/or the Administrator, as applicable, and also all reasonable expenses, charges, legal and consulting fees and other disbursements and those of its attorneys (including the allocated costs and disbursement of in-house counsel to the extent such services are not redundant with those provided by outside counsel), agents and employees, incurred in and about the performance of its powers and duties under this Indenture. The Trustee shall have a lien on the Pledged Tax Revenues and all funds and accounts held by the Trustee hereunder, subordinate to the lien of the Bondowners thereon, to secure the payment to the Trustee of all fees, costs and expenses, including reasonable compensation to its experts, attorneys and counsel (including the allocated costs and disbursement of in-house counsel to the extent such services are not redundant with those provided by outside counsel).

The Administrator further covenants and agrees to indemnify, defend and save the Trustee and its officers, directors, agents and employees, harmless against any loss, expense and liabilities including legal fees and expenses which it may incur to the extent arising out of or in connection with the exercise and performance of its powers and duties hereunder, including the costs and expenses of defending against any claim of liability, but excluding any and all losses, expenses and liabilities which are due to the negligence or willful misconduct of the Trustee, its officers, directors, agents or employees. The obligations of the Administrator and the rights of the Trustee under this Section 6.06 shall survive resignation or removal of the Trustee under this Indenture and payment of the Bonds and discharge of this Indenture.

The Trustee's compensation and costs related to its indemnification under this Indenture shall constitute Administrative Expenses.

Section 6.07. Deposit and Investment of Moneys in Funds. Moneys in the Debt Service Fund, the Interest Account, the Principal Account, the Reserve Account, the Administrative Expense Account, the Redemption Account, the Surplus Account and the Costs of Issuance Fund shall be invested by the Trustee in Permitted Investments as directed by the Administrator in the Written Request of the Administrator filed with the Trustee, except that moneys in the Reserve Account shall not be invested in Permitted Investments having a maturity of more than five (5) years, unless any such Permitted Investment is described in clause (g) of the definition thereof. In the absence of any such Written Request of the Administrator, the Trustee shall invest any such moneys in Permitted Investments described in clause (d) of the definition thereof, which by their terms mature prior to the date on which such moneys are required to be paid out hereunder;

provided, however, that any such investment shall be made by the Trustee only if, prior to the date on which such investment is to be made, the Trustee shall have received a Written Request of the Administrator specifying a specific money market fund and, if no such Written Request of the Administrator is so received, the Trustee shall hold such moneys uninvested. The Trustee shall be entitled to rely conclusively upon the written instructions of the Administrator directing investments in Permitted Investments as to the fact that each such investment is permitted by the laws of the State, and shall not be required to make further investigation with respect thereto. Obligations purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account. All interest or gain derived from the investment of amounts in any of the funds or accounts held by the Trustee hereunder shall be retained in the respective fund or account from which the investment was made. The Trustee may act as principal or agent in the acquisition or disposition of any investment and may impose its customary charges therefor. The Trustee shall incur no liability for losses arising from any investments made at the direction of the Authority or otherwise made in accordance with this Section. For investment purposes only, the Trustee may commingle the funds and accounts established hereunder, but shall account for each separately.

The Authority and the Administrator acknowledge that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Administrator the right to receive brokerage confirmations of security transactions effected by the Trustee as they occur, the Authority and the Administrator specifically waive receipt of such confirmations to the extent permitted by law. The Authority and the Administrator further understands that trade confirmations for securities transactions effected by the Trustee will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker. The Trustee will furnish the Administrator monthly cash transaction statements which shall include detail for all investment transactions made by the Trustee hereunder. Upon the Administrator's election, such statements will be delivered via the Trustee's online service and upon electing such service, paper statements will be provided only upon request.

All moneys held by the Trustee shall be held in trust, but need not be segregated from other funds unless specifically required by this Indenture. Except as specifically provided in this Indenture, the Trustee shall not be liable to pay interest on any moneys received by it, but shall be liable only to account for earnings derived from funds that have been invested. Investments of funds on deposit in the Reserve Account shall be valued on ____________ of each year at their market value.

Section 6.08. Accounting Records and Financial Statements. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with corporate trust industry standards, in which complete and accurate entries shall be made of all transactions relating to the proceeds of the Bonds made by it and all funds and accounts held by the Trustee established pursuant to this Indenture. Such books of record and account maintained by the Trustee shall be available for inspection by the Administrator upon reasonable prior notice, at reasonable hours and under reasonable circumstances. The Trustee shall furnish to the Administrator, on at least a monthly basis, an accounting of all transactions in the form of its customary statements relating to the proceeds of the Bonds and all funds and accounts held by the Trustee pursuant to this Indenture.

Section 6.09. Other Transactions with Administrator. The Trustee, either as principal or agent, may engage in or be interested in any financial or other transaction with the Administrator.

ARTICLE VII

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 7.01. Amendment With And Without Consent of Owners. This Indenture and the rights and obligations of the Authority, the Administrator, the Trustee and of the Owners may be modified or amended at any time by a Supplemental Indenture which shall become binding upon adoption without the consent of any Owners to the extent permitted by law, but only for any one or more of the following purposes:

(a) to add to the covenants and agreements of the Authority, or of the Administrator for itself or on behalf of the Authority, in this Indenture contained, other covenants and agreements thereafter to be observed, including any covenant or agreement that provides for additional security for the Bonds, or to limit or surrender any rights or powers herein reserved to or conferred upon the Authority or the Administrator; or

(b) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Indenture, or in any other respect whatsoever as the Administrator may deem necessary or desirable, provided under any circumstances that such modifications or amendments shall not, in the reasonable determination of the Administrator, materially adversely affect the interests of the Owners; or

(c) to comply with additional requirements of a provider of a Qualified Reserve Account Credit Instrument; provided that such amendment does not have an adverse impact on the Insurer's rights under the Indenture or the availability of Pledged Tax Revenues for the Bonds.

Except as set forth in the preceding paragraph, this Indenture and the rights and obligations of the Authority, or of the Administrator for itself or on behalf of the Authority, and of the Owners may be modified or amended at any time by a Supplemental Indenture which shall become binding when the prior written consent of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding are filed with the Trustee. No such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Authority, or of the Administrator on behalf of the Authority, to pay the principal, interest, or redemption premiums (if any) at the time and place and at the rate and in the currency provided therein of any Bond without the express written consent of the Owner of such Bond, or (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification. In no event shall any Supplemental Indenture modify any of the rights or obligations of the Trustee without its prior written consent. In no event shall any Supplemental Indenture modify any of the rights or obligations of any Insurer without its prior written consent.

Section 7.02. Effect of Supplemental Indenture. From and after the time any Supplemental Indenture becomes effective pursuant to this Article VII, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties hereto or thereto and all Owners, as the case may be, shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 7.03. Endorsement or Replacement of Bonds After Amendment. After the effective date of any amendment or modification hereof pursuant to this Article VII, the Administrator may determine that any or all of the Bonds shall bear a notation, by endorsement in form approved by the Administrator, as to such amendment or modification and in that case upon demand of the Administrator the Owners of such Bonds shall present such Bonds for that purpose at the Principal Corporate Trust Office of the Trustee, and thereupon a suitable notation as to such action shall be made on such Bonds. In lieu of such notation, the Administrator may determine that new Bonds shall be prepared at the expense of the Administrator and executed in exchange for any or all of the Bonds, and in that case, upon demand of the Administrator, the Owners of the Bonds shall present such Bonds for exchange at the Principal Corporate Trust Office of the Trustee, without cost to such Owners.

Section 7.04. Amendment by Mutual Consent. The provisions of this Article VII shall not prevent any Owner from accepting any amendment as to the particular Bond held by such Owner, provided that due notation thereof is made on such Bond and, provided further that written consent to such amendment shall first be obtained from any Insurer.

Section 7.05. Opinion of Counsel. Prior to executing any Supplemental Indenture, the Trustee shall be furnished an opinion of counsel, upon which it may conclusively rely to the effect that all conditions precedent to the execution of such Supplemental Indenture under this Indenture have been satisfied and such Supplemental Indenture is authorized and permitted under this Indenture and does not adversely affect the exclusion of interest on the Bonds issued as tax-exempt bonds from gross income for federal income tax purposes or adversely affect the exemption of interest on the Bonds from personal income taxation by the State.

Section 7.06. Copy of Supplemental Indenture to S&P. The Trustee shall provide to S&P, for so long as S&P maintain a rating on any of the Bonds (without regard to any municipal bond or financial guaranty insurance), a copy of any Supplemental Indenture at least fifteen (15) days prior to its proposed effective date.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF OWNERS

Section 8.01. Events of Default. The following events shall constitute Events of Default hereunder:

(a) if default shall be made in the due and punctual payment of the principal of or interest or redemption premium (if any) on any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by declaration or otherwise;

(b) if default shall be made by the Authority or the Administrator in the observance of any of the covenants, agreements or conditions on its respective part in this Indenture or in the Bonds contained, other than a default described in the preceding clause (a), and such default shall have continued for a period of thirty (30) days following receipt by the Authority and the Administrator (prior to the Dissolution Date), or to the Administrator (from and after the Dissolution Date) of written notice from the Trustee or written notice from any Owner (with a copy of said notice delivered to the Trustee) of the occurrence of such default, provided that if in the reasonable opinion of the Administrator the failure stated in the notice can be corrected, but not within such thirty (30) day period, such failure will not constitute an event of default if corrective action is instituted by the Administrator within such thirty (30) day period and the Administrator thereafter diligently and in good faith cures such failure in a reasonable period of time; or

(c) If the Authority or the Administrator files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction will approve a petition by the Administrator seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or, if under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction will approve a petition by the Authority or the Administrator, seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or, if under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction will assume custody or control of the Authority or the Administrator or of the whole or any substantial part of its respective property.

Immediately upon receiving notice or actual knowledge of the occurrence of an Event of Default, the Trustee shall give notice of such Event of Default to the Authority and the Administrator (if prior to the Dissolution Date) or the Administrator (from and after the Dissolution Date) confirmed in writing. With respect to any Event of Default described in subsections (a) or (c) above the Trustee shall, and with respect to any Event of Default described in subsection (b) above the Trustee in its sole discretion may, also give such notice to the Owners by mail.

If an Event of Default has occurred under this Section and is continuing, the Trustee, may, and, if requested in writing by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, the Trustee shall, subject to the provisions of Section 8.06, exercise any remedies available to the Trustee and the Bondowners in law or at equity, including mandamus.

Any Bondowner shall have the right, for the equal benefit and protection of all Bondowners similarly situated:

(a) by mandamus, suit, action or proceeding, to compel the Authority, prior to the Dissolution Date, and the Administrator, from and after the Dissolution Date, and their respective officers, agents or employees to perform each of their respective covenants and agreements contained in this Indenture and in the Bonds, and to require the carrying out of any or all such covenants and agreements and the fulfillment of the respective duties specifically imposed upon them under this Indenture;

(b) by suit, action or proceeding in equity, to enjoin any acts or things which are unlawful, or the violation of any of the Bondowners' rights; or

(c) upon the happening of any Event of Default, by suit, action or proceeding in any court of competent jurisdiction, to require the Authority, prior to the Dissolution Date, and the Administrator, from and after the Dissolution Date, and their respective employees to account as if they were the trustees of an express trust with regard to any of the Pledged Tax Revenues or any funds held in any of the funds and accounts under this Indenture.

Section 8.02. Application of Funds Upon Default. So long as an Event of Default has occurred and is continuing, all amounts received by the Trustee pursuant to any right given or action taken by the Trustee under the provisions of this Indenture (including any Pledged Tax Revenues) and all sums in the funds and accounts established and held by the Trustee hereunder, and all sums thereafter received by the Trustee hereunder, shall be applied by the Trustee in the following order upon presentation of the Bonds, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid:

First, to the payment of the fees, costs and expenses of the Trustee in declaring such Event of Default and in exercising the rights and remedies set forth in this Article VIII, including reasonable compensation to its agents, advisors, attorneys (including the allocated costs and disbursements of its in-house counsel to the extent such services are not redundant with those provided by outside counsel) and counsel and any outstanding fees and expenses of the Trustee; and

Second, to the payment of the whole amount then owing and unpaid upon the Bonds for principal and interest, as applicable, with interest on the overdue principal, and installments of interest at the net effective rate then borne by the Outstanding Bonds (to the extent that such interest on overdue installments of principal and interest shall have been collected), and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid upon the Bonds, then to the payment of such principal and interest without preference or priority, ratably to the aggregate of such principal and interest.

Section 8.03. Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Owners of a majority in principal amount of the Bonds then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Bonds, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trustee shall not, unless there no longer continues an Event of Default, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Owners of a majority in principal amount of the Outstanding Bonds hereunder opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation.

Section 8.04. Limitation on Owner's Right to Sue. No Owner of any Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Indenture, unless (a) such Owner shall have previously given to the Authority and the Administrator (prior to the Dissolution Date) or the Administrator (from and after the Dissolution Date), and the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of all the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee indemnity reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of any remedy hereunder; it being understood and intended that no one or more Owners shall have any right in any manner whatever by his or their action to enforce any right under this Indenture, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Bonds.

The right of any Owner of any Bond to receive payment of the principal of (and premium, if any) and interest on such Bond as herein provided, shall not be impaired or affected without the written consent of such Owner, notwithstanding the foregoing provisions of this Section or any other provision of this Indenture.

Section 8.05. Non-Waiver. Nothing in this Article VIII or in any other provision of this Indenture or in the Bonds, shall affect or impair the obligation of the Authority, and the Administrator on behalf of the Authority, which is absolute and unconditional, to pay from the Pledged Tax Revenues and other amounts pledged hereunder, the principal of and interest and redemption premium (if any) on the Bonds to the respective Owners on the respective Interest Payment Dates, as herein provided, or affect or impair the right of action, which is also absolute and unconditional, of the Owners or the Trustee to institute suit to enforce such payment by virtue of the contract embodied in the Bonds.

A waiver of any default by any Owner or the Trustee shall not affect any subsequent default or impair any rights or remedies on the subsequent default. No delay or omission of any Owner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy conferred upon the Owners and the Trustee by the Marks-Roos Act or by this Article VIII may be enforced and exercised from time to time and as often as shall be deemed expedient by the Owners and the Trustee.

If a suit, action or proceeding to enforce any right or exercise any remedy shall be abandoned or determined adversely to the Owners or the Trustee, the Authority, the Administrator, the Trustee and the Owners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

Section 8.06. Actions by Trustee as Attorney-in-Fact. Any suit, action or proceeding which any Owner shall have the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Owners similarly situated and the Trustee is hereby appointed (and the successive respective Owners by taking and holding the Bonds shall be conclusively deemed so to have appointed it) the true and lawful attorney-in-fact of the respective Owners for the purpose of bringing any such suit, action or proceeding and to do and perform any and all acts and things for and on behalf of the respective Owners as a class or classes, as may be necessary or advisable in the opinion of the Trustee as such attorney-in-fact, provided, however, the Trustee shall have no duty or obligation to exercise any such right or remedy unless it has been indemnified to its satisfaction from any loss, liability or expense (including fees and expenses of its outside counsel and the allocated costs and disbursements of its in-house counsel to the extent such services are not redundant with those provided by outside counsel).

Section 8.07. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the Marks-Roos Act or any other law.

Section 8.08. Determination of Percentage of Bondowners. Whenever in this Indenture the consent, direction or other action is required or permitted to be given or taken by a percentage of the Owners of an aggregate principal amount of Outstanding Bonds (including by the Owners of a majority in aggregate principal amount of the Outstanding Bonds), such percentage shall be calculated on the basis of the principal amount of the Outstanding Bonds determined as of the next succeeding Interest Payment Date.

ARTICLE IX

THE ADMINISTRATOR

Section 9.01. Duties, Immunities and Liabilities of Administrator. It is hereby acknowledged that the Administrator is entering into this Indenture solely as an accommodation to the Authority, the Trustee and the Bondowners in light of the dissolution of the Authority on the Dissolution Date. To that end, the Administrator shall be obligated to perform such duties and only such duties as are specifically set forth in this Indenture to be performed by it and no implied covenants, duties or obligations shall be read into this Indenture against the Administrator. Where the Administrator is given the permissive right to do things enumerated in this Indenture, such right shall not be construed as a mandatory duty.

Section 9.02. Liability of Administrator.

(a) The Administrator shall have no obligation to use any of its own funds (i) to make payments on the Bonds or to the Trustee in respect thereof, or (ii) to pay any costs or expenses of the Trustee, except from amounts in the Administrative Expense Account. The recitals of facts herein and in the Bonds contained shall be taken as statements of the Authority, and the Administrator shall not assume responsibility for the correctness of the same, nor make any representations as to the validity or sufficiency of this Indenture or of the security for the Bonds nor shall incur any responsibility in respect thereof. The Administrator shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or misconduct.

(b) The Administrator shall not be liable for any action taken by it and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture, except for actions arising from the negligence or misconduct of the Administrator.

(c) The Administrator shall not be deemed to have knowledge of any Event of Default hereunder unless and until it shall have received written notice thereof from the Trustee or an owner of the Bonds. In the absence of such actual knowledge or notice, the Administrator may conclusively assume that no Event of Default has occurred and is continuing under this Indenture. Except as otherwise expressly provided herein, the Administrator shall not be bound to ascertain or inquire as to the performance or observance by any other party of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Bonds, or as to the existence of any default thereunder.

(d) No provision of this Indenture shall require the Administrator to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if amounts in the Administrative Expense Account are not available for that purpose. Nonetheless, the Administrator shall be entitled to interest on any amounts voluntarily advanced by it from its own funds at the maximum rate permitted by law.

(e) The Administrator shall have no responsibility, opinion, or liability with respect to any information, statements or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

(f) The Administrator shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the

Administrator and could not have been avoided by exercising due care. Force majeure shall include but not be limited to acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.

(g) The Administrator shall not be responsible for or accountable to anyone for the subsequent use or application of any moneys which are transferred to Local Agencies in accordance with the provisions hereof.

Section 9.03. Right to Rely on Documents and Opinions. The Administrator shall have no liability in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, facsimile transmission, electronic mail, or other paper or document reasonably believed by it to be genuine and to have been signed or prescribed by the proper party or parties, and shall not be required to make any investigation into the facts or matters contained thereon. The Administrator may consult with counsel, including, without limitation, counsel of or to the Authority, with regard to legal questions, and, in the absence of negligence or intentional misconduct by the Administrator, the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Administrator hereunder in accordance therewith.

Section 9.04. Compensation and Indemnification. The Administrator shall be entitled to reasonable compensation for all services rendered under this Indenture and also payment or reimbursement of all reasonable expenses, charges, legal and consulting fees and other disbursements and those of its attorneys, agents and employees, incurred in and about the performance of its powers and duties under this Indenture. All such compensation and payment or reimbursements shall be Administrative Expenses payable from amounts in the Administrative Expense Account. The Administrator shall have a lien on the Pledged Tax Revenues and all funds and accounts held by the Trustee hereunder to secure the payment to the Administrator of all costs and expenses, including reasonable compensation to its attorneys, subordinate to the lien thereon for the benefit of the Bondowners and the Trustee.

ARTICLE X

MISCELLANEOUS

Section 10.01. Benefits Limited to Parties. Nothing in this Indenture, expressed or implied, is intended to give to any person other than the Authority, the Administrator, the Trustee and the Owners, any right, remedy or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the Trustee, the Administrator and the Owners. Any covenants, stipulations, promises or agreements in this Indenture contained by and on behalf of the Administrator shall be for the sole and exclusive benefit of the Trustee, the Authority and the Owners. To the extent that this Indenture confers upon or gives any Insurer any right, remedy or claim under or by reason of this Indenture, such Insurer is hereby explicitly recognized as being third-party beneficiaries hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder.

Section 10.02. Successor is Deemed Included in All References to Predecessor. Whenever in this Indenture or any Supplemental Indenture any of the Authority, the Administrator or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the Authority, the Administrator or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 10.03. Discharge of Indenture.

(a) If the Administrator shall cause to be paid from the Pledged Tax Revenues or amounts in the funds and accounts created hereunder and discharge the entire indebtedness on all Bonds or any portion thereof in any one or more of the following ways:

(i) by well and truly paying or causing to be paid the principal of and interest and premium (if any) on all or the applicable portion of Outstanding Bonds, as and when the same become due and payable;

(ii) by irrevocably depositing with the Trustee, in trust, or an escrow agent, in an irrevocable escrow, at or before maturity, money which, together with the available amounts then on deposit in the funds and accounts established pursuant to this Indenture, is fully sufficient to pay all or the applicable portion of Outstanding Bonds, including all principal, interest and redemption premiums, or;

(iii) by irrevocably depositing with the Trustee, in trust, or an escrow agent, in an irrevocable escrow, Defeasance Obligations in such amount as an Independent Accountant shall determine will, together with such other money as may be deposited with the Trustee plus the interest to accrue thereon and available moneys then on deposit in the funds and accounts established pursuant to this Indenture, be fully sufficient to pay and discharge the indebtedness on all Bonds or the applicable portion thereof (including all principal, interest and redemption premiums) at or before maturity;

and, if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given pursuant to Section 2.03(d) or provision satisfactory to the Trustee shall have been made for the giving of such notice, then, at the election of the Administrator, and notwithstanding that any Bonds shall not have been surrendered for payment, the pledge of the Pledged Tax Revenues and other funds provided for in this Indenture and all other obligations of the Trustee, the Authority and the Administrator under this Indenture shall cease and terminate with respect to all Outstanding Bonds or, if applicable, with respect to that portion of the Bonds which has been paid and discharged, except only (A) the obligation of the Trustee to transfer and exchange Bonds hereunder, (B) the obligations of the Administrator under Section 6.06 hereof, and (C) the obligation of the Administrator to pay or cause to be paid to the Owners from the amounts so deposited with the Trustee, all sums due thereon and to pay the Trustee all fees, expenses and costs of the Trustee. In the event the Administrator shall, pursuant to the foregoing provision, pay and discharge any portion or all of the Bonds then Outstanding, the Trustee shall be authorized to take such actions and execute and deliver to the Administrator all such instruments as may be necessary or desirable to evidence such discharge, including, without limitation, selection by lot of Bonds of any maturity of the Bonds that the Administrator has determined to pay and discharge in part.

In the case of a defeasance or payment of all of the Bonds Outstanding, any funds thereafter held by the Trustee which are not required for said purpose or for payment of amounts due the Trustee pursuant to Section 6.06 shall be paid over to the Administrator and applied by the Administrator consistent with the Fort Ord Reuse Authority Act and the Marks-Roos Act, as applicable.

Section 10.04. Execution of Documents and Proof of Ownership by Owners. Any request, consent, declaration or other instrument which this Indenture may require or permit to be executed by any Owner may be in one or more instruments of similar tenor, and shall be executed by such Owner in person or by such Owner's attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

The ownership of Bonds and the amount, maturity, number and date of ownership thereof shall be proved by the Registration Books.

Any demand, request, direction, consent, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the Authority, the Administrator or the Trustee and in accordance therewith, provided, however, that the Trustee shall not be deemed to have knowledge that any Bond is owned by or for the account of the Authority or the Administrator unless the Authority or the Administrator is the registered Owner or the Trustee has received written notice that any other registered Owner is such an affiliate.

Section 10.05. Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned or held by or for the account of the Authority or the Administrator (but excluding Bonds held in any employees' retirement fund) shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Upon request of the Trustee, the Authority and the Administrator shall specify in a Written Certificate to the Trustee those Bonds disqualified pursuant to this Section and the Trustee may conclusively rely on such Certificate.

Section 10.06. Waiver of Personal Liability. No member, Councilmember, officer, agent or employee of the Authority or the Administrator shall be individually or personally liable for the payment of the principal or interest or any premium on the Bonds; but nothing herein contained shall relieve any such member, Councilmember, officer, agent or employee from the performance of any official duty provided by law.

Section 10.07. Destruction of Cancelled Bonds. Whenever in this Indenture provision is made for the surrender to the Trustee of any Bonds which have been paid or cancelled pursuant to the provisions of this Indenture, the Trustee shall destroy such bonds and provide the Authority a certificate of destruction. The Administrator shall be entitled to rely upon any statement of fact contained in any certificate with respect to the destruction of any such Bonds therein referred to.

Section 10.08. Notices. Any notice, request, demand, communication or other paper shall be sufficiently given and shall be deemed given when delivered or upon receipt when mailed by first class, registered or certified mail, postage prepaid, or sent by facsimile, addressed as follows:

If to the Authority:	Fort Ord Reuse Authority 920 2nd Avenue, Suite A Marina, California 93933 Attention: Executive Officer

If to the Administrator:	City of Marina 211 Hillcrest Avenue Marina, California 93933 Attention: City Manager
If to the Trustee:	U.S. Bank National Association One California Street, 10th Floor San Francisco, California 94111 Attention: Global Corporate Trust
If to the Insurer:	[To come]

The Authority, the Administrator, the Trustee and the Insurer may designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 10.09. Partial Invalidity. If any Section, paragraph, sentence, clause or phrase of this Indenture shall for any reason be held illegal, invalid or unenforceable, such holding shall not affect the validity of the remaining portions of this Indenture. The Authority and the Administrator hereby declare that they would have entered into this Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and the Authority would have authorized the issuance of the Bonds irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid or unenforceable. If, by reason of the judgment of any court, the Trustee is rendered unable to perform its duties hereunder, all such duties and all of the rights and powers of the Trustee hereunder shall, pending appointment of a successor Trustee in accordance with the provisions of Section 6.01 hereof, be assumed by and vest in the person serving as the chief financial officer of the Administrator in trust for the benefit of the Owners. The Administrator covenants for the direct benefit of the Owners that the person serving as its chief financial officer in such case shall be vested with all of the rights and powers of the Trustee hereunder, and shall assume all of the responsibilities and perform all of the duties of the Trustee hereunder, in trust for the benefit of the Bonds, pending appointment of a successor Trustee in accordance with the provisions of Section 6.01 hereof.

Section 10.10. Unclaimed Moneys. Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of the interest or premium (if any) on or principal of the Bonds which remains unclaimed for two (2) years after the date when the payments of such interest, premium and principal have become payable, if such money was held by the Trustee at such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the date when the interest and premium (if any) on and principal of such Bonds have become payable, shall be repaid by the Trustee to the Administrator free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Bondowners shall look only to the Administrator for the payment of the principal of and interest and redemption premium (if any) on of such Bonds.

Section 10.11. Execution in Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 10.12. Governing Law. This Indenture shall be construed and governed in accordance with the laws of the State applicable to contracts made and performed in the State.

ARTICLE XI

INSURANCE POLICY AND RESERVE POLICY

Section 11.01. Provisions Relating to the Insurance Policy. [To come]

Section 11.02. Provisions Relating to the Reserve Policy. [To come]

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the FORT ORD REUSE AUTHORITY has caused this Indenture to be signed in its name by its Executive Officer, the CITY OF MARINA, CALIFORNIA has caused this Indenture to be signed in its name by its City Manager, and U.S. BANK NATIONAL ASSOCIATION, in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

FORT ORD REUSE AUTHORITY

By: ___________________________________
Executive Officer

CITY OF MARINA, CALIFORNIA

By: ___________________________________
City Manager

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By:___________________________________
Authorized Officer

06006.05:J16759

EXHIBIT A

FORM OF BOND

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY TO THE TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY AND ANY PAYMENT IS MADE TO CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

R-____ **$____________**

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF MONTEREY

FORT ORD REUSE AUTHORITY
TAX ALLOCATION BOND,
SERIES 2020 (FEDERALLY TAXABLE)

INTEREST RATE:	MATURITY DATE:	DATED DATE:	CUSIP:
		May __, 2020	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: ________________________ DOLLARS

The FORT ORD REUSE AUTHORITY, a public entity duly existing under and by virtue of the laws of the State of California (the "Authority"), for value received hereby promises to pay to the Registered Owner stated above, or registered assigns (the "Registered Owner"), on the Maturity Date stated above (subject to any right of prior redemption hereinafter provided for), the Principal Sum stated above, in lawful money of the United States of America, and to pay interest thereon in like lawful money from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond, unless (i) this Bond is authenticated on or before an Interest Payment Date and after the close of business on the fifteenth (15th) day of the month immediately preceding an Interest Payment Date (the "Record Date"), in which event it shall bear interest from such Interest Payment Date, or (ii) this Bond is authenticated on or before August 15, 2020, in which event it shall bear interest from the Dated Date above; provided however, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on this Bond, until payment of such Principal Sum in full, at the Interest Rate per annum stated above, payable semiannually on March 1 and September 1 in each year, commencing September 1, 2020 (each an "Interest Payment Date"), calculated on the basis of 360-day year comprised of twelve 30-day months. Principal hereof and premium, if any, upon early redemption hereof are payable upon surrender of this Bond at the corporate trust office of U.S. Bank National Association, as trustee (the "Trustee"), in Saint Paul, Minnesota, or at such other place designated by the Trustee (the "Principal Corporate Trust Office"). Interest hereon (including the final interest payment upon maturity or earlier redemption) is payable by check of the Trustee mailed by first class mail, postage prepaid, on the Interest Payment Date to the Registered Owner hereof at the Registered Owner's address as it appears on the registration books maintained by the Trustee as of the Record Date for such Interest Payment Date; provided however, that payment of interest may be by wire transfer to an account in the United States of America to any registered owner of Bonds in the aggregate principal amount of $1,000,000 or more upon written instructions of any such registered owner filed with the Trustee for that purpose prior to the Record Date preceding the applicable Interest Payment Date.

This Bond is one of a duly authorized issue of bonds of the Authority designated as "Fort Ord Reuse Authority Tax Allocation Bonds, Series 2020 (Federally Taxable)" (the "Bonds"), of an aggregate principal amount of $__________ all of like tenor and date (except for such variation, if any, as may be required to designate varying series, numbers, maturities, interest rates, or redemption and other provisions) and all issued pursuant to the provisions of the Marks-Roos Local Bond Pooling Act of 1985, codified at Article 4 of Chapter 6 of Division 7 of Title 1 of the California Government Code (the "Marks-Roos Act") and the Fort Ord Reuse Authority Act, codified at Title 7.85 of the California Government Code (the "Fort Ord Reuse Authority Act"), and pursuant to an Indenture of Trust, dated as of May 1, 2020, entered into by and among the Authority, the City of Marina, California, as Administrator (the "Administrator") and the Trustee (the "Indenture"), providing for the issuance of the Bonds. The Bonds are being issued in the form of registered Bonds without coupons. Reference is hereby made to the Indenture (copies of which are on file at the office of the Trustee) and all indentures supplemental thereto, to the Marks-Roos Act and to the Fort Ord Reuse Authority Act, for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Pledged Tax Revenues (as that term is defined in the Indenture), and the rights thereunder of the registered owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Authority and the Administrator thereunder, to all of the provisions of which Indenture the Registered Owner of this Bond, by acceptance hereof, assents and agrees. Capitalized terms used and not otherwise defined herein have the meanings given them in the Indenture.

The Bonds are limited obligations of the Authority and this Bond and the interest hereon and on all other Bonds and the interest thereon (to the extent set forth in the Indenture), are payable from, and are secured by a pledge of, security interest in and lien on the Pledged Tax Revenues.

There has been created the Debt Service Fund (as defined in the Indenture), which will be maintained by the Trustee, into which Pledged Tax Revenues shall be deposited for payment, when due, of the principal of and the interest and redemption premium, if any, on the Bonds. As and to the extent set forth in the Indenture, all such Pledged Tax Revenues and the moneys in the Debt Service Fund, except the Administrative Expense Account and the Surplus Account therein, are exclusively and irrevocably pledged to and constitute a trust fund, in accordance with the terms hereof and the provisions of the Indenture, the Marks-Roos Act and the California Health and Safety Code, for the security and payment or redemption of, including any premium upon early redemption, and for the security and payment of interest on, the Bonds. Except for the Pledged Tax Revenues and such moneys, no funds or properties of the Authority or the Administrator shall be pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium, if any, on the Bonds.

The Bonds are subject to optional and mandatory redemption prior to maturity as described in the Indenture.

As provided in the Indenture, notice of redemption shall be given by first class mail no less than twenty (20) (or such longer period, up to thirty (30) days, as may be required by the

Depository) nor more than sixty (60) days prior to the redemption date to the respective registered owners of any Bonds designated for redemption at their addresses appearing on the Bond registration books maintained by the Trustee, but neither failure to receive such notice nor any defect in the notice so mailed shall affect the sufficiency of the proceedings for redemption.

The Administrator shall have the right to rescind any notice of optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be canceled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Indenture. The Authority, the Administrator and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall mail notice of such rescission of redemption in the same manner and to the same recipients as the original notice of redemption was sent.

If this Bond is called for redemption and payment is duly provided therefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption.

The Bonds are issuable as fully registered Bonds without coupons in denominations of $5,000 and any integral multiple thereof. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Indenture, Bonds may be exchanged for a like aggregate principal amount of Bonds of other Authorized Denominations and of the same maturity.

This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the Principal Corporate Trust Office of the Trustee, but only in the manner and subject to the limitations provided in the Indenture, and upon surrender and cancellation of this Bond. Upon registration of such transfer a new fully registered Bond or Bonds, of any Authorized Denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor. The Trustee may refuse to transfer or exchange (a) any Bond during the fifteen (15) days prior to the date established for the selection of Bonds for redemption, or (b) any Bond selected for redemption.

The Authority, the Administrator and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Authority and the Trustee shall not be affected by any notice to the contrary.

The rights and obligations of the Authority, the Administrator, the Trustee and the registered owners of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Authority to pay the principal, interest, or redemption premiums (if any) at the time and place and at the rate and in the currency provided therein of any Bond without the express written consent of any Insurer or the Owner of such Bond, (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification or (c) without its written consent thereto, modify any of the rights or obligations of the Trustee.

This Bond is not a debt, liability or obligation of any of the members, Councilmembers or officers of the Authority or the Administrator, any agency, any district, any city, the County of Monterey, the State of California, or any of its political subdivisions except the Authority, and no agency, district, or city, and none of said County, said State, nor any of its political subdivisions except the Authority is liable hereon, nor in any event shall this Bond be payable out of any funds or properties other than those pledged therefor under the Indenture. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

It is hereby certified that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due and regular time and manner as required by the Law and the laws of the State of California, and that the amount of this Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the Marks-Roos Act, the Fort Ord Reuse Authority Act, or any other laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

This Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the Trustee's Certificate of Authentication hereon shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the Fort Ord Reuse Authority has caused this Bond to be executed in its name and on its behalf with the facsimile signature of its Executive Officer and attested by the facsimile signature of its Secretary, all as of the Dated Date set forth above.

FORT ORD REUSE AUTHORITY

By: ___________________________________
Executive Officer

ATTEST:

____
Secretary

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

This is one of the Bonds described in the within-mentioned Indenture.

Authentication Date: __________________

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: ___________________________________
Authorized Signatory

[FORM OF STATEMENT OF INSURANCE]

[FORM OF ASSIGNMENT]

For value received the undersigned hereby sells, assigns and transfers unto

____

____

____
(Name, Address and Tax Identification or Social Security Number of Assignee)

the within-registered Bond and hereby irrevocably constitute(s) and appoints(s)
____ attorney,
to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: __________________________

Signatures Guaranteed:

______________________________	______________________________
Note: Signature(s) must be guaranteed by an eligible guarantor.	Note: The signatures(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

EXHIBIT B

BUILDING REMOVAL PARCELS

List of Building Removal Parcels by U.S Army Corps of Engineers ("Army") Parcel Number.

Jurisdiction	USACE Parcel Number	Description	Bond Account Owner
City of Marina	E4.1.1	Cypress Knolls	City of Marina
City of Marina	E4.1.2.1	Cypress Knolls	City of Marina
City of Marina	E4.1.2.2	Cypress Knolls	City of Marina
City of Marina	L5.9.1.1	Marina Radio Club	City of Marina
City of Marina	L5.4.2	Marina Park	City of Marina
City of Marina	L5.5.1	Marina Park	City of Marina
City of Marina	E2b.3.1.1	Marina Arts District	City of Marina
City of Marina	E2c.4.2.1	Commercial/Business Park	City of Marina
City of Marina	L5.5.1	PBC parcel 2nd Ave, across from CSBUB	City of Marina
City of Marina	L23.1.5	across from FORA on 11th street	City of Marina
City of Marina	E2d.3.2	Equestrian Center	City of Marina
City of Marina	L5.9.1.2	Equestrian Center	City of Marina
City of Marina	E2b.2.4	White Church across from VA/DOD clinic	City of Marina
City of Marina	L5.4.1	old pool, water city roller hockey	City of Marina
City of Marina	E2b.1.5	old fire station, 2nd ave.	City of Marina
City of Marina	L20.16.1	TAMC Transit Center	TAMC
City of Marina	L2.1	MST Transit Center	MST
City of Marina	L35.1	MCWD Storage	MCWD
State Parks	S3.1.1	MCWD Wastewater Plant	MCWD
City of Seaside	L2.4.3.1	MST Storage	MST
City of Seaside	L32.4.1.1	Surplus II	City of Seaside
City of Seaside	L19.4	Surplus II	City of Seaside
City of Seaside	L15.1	Surplus II	City of Seaside
City of Seaside	F2.3.2	Main Gate	City of Seaside
City of Seaside	F2.3.3	GJMB Parcel	City of Seaside
City of Seaside	F5.2	National Guard	City of Seaside
City of Seaside	L23.5.1	Chartwell School	City of Seaside
City of Seaside	E18.1.3	Nurses Barracks	City of Seaside
City of Seaside	Various	Any parcel that was within the boundaries of the former Fort Ord Military Base that is now located within the City of Seaside	City of Seaside
County of Monterey	E11b.8		County of Monterey
County of Monterey	L23.3.2.2		County of Monterey
County of Monterey	L23.3.3.1		County of Monterey
County of Monterey	L23.3.3.2		County of Monterey
County of Monterey	L20.2.1		County of Monterey
County of Monterey	L20.2.2		County of Monterey
County of Monterey	L23.3.2.1		County of Monterey

$__________
FORD ORD REUSE AUTHORITY
TAX ALLOCATION BONDS, SERIES 2020
(FEDERALLY TAXABLE)

BOND PURCHASE AGREEMENT

_____, 2020

Ford Ord Reuse Authority
920 2nd Avenue, Suite A
Marina, California 93933

Ladies and Gentlemen:

The undersigned, Stifel, Nicolaus & Company, Incorporated, on behalf of itself and as representative (the "**Representative**") of Citigroup Global Markets, Inc. (together with the Representative, the "**Underwriters**"), offers to enter into this Bond Purchase Agreement (this "**Purchase Agreement**") with the Ford Ord Reuse Authority (the "**Authority**"), which will be binding upon the Authority and the Underwriters upon the acceptance hereof by the Authority. This offer is made subject to its acceptance by the Authority by execution of this Purchase Agreement and its delivery to the Underwriters on or before 5:00 p.m., California time, on the date hereof, or at such other later time as the Underwriters shall agree to in writing. All terms used herein and not otherwise defined shall have the respective meanings given to such terms in the Indenture (as hereinafter defined).

The Authority acknowledges and agrees that: (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm's length commercial transaction between the Authority and the Underwriters; (ii) in connection with such transaction, the Underwriters are acting solely as principals and not as agents or fiduciaries of the Authority; (iii) the Underwriters have not assumed a fiduciary responsibility in favor of the Authority with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriters have provided other services or are currently providing other services to the Authority on other matters); and (iv) the Authority has consulted with its own legal and financial advisors to the extent it has deemed appropriate.

1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements hereinafter set forth, the Underwriters hereby agree to purchase from the Authority for offering to the public, and the Authority hereby agrees to sell to the Underwriters for such purpose, all (but not less than all) of the $___________ aggregate principal amount of the Ford Ord Reuse Authority Tax Allocation Bonds, Series 2020 (Federally Taxable), at a purchase price equal to $__________ (being the aggregate principal amount thereof, less an Underwriters' discount of $__________). In addition, on behalf of the Authority, from the purchase price of the Bonds, the Underwriters shall wire the amount of $__________ to the Insurer (defined below) to pay the costs of the premiums for the Policy (defined below) and the Reserve Policy (defined below). The Bonds are to be purchased by the Underwriters from the Authority. Such

payment and delivery and the other actions contemplated hereby to take place at the time of such payment and delivery are herein sometimes called the "**Closing**."

2. The Bonds and Related Documents. The Bonds shall be substantially in the form described in, and shall be issued and secured under the provisions of, an Indenture of Trust, dated as of May 1, 2020 (the "**Indenture**"), by and among the Authority, the City of Marina (the "**Administrator**") and U.S. Bank National Association, as trustee (the "**Trustee**"). The Bonds will be issued under the authority set forth in Section 67679(d)(9) of the Ford Ord Reuse Authority Act, Title 7.85, commencing with Section 67650, of the California Government Code (the "**FORA Act**"), and the Marks-Roos Local Bond Pooling Act of 1985, constituting Section 6584 et seq. of the California Government Code (the "**Marks-Roos Act**") and a resolution of the Authority adopted on December 13, 2019 (the "**Authorizing Resolution**"). The Building Removal Fund Agreements (as defined below) were approved by a resolution of the Authority adopted on April 30, 2020 (the "**Building Removal Resolution**"). The Official Statement (as defined below) was approved by a resolution of the Authority adopted on May __, 2020 (the "**Authority OS Resolution**" and, together with the Authorizing Resolution, the Building Removal Resolution, the "**Authority Resolutions**"). The Bonds shall be as described in the Indenture and the Official Statement dated the date hereof relating to the Bonds (which, together with all exhibits and appendices included therein or attached thereto and such amendments or supplements thereto which shall be approved by the Underwriters, is hereinafter called the "**Official Statement**").

The Bonds are secured by a pledge of and lien on the Pledged Tax Revenues (defined in the Indenture), which generally consist of the portion of property tax revenues allocated to (a) the Authority pursuant to California Health and Safety Code Section 33492.71, subsection (c)(1)(A) or (b) the Administrator, as successor in interest to the Authority upon its dissolution, pursuant to California Health and Safety Code Section 33492.71, subsection (c)(1)(D).

The Bonds shall be insured under a municipal bond insurance policy (the "**Policy**") from ______________________ (the "**Insurer**"). A debt service reserve insurance policy (the "**Reserve Policy**") shall also be purchased from the Insurer for the Bonds.

The net proceeds of the Bonds will be used to finance the Building Removal Costs, as such term is defined in the Indenture, and as described in the Official Statement, pursuant to certain Building Removal Funding Agreements (each a "**Building Removal Funding Agreement**") to be entered into separately among the Authority, the Administrator and each entity receiving proceeds of the Bonds, as applicable, to pay Building Removal Costs (each, a "**Funding Recipient**").

The Authority and the Administrator will undertake pursuant to the provisions of a Continuing Disclosure Certificate, dated as of May 1, 2020 (the "**Disclosure Certificate**") and executed by the Authority and the Administrator, to provide certain annual information and notices of the occurrence of certain enumerated events. A description of the undertaking is set forth in the Preliminary Official Statement (as defined below) and will also be set forth in the Official Statement.

The Indenture, the Continuing Disclosure Certificate, and this Purchase Agreement are sometimes collectively referred to herein as the "**Authority Legal Documents**."

3. Offering. Except as otherwise disclosed and agreed to by the Authority, the Underwriters agree to make a bona fide public offering of the Bonds at the initial public offering price or prices set forth on the inside cover page of the Official Statement and in Exhibit A; provided,

however, that the Underwriters reserve the right to change such initial public offering prices as the Underwriters deem necessary or desirable, in their sole discretion, in connection with the marketing of the Bonds, and to sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the initial offering prices set forth in the Official Statement. A "bona fide public offering" shall include an offering to institutional investors or registered investment companies, regardless of the number of such investors to which the Bonds are sold.

4. Use and Preparation of Documents. The Authority has caused to be prepared and delivered to the Underwriters prior to the execution of this Purchase Agreement copies of the Preliminary Official Statement dated _____ __, 2020, relating to the Bonds (the "**Preliminary Official Statement**"), which was approved by the Authority OS Resolution. The Authority ratifies, confirms and approves the use by the Underwriters prior to the date hereof of the Preliminary Official Statement. The Authority has previously deemed the Preliminary Official Statement to be final as of its date for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 ("**Rule 15c2-12**"), except for information permitted to be omitted therefrom by Rule 15c2-12. The Authority hereby agrees to deliver or cause to be delivered to the Underwriters, within seven (7) business days of the date hereof, but not less than one (1) business day prior to Closing, a sufficient number of copies of the final Official Statement relating to the Bonds, dated the date hereof, which includes all information permitted to be omitted by Rule 15c2-12 and any amendments or supplements to such Official Statement as have been approved by the Authority and the Underwriters to enable the Underwriters to distribute a single copy of each Official Statement to any potential customer of the Underwriters requesting an Official Statement during the time period beginning when the Official Statement becomes available and ending 25 days after the End of the Underwriting Period (defined below). The Authority hereby approves of the use and distribution (including the electronic distribution) by the Underwriters of the Preliminary Official Statement and the Official Statement in connection with the offer and sale of the Bonds. The Authority shall have executed and delivered to the Underwriters a certification to such effect in the form attached hereto as Exhibit B. The Underwriters agree that they will not confirm the sale of any Bonds unless the confirmation of sale is accompanied or preceded by the delivery of a copy of the Official Statement.

5. Representations, Warranties and Agreements of the Authority. The Authority hereby represents, warrants and agrees as follows:

(a) The Authority is a public entity existing and exercising its powers under the laws of the State of California (the "**State**"), including the FORA Act.

(b) The Authority has full legal right, power and authority to enter into the Authority Legal Documents and carry out and consummate the transactions contemplated by the Authority Legal Documents.

(c) By all necessary official action of the Authority prior to or concurrently with the acceptance hereof, the Authority has duly authorized and approved the preparation and use of the Preliminary Official Statement and the Official Statement, the execution and delivery of the Official Statement and the Authority Legal Documents, the issuance of the Bonds, and the performance by the Authority of all transactions contemplated by the Authority Legal Documents; and the Authority Legal Documents will constitute legal, valid and binding obligations of the Authority, enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally.

(d) The Authority is not in any material respect in breach of or default under any applicable constitutional provision, law or administrative regulation to which it is subject or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement (including, without limitation, the Indenture) or other instrument to which the Authority is a party or to which the Authority or any of its property or assets is otherwise subject, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instrument; and the execution and delivery of the Authority Legal Documents, and compliance with the provisions on the Authority's part contained therein, will not conflict with or constitute a material breach of or a material default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or to which the Authority or any of its property or assets is otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Authority or under the terms of any such constitutional provision, law, regulation or instrument, except as provided by the Indenture.

(e) Except as described in or contemplated by the Official Statement, as of the date of the Closing, all authorizations, approvals, licenses, permits, consents and orders of any governmental authority, board, authority or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by, the Authority of its obligations under the Authority Legal Documents shall have been duly obtained.

(f) Between the date of this Purchase Agreement and the date of the Closing, the Authority will not, without the prior written consent of the Underwriters, offer or issue any bonds, notes or other obligations for borrowed money, or incur any material liabilities, direct or contingent, payable from Pledged Tax Revenues (as defined in the Indenture), nor will there be any adverse change of a material nature in the financial position, results of operations or condition, financial or otherwise, of the Authority.

(g) To the best knowledge of the officer of the Authority executing this Purchase Agreement, after due inquiry, as of the date hereof, there is no action, suit, proceeding, inquiry or investigation, at law or in equity before or by any court, government Authority, public board or body, pending or threatened against the Authority, affecting the existence of the Authority or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the execution and delivery of the Indenture or the collection or allocation to the Authority or the Administrator (as applicable) of the Pledged Tax Revenues or contesting or affecting, as to the Authority or the Administrator, the validity or enforceability of the Authority Legal Documents, or contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the powers of the Authority or the Administrator, or in any way contesting or challenging the consummation of the transactions contemplated hereby, or which might result in a material adverse change in the financial condition of the Authority or which might materially adversely affect the amount of, or the collection or allocation to the Authority or the Administrator of, the Pledged Tax Revenues; nor, to the best knowledge of the officer of the Authority executing this Purchase Agreement, is there any known basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity of the authorization, execution, delivery or performance by the Authority of the Authority Legal Documents.

(h) As of the time of acceptance hereof and as of the date of the Closing, the Authority does not and will not have outstanding any indebtedness which indebtedness is secured by a pledge of or lien on the Pledged Tax Revenues.

(i) As of the date thereof and as of the date hereof, the Preliminary Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein in light of the circumstances under which they were made, not misleading (except that this representation does not include information relating to The Depository Trust Company or the book-entry-only system, or the Insurer, the Policy or the Reserve Policy).

(j) As of the date thereof and at all times subsequent thereto to and including the date which is 25 days following the End of the Underwriting Period (as such term is hereinafter defined) for the Bonds, the Official Statement did not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made not misleading (except that this representation does not include information relating to The Depository Trust Company or the book-entry-only system, the Insurer, the Policy or the Reserve Policy).

(k) If between the date hereof and the date which is 25 days after the End of the Underwriting Period for the Bonds, an event occurs which would cause the information contained in the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make such information herein, in the light of the circumstances under which it was presented, not misleading, the Authority will notify the Underwriters, and, if in the opinion of the Underwriters or the Authority, or respective counsel, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Authority will cooperate in the preparation of an amendment or supplement to the Official Statement in a form and manner approved by the Underwriters, and shall pay all expenses thereby incurred. For the purposes of this subsection, between the date hereof and the date which is 25 days of the End of the Underwriting Period for the Bonds, the Authority will furnish such information with respect to itself as the Underwriters may from time to time reasonably request. As used herein, the term "**End of the Underwriting Period**" means the later of such time as: (i) the Authority delivers the Bonds to the Underwriters; or (ii) the Underwriters do not retain, directly or as members of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Notwithstanding the foregoing, unless the Underwriters gives notice to the contrary, the "End of the Underwriting Period" shall be the date of Closing.

(l) If the information contained in the Official Statement is amended or supplemented pursuant to paragraph (k) hereof, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the date which is 25 days after the End of the Underwriting Period for the Bonds, the portions of the Official Statement so supplemented or amended (including any financial and statistical data contained therein) will not contain any untrue statement of a material fact required to be stated therein or necessary to make such information therein in the light of the circumstances under which it was presented, not misleading (except that this representation does not include information relating to The Depository Trust Company or the book-entry-only system, or the Insurer, the Policy or the Reserve Policy).

(m) After the Closing, the Authority will not participate in the issuance of any amendment of or supplement to the Official Statement to which, after being furnished with a copy, the Underwriters shall reasonably object in writing or which shall be disapproved of by counsel for the Underwriters.

(n) Any certificate signed by any officer of the Authority and delivered to the Underwriters shall be deemed a representation by the Authority to the Underwriters as to the statements made therein.

(o) The Authority will apply the proceeds from the sale of the Bonds for the purposes specified in the Official Statement and the Building Removal Funding Agreements.

(p) The Authority has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the Authority is not a bond issuer whose arbitrage certifications may be relied upon.

(q) The Authority will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters, at the expense of the Underwriters, as it may reasonably request in order to qualify the Bonds for offer and sale under the "blue sky" or other securities laws and regulations of such states and other jurisdictions of the United States of America as the Underwriters may designate; provided, however, that the Authority will not be required to execute a special or general consent to service of process or qualify as a foreign corporation in connection with any such qualification in any jurisdiction.

(r) The Authority has not been subject to any continuing disclosure undertaking within the last five years.

(s) The default judgment dated March 12, 2020 (the "**Default Judgment**") entered in favor of the Authority in connection with *Fort Ord Reuse Authority v. All Persons Interested, etc.*, Case No. 20CV000381 (the "**Validation Action**") filed in the Superior County of California, County of Monterey, was duly entered, an appeal has not been filed, and the default judgment is in full force and effect.

(t) The building removal activities and other proposed uses of proceeds of the Bonds as contemplated by the Indenture and the Building Removal Funding Agreements constitute basewide public facilities within the meaning of Government Code Section 67679(d).

(u) The Administrator has been properly designated and appointed as the successor agency to the Authority for purposes of administering the Bonds, and all required approvals and consents to such designation and appointment have been obtained.

(v) No portion of the Pledged Tax Revenues is payable to the County, the Administrator, the City of Seaside, or any other taxing entity, prior to payment of debt service on the Bonds and other amounts payable under Sections 4.02(a), (b), (c), (d) and (e) of the Indenture.

6. Closing. At 8:00 A.M., California time, on May __, 2020, or on such other date as may be mutually agreed upon by the Authority and the Underwriters, the Authority will,

subject to the terms and conditions hereof, sell and deliver the Bonds to the Underwriters, duly executed and authenticated, together with the other documents hereinafter mentioned, and, subject to the terms and conditions hereof, the Underwriters will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof in federal funds. Sale, delivery and payment as aforesaid shall be made at the offices of Quint & Thimmig, LLP, Larkspur, California ("**Bond Counsel**"), or such other place as shall have been mutually agreed upon by the Authority and the Underwriters, except that the Bonds (with one certificate for each maturity and otherwise in a form suitable for the book-entry system) shall be delivered to the Underwriters in New York, New York, through the book-entry system of The Depository Trust Company ("**DTC**"). Unless the DTC Fast Automated Securities Transfer ("**FAST**") is utilized, the Bonds will be made available for inspection by DTC at least one business day prior to the Closing.

7. Closing Conditions. The Underwriters have entered into this Purchase Agreement in reliance upon the representations and warranties of the Authority contained herein, and in reliance upon the representations and warranties to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Authority of its obligations hereunder, both as of the date hereof and as of the date of the Closing. Accordingly, the Underwriters' obligation under this Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds shall be conditioned upon the performance by the Authority of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions:

(a) The Underwriters shall receive, within seven (7) business days of the date hereof, but in no event less than 1 day prior to Closing, copies of the Official Statement (including all information previously permitted to have been omitted from the Preliminary Official Statement by Rule 15c2-12 and any amendments or supplements as have been approved by the Underwriters), in such reasonable quantity as the Underwriters shall have requested;

(b) The representations and warranties of the Authority contained herein shall be true and correct on the date hereof and on and as of the date of the Closing, as if made on the date of the Closing, and the statements of the officers and other officials of the Authority and the Trustee made in any certificate or other document furnished pursuant to the provisions hereof shall be accurate;

(c) At the time of the Closing, the Authority Legal Documents shall have been duly authorized, executed and delivered by the respective parties thereto and the Official Statement shall have been duly authorized, executed and delivered by the Authority, all in substantially the forms heretofore submitted to the Underwriters, with only such changes as shall have been agreed to in writing by the Underwriters, and shall be in full force and effect; and there shall be in full force and effect such resolution or resolutions of the governing body of the Authority as, in the opinion of Bond Counsel, shall be necessary or appropriate in connection with the transactions contemplated hereby;

(d) At the time of the Closing, all necessary official action of the Authority relating to the Official Statement and the Authority Legal Documents shall have been taken and shall be in full force and effect and shall not have been amended, modified or supplemented in any material respect;

(e) At or prior to the Closing, the Underwriters shall have received copies of each of the following documents:

(1) Bond Counsel Opinion. The approving opinion of Bond Counsel to the Authority, dated the date of the Closing and substantially in the form included as Appendix __ to the Official Statement;

(2) Supplemental Opinion of Bond Counsel. A supplemental opinion or opinions of Bond Counsel addressed to the Underwriters, in form and substance acceptable to the Underwriters, and dated the date of the Closing, stating that the Underwriters may rely on the opinions of Bond Counsel described in paragraph (1) above as if such opinions were addressed to the Underwriters and to the following effect:

(i) the Purchase Agreement, the Continuing Disclosure Certificate, the Building Removal Funding Agreements and the Irrevocable Direction (as defined herein) have been duly executed and delivered by the Authority and (assuming due authorization, execution and delivery by and validity against the other parties thereto) constitute the valid and binding agreements of the Authority, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors' rights and by the application of equitable principles;

(ii) the statements contained in the Official Statement under the captions [“THE BONDS,”] [“SECURITY FOR THE BONDS,”] [“VALIDATION,”] [“TAX MATTERS,”] and in Appendices __ and __ insofar as such statements expressly summarize certain provisions of the Indenture or the opinion of Bond Counsel, are accurate in all material respects; and

(iii) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

(3) Authority Certificate. A certificate of the Authority, dated the date of the Closing, signed on behalf of the Authority by a duly authorized officer of the Authority, to the effect that:

(i) the representations and warranties of the Authority contained herein are true and correct in all material respects on and as of the date of the Closing as if made on the date of the Closing;

(ii) no event affecting the Authority has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement or amendment thereto which event should be disclosed in the Official Statement in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and

(iii) the Authority is not, in any material respect, in breach of or default under any applicable law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or is otherwise subject, which would have a material adverse impact on the Authority's ability to perform its obligations under the Authority Legal Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument.

(4) Authority Counsel Opinion. An opinion of Kennedy, Archer & Griffen, Counsel to the Authority, dated the date of the Closing and addressed to the Underwriters, in form and substance acceptable to the Underwriters to the following effect:

(i) the Authority is a public entity duly organized and existing under the Constitution and laws of the State, with full right, power and authority to execute, deliver and perform its obligations under the Authority Legal Documents;

(ii) the Authority Resolutions were duly adopted at regular meetings of the Authority, called and held pursuant to law, with all public notice required by law and at which quorums were present and acting throughout; and the Authority Resolutions are in full force and effect and have not been modified amended or rescinded since their respective adoption date;

(iii) the Authority Legal Documents, the Preliminary Official Statement and the Official Statement have been duly authorized, executed and delivered (as applicable) by the Authority and, assuming due authorization, execution and delivery by the other parties thereto, the Authority Legal Documents constitute the valid, legal and binding obligations of the Authority enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors rights and by the application of equitable principles if equitable remedies are sought;

(iv) the execution and delivery of the Authority Legal Documents and the Official Statement and compliance with the provisions of the Authority Legal Documents, under the circumstances contemplated thereby, (1) do not and will not in any material respect conflict with or constitute on the part of the Authority a breach of or default under any agreement or other instrument to which the Authority is a party or by which it is bound, and (2) do not and will not in any material respect constitute on the part of the Authority a violation, breach of or default under any existing law, regulation, court order or consent decree to which the Authority is subject;

(v) to the best of such counsel's knowledge, except as otherwise disclosed in the Official Statement, there is no litigation or proceeding, pending and served, or threatened, challenging the creation, organization or existence of the Authority, or the validity of the Bonds or the Authority Legal Documents or seeking to restrain or enjoin any of the transactions referred to therein or contemplated thereby, or under which a determination adverse to the Authority would have a material adverse effect upon the financial condition or the revenues of the Authority, or which, in any manner, questions the right of the Authority to issue, sell and deliver the Bonds, to enter into the Authority Legal Documents or to use the Pledged Tax Revenues for repayment of the Bonds or affects in any manner the right or ability of the Authority or the Administrator to receive the Pledged Tax Revenues or the authority of the Authority to pledge the Pledged Tax Revenues;

(vi) the Default Judgment entered in favor of the Authority in connection with the Validation Action was duly entered, an appeal has not been filed, and the default judgment is in full force and effect;

(vii) the Summons issued in connection with the Validation Action was properly served on the California Department of Finance within the time required by applicable laws and rules of court;

(viii) the building removal activities and other proposed uses of proceeds of the Bonds as contemplated by the Indenture and the Building Removal Funding Agreements constitute basewide public facilities within the meaning of Government Code Section 67679(d);

(ix) the Administrator has been properly designated and appointed as the successor agency to the Authority for purposes of administering the Bonds, and all required approvals and consents to such designation and appointment have been obtained; and

(x) based upon his or her participation as Authority Counsel in the preparation of the Preliminary Official Statement and the Official Statement and without having undertaken to determine independently the fairness, accuracy or completeness of the statements contained in the Preliminary Official Statement or the Official Statement, Authority Counsel has no reason to believe that the information relating to the Authority, the Pledged Tax Revenues (excluding any financial or statistical data with respect thereto, and any information relating to The Depository Trust Company or the book-entry only system, or the Insurer, the Policy or the Surety Policy, all as to which no opinion is expressed) contained in the Preliminary Official Statement, as of its date and as of the date hereof and the Official Statement, as of its date and as of the date of the Closing, contains any untrue statement of a material fact or omitted or omits, respectively, to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(5) Trustee's Certificate. A Certificate, dated the date of Closing, to the effect that:

(i) the Trustee is a national banking association duly organized and validly existing under the laws of the United States of America;

(ii) the Trustee has full power, authority and legal right to comply with the terms of the Indenture and to perform its obligations stated therein; and

(iii) the Indenture has been duly authorized, executed and delivered by the Trustee and (assuming due authorization, execution and delivery by the other parties thereto) constitutes the legal, valid and binding obligation of the Trustee in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally.

(6) Trustee Counsel Opinion. The opinion of counsel to the Trustee, dated the date of the Closing, addressed to the Underwriters, to the effect that:

(i) The Trustee is a national banking association, duly organized and validly existing under the laws of the United States of America, having full power to enter into, accept and administer the trusts created under the Indenture;

(ii) The Indenture has been duly authorized, executed and delivered by the Trustee and Indenture constitutes the legal, valid and binding obligation of the Trustee, enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles, if equitable remedies are sought; and

(iii) Except as may be required under Blue Sky or other securities laws of any state, no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the Trustee that has not been obtained is or will be required for the execution and delivery of the Indenture, or the consummation of the transactions contemplated by the Indenture.

(7) Authority Resolutions. A copy of each of the Authority Resolutions.

(8) Authority Board Certificate. A certificate of the Secretary of the Authority to the effect that the Authority Resolutions were validly adopted, remain in full force and effect, and have not been amended, rescinded or otherwise modified since their respective date of adoption.

(9) Authority Legal Documents. Fully executed copies of this Purchase Agreement and the other Authority Legal Documents.

(10) Validation Action. A copy of the Default Judgment entered in favor of the Authority in connection with the Validation Action.

(11) Irrevocable Direction. A copy of the Irrevocable Direction to Transfer Funds, dated the date of the Closing (the "**Irrevocable Direction**"), duly executed by the Authority, the Auditor-Controller of the County, the Treasurer-Tax Collector of the County and the Administrator.

(12) County Resolutions. A copy of the resolution of the County Board of Supervisors, adopted on December 10, 2019, making the finding of public benefit required by the Marks-Roos Act (the "**County Resolution**"), and on _____ __, 2020 approving the Building Removal Funding Agreement with respect to the County.

(13) County Certificates. A certificate of the County, dated the date of this Purchase Agreement, substantially in the form attached hereto as Exhibit C, as well as a closing certificate of the County dated the date of the Closing, in form and substance acceptable to the Underwriters, to the effect that the representations and warranties in the County's certificate are true and correct as of the date of the Closing.

(14) Opinion of County Counsel. An opinion of County Counsel, dated the date of the Closing and addressed to the Underwriters, to the effect that:

(i) the County has full power, authority and legal right to comply with the terms of the Building Removal Funding Agreement with respect to the County and the Irrevocable Direction and to perform its obligations stated therein; and

(ii) the Building Removal Funding Agreement with respect to the County and the Irrevocable Direction have been duly authorized, executed and delivered by the County and (assuming due authorization, execution and delivery by the other parties thereto) constitute the legal, valid and binding obligations of the County in accordance with their terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally.

(15) City of Marina Certificates. A certificate of the City of Marina, dated the date of this Purchase Agreement, substantially in the form attached hereto as Exhibit D, as well as a closing certificate of the City of Marina, dated the date of the Closing, in form and substance acceptable to the Underwriters, to the effect that the representations and warranties in the City of Marina's certificate are true and correct as of the date of the Closing.

(16) Opinion of City of Marina City Attorney. An opinion of the City Attorney of the City of Marina, dated the date of the Closing and addressed to the Underwriters, to the effect that:

(i) the City of Marina has full power, authority and legal right to comply with the terms of the Indenture and to perform its obligations stated therein;

(ii) the Indenture has been duly authorized, executed and delivered by the City of Marina and (assuming due authorization, execution and delivery by the other parties thereto) constitute the legal, valid and binding obligations of the City of Marina in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally.

(17) City of Seaside Certificates. A certificate of the City of Seaside, dated the date of this Purchase Agreement, substantially in the form attached hereto as Exhibit E, as well as a closing certificate of the City of Seaside, in form and substance acceptable to the Underwriters, to the effect that the representations and warranties in the City of Seaside's certificate are true and correct as of the date of the Closing.

(18) Rating Letter. A letter from __________ ("_____") to the effect that the Bonds have been assigned an insured rating of "_____" and the Bonds have been assigned an underlying rating of "_____," which ratings shall be in effect as of the date of the Closing.

(19) Disclosure Letter. A letter of Quint & Thimmig, LLP ("**Disclosure Counsel**"), dated the date of the Closing, addressed to the Underwriters, to the effect that, based upon its participation in the preparation of the Preliminary Official Statement and the Official Statement and without having undertaken to determine independently the fairness, accuracy or completeness of the statements contained in the Preliminary Official Statement and the Official Statement, such counsel has no reason to believe that the Preliminary Official Statement, as of its date and as of the date of this Purchase Agreement, and the Official Statement, as of the date of this

Purchase Agreement as of the date of the Closing (excluding therefrom the reports, financial and statistical data and forecasts therein and the information included in Appendices __ and __ thereto and information relating to The Depository Trust Company or the book-entry only system, or the Insurer, the Policy or the Reserve Policy, as to which no advice need be expressed) contained or contains any untrue statement of a material fact or omitted or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(20) Fiscal Consultant's Report. The Fiscal Consultant's Report (defined in the Official Statement) prepared by Economic & Planning Systems, Inc. (the "**Fiscal Consultant**") providing information with respect to the Project Areas and the Pledged Tax Revenues.

(21) Fiscal Consultant's Certificate. A certificate of the Fiscal Consultant dated the date of the Closing, addressed to the Authority and the Underwriters, in form and substance acceptable to the Underwriters, (i) certifying as to the accuracy of (A) the information contained in APPENDIX __—"FISCAL CONSULTANT'S REPORT", and the information in the Official Statement under the captions ____________________, (ii) consenting to the inclusion of such firm's Fiscal Consultant's Report in the Preliminary Official Statement and the Official Statement, and (iii) stating that, to the best of such firm's knowledge, but without having conducted any investigation with respect thereto, nothing has come to such firm's attention between the date of such report and the date of the Closing which would materially alter any of the conclusions set forth in such report.

(22) Municipal Advisor Certificate. A certificate, dated the Closing Date, signed by a duly authorized official of NHA Advisors, LLC, in its capacity as municipal advisor to the Authority (in such capacity, the "**Municipal Advisor**") to the effect that, (A) in connection with its participation in the preparation of the Preliminary Official Statement and the Official Statement and without undertaking any independent investigation and without having undertaken to determine independently the fairness, accuracy or completeness of the statements contained in the Preliminary Official Statement or the Official Statement, nothing has come to the attention of the Municipal Advisor that would lead it to believe that the statements and information contained in the Preliminary Official Statement as of the date thereof and as of the date of this Purchase Agreement or the Official Statement as of its date and as of the Closing Date contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading.

(23) Underwriters' Counsel Opinion. An opinion, dated the date of the Closing and addressed to the Underwriters, of Stradling Yocca Carlson & Rauth, a Professional Corporation, counsel to the Underwriters, in form and substance satisfactory to the Underwriters.

(24) Bond Insurance Policy. The executed Policy of the Insurer insuring the scheduled payment of principal of and interest on the Insured Bonds, substantially in the form attached as Appendix __ to the Official Statement.

(25) Reserve Policy. The executed Reserve Policy issued by the Insurer.

(26) Insurer Counsel Opinion. An opinion of counsel to the Insurer, dated as of the date of Closing, addressed to the Underwriters and the Authority in form and substance acceptable to the Underwriters, substantially to the effect that: (i) the Insurer has been duly incorporated and is validly existing and in good standing under the laws of the State of its incorporation; (ii) the Policy and Reserve Policy constitute legal, valid and binding obligations of the Insurer enforceable in accordance with their terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization, rehabilitation and other similar laws of general applicability relating to or affecting creditors' and/or claimants' rights against insurance companies and to general equity principles; and (iii) the information contained in the Official Statement under the caption "BOND INSURANCE" does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(27) Additional Documents. Such additional certificates, instruments and other documents as Bond Counsel, the Authority or the Underwriters may reasonably deem necessary.

All the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Purchase Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Underwriters.

If the Authority or the Trustee shall be unable to satisfy the conditions to the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Bonds contained in this Purchase Agreement, if the Authority shall determine in good faith (and provide written notice to the Underwriters) that legislation has been introduced or proposals made by the Governor of the State which if enacted and effective would prohibit the issuance of the Bonds, or if the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and the Underwriters shall be under no further obligation hereunder.

8. Termination. The Underwriters shall have the right to terminate the Underwriters' obligations under this Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds by notifying the Authority of its election to do so if, after the execution hereof and prior to the Closing, any of the following events occurs:

(a) the market price or marketability of the Bonds, or the ability of the Underwriters to enforce contracts for the sale of the Bonds, shall be materially adversely affected by any of the following events:

(1) legislation shall have been enacted by the Congress of the United States or the legislature of the State or shall have been favorably reported out of committee of either body or be pending in committee of either body, or shall have been recommended to the Congress for passage by the President of the United States or a member of the President's Cabinet, or a decision shall have been rendered by a court of the United States or the State or the Tax Court of the United States, or a ruling, resolution, regulation or temporary regulation, release or announcement shall have been made or shall have been proposed to be made by the Treasury Department of the United States or the Internal Revenue Service, or other federal or state authority with appropriate jurisdiction, with respect

to federal or state taxation upon interest received on obligations of the general character of the Bonds; or

(2) there shall have occurred (i) an outbreak or escalation of hostilities or the declaration by the United States of a national emergency or war or (ii) any other calamity or crisis in the financial markets of the United States or elsewhere or the escalation of such calamity or crisis; or

(3) a general suspension of trading on the New York Stock Exchange or other major exchange shall be in force, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of the Securities and Exchange Commission (the "**SEC**") or any other governmental authority having jurisdiction; or

(4) legislation shall have been enacted by the Congress of the United States or shall have been favorably reported out of committee or be pending in committee, or shall have been recommended to the Congress for passage by the President of the United States or a member of the President's Cabinet, or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation or statement by or on behalf of the SEC or other governmental agency having jurisdiction of the subject matter shall be made, to the effect that any obligations of the general character of the Bonds, or the Authority Legal Documents, or any comparable securities of the Authority, are not exempt from the registration, qualification or other requirements of the Securities Act of 1933 or the Trust Indenture Act of 1939 or otherwise, or would be in violation of any provision of the federal securities laws; or

(5) except as disclosed in or contemplated by the Official Statement, any material adverse change in the affairs of the Authority shall have occurred; or

(6) any rating on: (i) securities of the Authority which are secured by a pledge of the Pledged Revenues on a parity with the Bonds or (ii) the Insurer is reduced or withdrawn or placed on credit watch with negative outlook by any major credit rating agency; or

(b) any event or circumstance shall exist that either makes untrue or incorrect in any material respect any statement or information in the Official Statement (other than any statement provided by the Underwriters) or is not reflected in the Official Statement but should be reflected therein in order to make the statements therein, in the light of the circumstances under which they were made, not misleading and, in either such event, the Authority refuses to permit the Official Statement to be supplemented to supply such statement or information, or the effect of the Official Statement as so supplemented is to materially adversely affect the market price or marketability of the Bonds or the ability of the Underwriters to enforce contracts for the sale of the Bonds; or

(c) a general banking moratorium shall have been declared by federal or State authorities having jurisdiction and be in force; or

(d) a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred; or

(e) any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or a charge to the net capital requirements of, underwriters shall have been established by the New York Stock Exchange, the SEC, any other federal or State agency or the Congress of the United States, or by Executive Order; or

(f) a decision by a court of the United States shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the Bonds, including the underlying obligations as contemplated by this Purchase Agreement or by the Official Statement, or any document relating to the issuance, offering or sale of the Bonds, is or would be in violation of any provision of the federal securities laws at the date of the Closing, including the Securities Act of 1933, the Securities Exchange Act of 1934 and the Trust Indenture Act of 1939.

9. Expenses. The Authority will pay or cause to be paid the approved expenses incident to the performance of its obligations hereunder and certain expenses relating to the sale of the Bonds, including, but not limited to, (a) the cost of the preparation and printing or other reproduction of the Authority Legal Documents (other than this Purchase Agreement); (b) the fees and disbursements of Bond Counsel, Disclosure Counsel, the Financial Advisor, Fiscal Consultant and any other experts or other consultants retained by the Authority; (c) the costs and fees of the credit rating agencies; (d) the cost of preparing and delivering the definitive Bonds; (e) the cost of providing immediately available funds on the Closing Date; (f) the cost of the printing or other reproduction of the Preliminary Official Statement and Official Statement and any amendment or supplement thereto, including a reasonable number of certified or conformed copies thereof; (g) the Underwriters out-of-pocket expenses incurred with the financing; and (h) expenses (included in the expense component of the spread) incurred on behalf of the Authority's employees which are incidental to implementing this Purchase Agreement. The Underwriters will pay the expenses of the preparation of this Purchase Agreement and all other expenses incurred by the Underwriters in connection with the public offering and distribution of the Bonds, and the fee and disbursements of counsel to the Underwriters. The Underwriters are required to pay the fees of the California Debt and Investment Advisory Commission in connection with the offering of the Bonds. The Authority acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider such fees. Notwithstanding that such fees are solely the legal obligation of the Underwriters, the Authority agrees to reimburse the Underwriters for such fees.

The Underwriters shall pay, and the Authority shall be under no obligation to pay, all expenses incurred by the Underwriters in connection with the public offering and distribution of the Bonds.

10. Notices. Any notice or other communication to be given to the Authority under this Purchase Agreement may be given by delivering the same in writing at the Authority's address set forth above; Attention: Executive Officer, and to the Underwriters under this Purchase Agreement may be given by delivering the same in writing to Stifel Nicolaus & Company,

Incorporated, One Montgomery Street, 35th Floor, San Francisco, California 94104, Attention: Eileen Gallagher.

11. Parties in Interest. This Purchase Agreement is made solely for the benefit of the Authority and the Underwriters and no other person shall acquire or have any right hereunder or by virtue hereof. All of the representations, warranties and agreements of the Authority contained in this Purchase Agreement shall remain operative and in full force and effect, regardless of: (i) any investigations made by or on behalf of the Underwriters; (ii) delivery of and payment for the Bonds pursuant to this Purchase Agreement; and (iii) any termination of this Purchase Agreement.

12. Effectiveness and Counterpart Signatures. This Purchase Agreement shall become effective upon the execution of the acceptance by an authorized officer of the Authority and shall be valid and enforceable at the time of such acceptance and approval. This Purchase Agreement may be executed by the parties hereto by facsimile transmission and in separate counterparts, each of which when so executed and delivered (including delivery by facsimile transmission) shall be an original, but all such counterparts shall together constitute but one and the same instrument.

13. Headings. The headings of the sections of this Purchase Agreement are inserted for convenience only and shall not be deemed to be a part hereof.

14. Governing Law. This Purchase Agreement shall be construed in accordance with the laws of the State of California.

Very truly yours,

STIFEL, NICOLAUS & COMPANY,
INCORPORATED

By:____
Its: Authorized Officer

Accepted:

FORT ORD REUSE AUTHORITY

By:________________________________
Executive Officer

Time of Execution: ________________ California Time

EXHIBIT A

$_________
FORT ORD REUSE AUTHORITY
TAX ALLOCATION BONDS, SERIES 2020
(FEDERALLY TAXABLE)

Maturity Date (__________ 1)	*Principal Amount*	*Interest Rate*	*Yield*	*Price*

[C Priced to first optional redemption date of __________ 1, 20__, at ____.]
[T Term Bonds.]

[REDEMPTION]

EXHIBIT B

$__________[*]
FORT ORD REUSE AUTHORITY
TAX ALLOCATION BONDS, SERIES 2020
(FEDERALLY TAXABLE)

RULE 15c2-12 CERTIFICATE

The undersigned hereby certifies and represents that he is the Executive Officer of the Fort Ord Reuse Authority (the "**Authority**"), and, as such, is duly authorized to execute and deliver this certificate and further hereby certifies that:

(1) this certificate is being delivered in connection with the sale and issuance of the above-captioned obligations (the "**Bonds**") in order to enable the underwriters of the Bonds to comply with Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (the "**Rule**");

(2) in connection with the sale and issuance of the Bonds, there has been prepared a Preliminary Official Statement dated the date of this certificate setting forth information concerning the Bonds and the Authority (the "**Preliminary Official Statement**"); and

(3) except for the Permitted Omissions, the Preliminary Official Statement is deemed final within the meaning of the Rule. As used herein, the term "**Permitted Omissions**" refers to the offering price(s), interest rates(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings and other terms of the Bonds depending on such matters, all as set forth in the Rule.

Dated: _____ __, 2020

FORT ORD REUSE AUTHORITY

By: ____
Its: Executive Officer

[*] *Preliminary, subject to change.*

EXHIBIT C

FORT ORD REUSE AUTHORITY
TAX ALLOCATION BONDS, SERIES 2020
(FEDERALLY TAXABLE)

CERTIFICATE OF THE COUNTY OF MONTEREY

_____ __, 2020

In connection with the proposed offer and sale of the above-referenced bonds (the "Bonds"), the County of Monterey (the "County") hereby represents, warrants and covenants to the Fort Ord Reuse Authority (the "Authority"), Stifel, Nicolaus & Company, Incorporated ("Stifel"), and Citigroup Global Markets, Inc., as underwriters of the Bonds ("Citigroup," and, together with Stifel, the "Underwriters"), as follows:

A. The County is a county of the State of California duly organized and existing under the Constitution and laws of the State of California with full power, authority and legal right to comply with the terms of the Irrevocable Direction and to perform its obligations stated therein

B. The Irrevocable Direction has been duly authorized, executed and delivered by the County.

C. The County has validly adopted the County Resolution following a duly noticed public hearing and the County Resolution remains in full force and effect, and has not been amended, rescinded or otherwise modified since its date of adoption.

D. The County has validly adopted the Irrevocable Direction Resolution and the Irrevocable Direction Resolution remains in full force and effect, and has not been amended, rescinded or otherwise modified since its date of adoption

E. The County certifies neither the County nor the Successor Agency to the Redevelopment Agency of the County of Monterey (the "County Successor Agency") has any claim on the Pledged Tax Revenues (as such term is defined in the Indenture) prior to the payment of the debt service on the Bonds and other payments permitted or required by the Indenture.

F. The final maturity of the outstanding enforceable obligations of the County Successor Agency is no sooner than _________, 20__. The County will not, and will not permit the officers, employees or staff of the County to, accelerate payment of, prepay, or otherwise shorten the final maturity of the outstanding enforceable obligations of the County Successor Agency to a date sooner than _________, 20__.

G. The County will not, and will not permit the officers, employees or staff of the County to, take any action to challenge the right of the Authority or the Administrator (as applicable) to receive the Pledged Tax Revenues as contemplated by the Indenture.

The County expressly acknowledges that the Underwriters and the Authority shall rely on the representations, warranties and covenants set forth in this Certificate in connection with the purchase, sale and issuance of the Bonds.

Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Purchase Agreement by and between the Authority and the Underwriters dated as of __________, 20__, relating to the Bonds.

COUNTY OF MONTEREY

By: ________________________________

Its: ________________________________

EXHIBIT D

FORT ORD REUSE AUTHORITY
TAX ALLOCATION BONDS, SERIES 2020
(FEDERALLY TAXABLE)

CERTIFICATE OF THE CITY OF MARINA

_____ __, 2020

In connection with the proposed offer and sale of the above-referenced bonds (the "Bonds"), the City of Marina (the "City") hereby represents, warrants and covenants to the Fort Ord Reuse Authority (the "Authority"), Stifel, Nicolaus & Company, Incorporated ("Stifel"), and Citigroup Global Markets, Inc., as underwriters of the Bonds ("Citigroup," and, together with Stifel, the "Underwriters"), as follows:

A. The City is a general law city of the State of California duly organized and existing under the laws of the State of California with full power, authority and legal right to comply with the terms of the Indenture and the Irrevocable Direction and to perform its obligations stated therein.

B. The Indenture and the Irrevocable Direction have been duly authorized, executed and delivered by the City.

C. The City certifies that neither the City nor the Successor Agency to the Redevelopment Agency of the City of Marina (the "Marina Successor Agency") has any claim on the Pledged Tax Revenues (as such term is defined in the Indenture) prior to the payment of the debt service on the Bonds and other payments permitted or required by the Indenture.

E. The final maturity of the outstanding enforceable obligations of the Marina Successor Agency is no sooner than _________, 20__. The City will not, and will not permit the officers, employees or staff of the City to, accelerate payment of, prepay, or otherwise shorten the final maturity of the outstanding enforceable obligations of the Marina Successor Agency to a date sooner than _________, 20__.

F. The City will not, and will not permit the officers, employees and staff of the City to, take any action to challenge the right of the Authority or the Administrator (as applicable) to receive the Pledged Tax Revenues as contemplated by the Indenture.

G. The City has been properly designated and appointed as the successor agency to the Authority for purposes of administering the Bonds, and all required approvals and consents to such designation and appointment have been obtained from the City Council of the City.

The City expressly acknowledges that the Underwriters and the Authority shall rely on the representations, warranties and covenants set forth in this Certificate in connection with the purchase, sale and issuance of the Bonds. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Purchase Agreement by and between the Authority and the Underwriters dated as of ________________, 20__, relating to the Bonds.

CITY OF MARINA

By: ______________________________

Its: ______________________________

EXHIBIT E

FORT ORD REUSE AUTHORITY
TAX ALLOCATION BONDS, SERIES 2020
(FEDERALLY TAXABLE)

CERTIFICATE OF THE CITY OF SEASIDE

_____ __, 2020

In connection with the proposed offer and sale of the above-referenced bonds (the "Bonds"), the City of Seaside (the "City") represents, warrants and covenants to the Fort Ord Reuse Authority (the "Authority"), Stifel, Nicolaus & Company, Incorporated ("Stifel"), and Citigroup Global Markets, Inc., as underwriters of the Bonds ("Citigroup," and, together with Stifel, the "Underwriters"), as follows:

A. The City is a general law city of the State of California duly organized and existing under the laws of the State of California.

B. The City certifies neither the City nor the Successor Agency to the Redevelopment Agency of the City of Seaside (the "Seaside Successor Agency") has any claim on the Pledged Tax Revenues (as such term is defined in the Indenture) prior to the payment of the debt service on the Bonds and other payments permitted or required by the Indenture.

C. The final maturity of the outstanding enforceable obligations of the Seaside Successor Agency is no sooner than _________, 20__. The City will not, and will not permit the officers, employees and staff of the City to, take any action to accelerate payment of, prepay, or otherwise shorten the final maturity of the outstanding enforceable obligations of the Seaside Successor Agency to a date sooner than _________, 20__.

D. The City will not, and will not permit the officers, employees and staff of the City to, take any action to challenge the right of the Authority or the Administrator (as applicable) to receive the Pledged Tax Revenues as contemplated by the Indenture.

The City expressly acknowledges that the Underwriters and the Authority shall rely on the representations, warranties and covenants set forth in this Certificate in connection with the purchase, sale and issuance of the Bonds. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Purchase Agreement by and between the Authority and the Underwriters, dated as of _________, 20__, relating to the Bonds.

CITY OF SEASIDE

By: _________________________________
Its: _________________________________

CITY OF SEASIDE
STAFF REPORT
Amended May 6, 2020

Item No.: 10.C.

TO: City Council

BY: Craig Malin, City Manager

DATE: May 7, 2020

SUBJECT: **CONSIDER ADOPTION OF RESOLUTION APPROVING THE FOURTH SUPPLEMENT TO THE PROCLAMATION OF LOCAL EMERGENCY THE CITY OF SEASIDE (GOV. CODE §8630)**

PURPOSE & RECOMMENDATION

That the City Council adopt the resolution as presented.

BACKGROUND

MAY 6 UPDATE: Subsequent to the release of the staff report on May 4, the President of the Seaside Firefighters Association indicated a willingness of the Association to open negotiations to discuss a 10% salary reduction for Association members. Such a reduction in compensation for the Association would decrease personnel expenses in the forthcoming fiscal year by approximately $310,000, thereby averting the need to reduce minimum staffing contemplated in the original resolution.

Consequently, the minimum staffing provision in the original resolution has been removed, and no layoffs of firefighters are contemplated at this time.

Original, May 4 Text Follows
The unprecedented circumstance of the COVID–19 pandemic has resulted in an unprecedented near zeroing of new car sales and hotel tax revenue for the City, along with a three-month deferral of sales taxes by permission of the State. New car sales and leisure travel are among the most discretionary purchases of individuals. With more Americans out of work, at a faster rate than ever in history, and no definite timeline on a vaccine for the coronavirus, the rebound of discretionary purchases including new car sales and leisure travel is some unknown number of months / years in the future.

Staff projects a $10 million revenue reduction across the current and next fiscal year, with even deeper reductions possible. In an effort to extend the date at which the City is effectively out of money, in hope of having that date occur after the economy begins some substantive recovery, management staff have established a target of 20% - 25% reductions of personnel expenses. The reductions will present challenges across every department, given the City's already under-resourced staff. However, significant and prompt reductions are necessary if the City is to sustain basic operations into the next calendar year, while facing a $10+/- million revenue shortfall. Even with a 20% - 25% personnel expense reduction target, the City will be forced to deeply draw upon its fiscal reserves in the months ahead to continue operations.

Personnel expense reductions included within the Fourth Supplement Resolution and Proclamation include layoff notices to as many as 14 full-time employees, potentially including three fire-fighters. To avoid increased overtime expenses that would occur in the Fire Department if the current minimum staff of seven personnel is retained, the Resolution would authorize the City Manager, in consultation with the Fire Chief, to reduce the minimum number of staff available in the Fire Department at any one time below seven. Any expected shortfalls of staff on scene at incidents would be covered through aid agreements with neighboring fire departments.

Management staff have reduced their salaries by 10% to contribute to the personnel expense reductions necessary to extend operations, and three long-tenured employees have opted to take advantage of an early retirement option. Together with layoffs and freezing hiring of 19 positions, these and other reductions amount to approximately $5 million of expense avoidance which may be achieved through Council and management team action. The City's bargaining groups are also reviewing collaborative measures to reduce expenses, including compensation reductions / future deferrals and work schedule changes, potentially adding to the overall continuity of operations effort. The Council will be updated at the May 7 Meeting on staff's collective effort.

ATTACHMENTS

1. Draft Resolution
2. Exhibit A: Fourth Supplement to Local Proclamation

Reviewed for Submission to the
City Council by:

Craig Malin, City Manager

REVISED RESOLUTION NO. 2020-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEASIDE

RATIFYING THE FOURTH SUPPLEMENT TO PROCLAMATION OF LOCAL EMERGENCY AND PROVIDING ADDITIONAL DIRECTION

WHEREAS, Government Code §8630 and Seaside Municipal Code Chapter 2.40 authorize the City Manager, acting as the Director of Emergency Services, to proclaim a local emergency as defined by Government Code §8558, subdivision (c) when the City of Seaside City Council is not in session; and

WHEREAS, on March 19, 2020, the City of Seaside ratified the Director of Emergency Services Proclamation of Local Emergency by adopting Resolution 20-13; and

WHEREAS, on March 30, 2020, the Director of Emergency Services issued additional emergency regulations in his Revised Second Supplement to the Proclamation of Local Emergency to address employee classifications and to extend the deadlines for submitting applications for the sales of fireworks as established in Seaside Municipal Code section 8.32.050 and 8.32.060.B; and

WHEREAS, on April 2, 2020, the City Council ratified the Director of Emergency Services First and Revised Second Supplement to the Proclamation of Local Emergency; and

WHEREAS, on April 3, 2020, the County Health Director issued an extension of the shelter in place orders and further refined, defined and clarified essential activities permissible all through May 3, 2020; and

WHEREAS, on April 28, 2020, the Health Officer of the County of Monterey issued a new Order requiring the wearing of masks while participating in certain public activities; and

WHEREAS, it is anticipated that the Health Officer of the County of Monterey will extend his Orders of April 3, 2020 thereby extending the shelter in place orders beyond the May 3, 2020 date; and

WHEREAS, the City of Seaside's primary sources of revenue to support its operations come from car sales tax and transient occupancy tax – both revenue sources significantly impacted from the shelter in place orders; and

WHEREAS, the Governor of the State of California issued Executive Order N40-20 which provided extensions of time for small businesses to pay their sales tax payments; and

WHEREAS, on April 24, 2020, the Monterey County Health Officer issued an order affecting the use of all short term rental facilities to include, hotels, motels, timeshares and rentals of less than 30 days to remain open for uses limited only to COVID 19 mitigation and lodging for those providing essential services. The vacancy rate in City of Seaside's hotels is close to 100%; and

WHEREAS, the projected shortfall of incoming revenues to costs to operate the City is projected at ten million dollars over the 2020-2021 fiscal year; and

WHEREAS, the operation of numerous City offices and departments, including offices and departments responsible to processing land use, subdivision, and zoning applications have been disrupted and employees have been displaced and the revenue shortfalls will require substantial additional modifications to the operations and staffing within the City in order to be fiscally prudent and responsive to the massive fiscal impact of the emergency; and

WHEREAS, the extension of the local emergency and stay in place orders have created financial and fiscal emergency created by the Governor's Emergency Order regarding the payment of taxes, the substantial loss of sales tax revenues and transient occupancy tax revenues; and

WHEREAS, the City has had to and continues to modify its operations in order to continue to provide essential services during this time of emergency; and

WHEREAS, the City Council does hereby find that the circumstances of the pandemic spread of COVID-19 do constitute a risk of extreme peril and support and justify the additional regulations promulgated by the Fourth Supplement of the Proclamation of Local Emergency; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Seaside hereby adopt the declarations to the Director's Fourth Supplement and ratifies the Director's Fourth Supplement to his Declaration of Local Emergency, attached hereto and incorporated herein as Exhibit A, effective immediately upon the adoption of this resolution.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Seaside duly held on the 7th day of May, 2020 by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:

____
Ian N. Oglesby, Mayor

ATTEST:

____
Lesley Milton, City Clerk

APPROVED AS TO FORM:

____
CITY ATTORNEY

FOURTH SUPPLEMENT TO THE PROCLAMATION OF LOCAL EMERGENCY THE CITY OF SEASIDE (GOV. CODE §8630)

WHEREAS, Government Code §8630 and Seaside Municipal Code Chapter 2.40 authorize the City Manager, acting as the Director of Emergency Services, to proclaim a local emergency as defined by Government Code §8558, subdivision (c) when the City of Seaside City Council is not in session; and

WHEREAS, on March 13, 2020, the City Manager in his role as the Director of Emergency services, proclaimed the existence of a local emergency pursuant to Chapter 2.40 of the Seaside Municipal Code to ensure an effective response to the COVID-19 pandemic; and

WHEREAS, on March 17, 2020, the Health Officer of the County of Monterey issued an Order directing all individuals living in the County to shelter in their place of residence, except that they may leave to provide or receive certain essential services or engage in certain essential activities, and work for essential businesses and governmental services; exempting individuals experiencing homelessness from the shelter in place Order but urging them to find shelter and government agencies to provide it; directing all businesses and governmental agencies to cease nonessential operations at physical locations in the County; prohibiting all nonessential gatherings of any number of individuals; and ordering cessation of all nonessential travel; and

WHEREAS, as a result of the public health emergency and the precautions recommended by health authorities, many tenants and commercial enterprises in Seaside have experienced or expect soon to experience sudden and unexpected income loss, layoffs, and business closure, thereby placing increased demands on already strained regional and local health and safety resources; and

WHEREAS, on March 19, 2020, the City Council of the City of Seaside ratified the Local Emergency Proclamation; and

WHEREAS, on March 19, 2020, the Governor of California issued Executive Order N-33-20 imposing a state-wide shelter-in-place order; and

WHEREAS, on April 3, 2020, the Health Officer of the County of Monterey issued a continuing shelter in place order and clarified his prior orders related to essential and non-essential activities, extending the order to May 3, 2020; and

WHEREAS, on April 28, 2020, the Health Officer of the County of Monterey issued a new Order requiring the wearing of masks while participating in certain public activities; and

WHEREAS, it is anticipated that the Health Officer of the County of Monterey will extend his Orders of April 3, 2020 thereby extending the shelter in place orders beyond the May 3, 2020 date; and

WHEREAS, the City of Seaside's primary sources of revenue to support its operations come from car sales tax and transient occupancy tax – both revenue sources significantly impacted from the shelter in place orders; and

WHEREAS, the Governor of the State of California issued Executive Order N40-20 which provided extensions of time for small businesses to pay their sales tax payments; and

WHEREAS, on April 24, 2020, the Monterey County Health Officer issued an order affecting the use of all short term rental facilities to include, hotels, motels, timeshares and rentals of less than 30 days to remain open for uses limited only to COVID 19 mitigation and lodging for those providing essential services. The vacancy rate in City of Seaside's hotels is close to 100%; and

WHEREAS, the projected shortfall of incoming revenues to costs to operate the City is projected at ten million dollars over the 2020-2021 fiscal year; and

WHEREAS, pursuant to SMC Section 2.40.060 A.6.a, the Director of Emergency Services is empowered to issue rules and regulations to be confirmed by the City Council at the earliest practicable time; and

WHEREAS, in the interest of health and safety, as affected by the emergency caused by the COVID-19 pandemic, it is necessary to exercise my authority to issue these rules related to the protection of life and property.

IT IS HEREBY ORDERED THAT:

A. Layoff Notices. The City Manager, in his role as the hiring authority, is hereby authorized to issue layoff notices as required to address fiscal shortfalls.
B. Administrative Leave. Through May 31, 2020, the City Manager is authorized to pay Administrative Leave to employees as required by circumstances related to the emergency.
C. Early Retirement Incentive Program. The City Manager, in his role as the hiring authority, is authorized to proffer an Early Retirement Incentive Program, which shall be formulated in his discretion, as a tool to manage and address fiscal shortfalls exacerbated by the COVID-19 emergency.

D. Modified Operations. The City Manager is authorized to prepare and implement a modified operations plan, to include, but not be limited to, adjusting the days and hours of operation at City Hall.

DATED: April ____, 2020 By:_____________________________

Craig Malin, City Manager
Director of Emergency Services

APPROVED AS TO FORM:

____

City Attorney

CITY OF SEASIDE
STAFF REPORT

Item No.: 12.A.

TO: City Council

FROM: Craig Malin, City Manager

BY: Lesley Milton, Assistant City Manager

DATE: May 7, 2020

SUBJECT: **CONSIDER REQUEST TO SEND LETTER SUPPORTING ACCESS TO OPEN SPACE (CAMPBELL)**

PURPOSE & RECOMMENDATION

To consider sending the proposed letter to all distributed to "all" open space managers, municipalities, and health departments which have ruling powers.

BACKGROUND

During the April 16, 2020 City Council Meeting, Council Member Campbell requested that a letter of support be agendized to encourage public access to open space. The attached letter was drafted by the Council Member for consideration by the full Council and if approved, the letter would be finalized and disseminated to all applicable agencies.

FISCAL IMPACT

None.

ATTACHMENTS

1. Draft Letter

Reviewed for Submission to the
City Council by:

____
Craig Malin, City Manager

Dear Decision Makers,

The City of Seaside respectfully requests that every effort is made, by all agencies and municipalities that manage parks and open space, to preserve and encourage access to that open space for the residents of our communities. We recognize the benefits associated with getting outside, alone, with the family, or with the dog, to walk, bike and otherwise experience the outdoors. We also, absolutely, support social distancing protocols, shelter in place orders and other Public Health Directives. Seaside has closed its dog park, game courts, picnic areas and other shared high touch areas, while leaving our parks open. Due to the nature of demographics and geography, this is *a Social Justice issue*.

We have many residents who live in high density housing and on smaller lots with narrow streets and insufficient sidewalks. These conditions are not unique to Seaside and can be found in varying degrees throughout the State. The option to take the family to a safe place exercise is paramount for those not lucky enough to have access to beaches, forests, and large parks in their neighborhoods.

When one agency closes access to open space, it does not simply shift the responsibilities of managing the public and their interaction with that space to other public servants, it compounds the perceived overuse issues, by forcing more people to fewer areas (supply and demand model). Please help provide greater opportunity for constituents to get outside while facilitating social distancing in our open spaces.

Thank you for your consideration,

Seaside City Council