



# FORT ORD REUSE AUTHORITY

## SPECIAL MEETING

### FORT ORD REUSE AUTHORITY (FORA) BOARD OF DIRECTORS

Friday, March 27, 2020 at 1:00 p.m. | 940-2<sup>nd</sup> Avenue, Marina, CA 93933 (Carpenters Union Hall)

## AGENDA

ALL ARE ENCOURAGED TO SUBMIT QUESTIONS/CONCERNS BY NOON MARCH 26, 2020.

This meeting may only be accessed remotely using the following Zoom link:

<https://zoom.us/j/956115894>

Please review FORA's remote meetings protocols and best practices here:

[https://fora.org/remote\\_meetings\\_protocols](https://fora.org/remote_meetings_protocols)

#### 1. CALL TO ORDER

#### 2. PLEDGE OF ALLEGIANCE *(If able, please stand)*

#### 3. CLOSED SESSION

- a. Conference with Legal Counsel – Gov. Code §54956.9(a), (d)(1): Resource Environmental, Inc. v. Fort Ord Reuse Authority. Monterey County Superior Court Case No.: 20CV000771, Pending Litigation
- b. Conference with Legal Counsel—Gov. Code §54956.9(a), (d)(1): Fort Ord Reuse Authority v. All Persons Interested in the Matter of the Issuance and Sale of Bonds by the Fort Ord Reuse Authority and the Tax Increment Revenue Pledged To, and to be Used for, the Repayment of Such Bonds. Monterey County Superior Court Case No.: 20CV000381, Pending Litigation
- c. Conference with Legal Counsel – Gov. Code §54956.9(d)(2): Anticipated Litigation, Significant Exposure to Litigation, one potential case

#### 4. ANNOUNCEMENT OF ACTION TAKEN IN CLOSED SESSION

#### 5. ACKNOWLEDGEMENTS, ANNOUNCEMENTS, AND CORRESPONDENCE

#### 6. ROLL CALL

*FORA is governed by 13 voting members: (a) 1 member appointed by the City of Carmel; (b) 1 member appointed by the City of Del Rey Oaks; (c) 2 members appointed by the City of Marina; (d) 1 member appointed by Sand City; (e) 1 member appointed by the City of Monterey; (f) 1 member appointed by the City of Pacific Grove; (g) 1 member appointed by the City of Salinas; (h) 2 members appointed by the City of Seaside; and (i) 3 members appointed by Monterey County. The Board also includes 12 ex-officio non-voting members.*

#### 7. BUSINESS ITEMS

#### INFORMATION/ACTION

*BUSINESS ITEMS are for Board discussion, debate, direction to staff, and/or action. Comments from the public are **not to exceed 3 minutes** or as otherwise determined by the Chair.*

- a. Consider COVID-19 Public Meeting Protocols ([p. 1](#))  
**Recommendation:** Adopt Resolution 20-xx directing staff to implement COVID-19 Public Meetings Protocols.
- b. Review Building Removal Bond Documents ([p. 5](#))  
**Recommendation:** Consider NHA Advisors Memorandum on coronavirus impacts to prospective building removal bond issuance and review updated Bond Indenture of Trust.

**8. PUBLIC COMMENT PERIOD**

**INFORMATION**

*Members of the public wishing to address the Board on matters within its jurisdiction, but not on this agenda, may do so for up to 3 minutes and will not receive Board action. Due to the [Governors Stay at Home Order](#) and recent [Executive Order related to Public Meetings Protocols](#), all FORA Meetings will now be conducted via Zoom. Public comments should be emailed to [board@fora.org](mailto:board@fora.org). Thank for your patience and understanding during these unprecedented times.*

**9. ITEMS FROM MEMBERS**

**INFORMATION**

*Receive communication from Board members as it pertains to future agenda items.*

**10. ADJOURNMENT**

**NEXT REGULAR MEETING: Thursday, April 9, 2020 AT 2:00 P.M.**

# FORT ORD REUSE AUTHORITY BOARD REPORT

## BUSINESS ITEMS

**Subject:** COVID-19 Public Meeting Protocols

**Meeting Date:** March 27, 2020

**Agenda Number:** 7a

**INFORMATION/ACTION**

### **RECOMMENDATION(S):**

Approve Resolution 20-xx directing staff to implement COVID-19 Public Meeting Protocols for all noticed meetings for the Fort Ord Reuse Authority until such time as shelter at home requirements issued by Federal, State and Local Authorities for non-essential workers ends.

### **BACKGROUND/DISCUSSION:**

In an effort to slow the spread of COVID-19 and in response to the Tuesday, March 17, 2020 Executive Order N-29-20 from Governor Newsom suspending certain requirements of the Ralph M. Brown Act, FORA has begun implementing remote meeting protocols to be carried out until such time as the State of California lifts shelter at home requirements for non-essential workers. The protocols are as follows:

1. Meeting agendas and minutes will be posted electronically via the FORA website. Agendas will include information and links for remote participation through computers, tablets, smart phones and other devices.
2. Agenda packages will be distributed as usual via email and made available on the website not less than 72 hours prior to a Regular Meeting or 24 hours for a Special Meeting.
3. Board and Committee Members will participate remotely from their homes and/or offices. As per the Governor's EO N-29-20, requirements for posting agendas at and/or the location of each member have been suspended.
4. Meeting Chair(s) will recognize individuals who have used the online interface to "raise their hand(s)" and unmute their device so that comments may be heard.
5. All votes will be conducted by roll call.
6. FORA's office will remain closed until further notice. Members of the public will be able to hear and see public meetings via phone, computer or smart device.
7. Public comments will be accepted via email requests sent to [board@fora.org](mailto:board@fora.org). The public will be asked to identify the item the comment is related to in the subject line. Comments will be read by the clerk. Comments will be limited to 500 words or less to maintain existing time limits. Comments may be submitted prior to the meeting and up until such time as the Chair calls for them during regular meetings.

8. Recordings of meetings will be posted on the FORA website following the conclusion of the meeting.
9. Meeting Protocols, Best Practices Guidance and relevant links are available on the FOR A website: [https://fora.org/remote\\_meetings\\_protocols.html](https://fora.org/remote_meetings_protocols.html)

**FISCAL IMPACT:**

None.

**COORDINATION:**

Authority Counsel

**ATTACHMENTS:**

A. Resolution 20-xx Directing staff to implement COVID-19-related remote meetings protocols.

Prepared by \_\_\_\_\_  
Kendall Flint, RGS

Approved by:   
Joshua Metz, Executive Officer

**FORT ORD REUSE AUTHORITY  
Resolution 20-XX**

**A RESOLUTION OF THE GOVERNING BODY OF THE FORT ORD REUSE AUTHORITY**

THIS RESOLUTION is adopted with reference to the following facts and circumstances:

- A. **WHEREAS**, on March 4, 2020, Governor Gavin Newsom proclaimed a State of Emergency in California as a result of the threat of COVID-19; and
- B. **WHEREAS**, despite sustained efforts, the virus remains a threat, and further efforts to control the spread of the virus to reduce and minimize the risk of infection are needed; and
- C. **WHEREAS**, the Department of Public Health is maintaining up-to-date guidance relating to COVID-19, which is available to the public; and
- D. **WHEREAS**, the State of California and local governments, in collaboration with the Federal government, continue to sustain efforts to minimize the spread and mitigate the effects of COVID-19; and
- E. **WHEREAS**, under the provisions of Government Code section 8571, the Governor found that strict compliance with various statutes and regulations specified in this order would prevent, hinder or delay appropriate actions to prevent and mitigate the effects of the COVID-19 pandemic; and
- F. **WHEREAS**, Paragraph 3 of the Governor's Executive Order N-29-20 suspends the following requirements: for a physical meeting location accessible to the public, that teleconference locations are accessible to the public and that public comment be taken at those locations, that agencies post agendas at teleconference locations, and that a quorum of the local body must participate within the boundaries of the local agency; and
- G. **WHEREAS**, public agencies are still required to give advance notice, time of, and post the agendas for each public meeting according to timeframes otherwise prescribed in the Brown Act; and
- H. **WHEREAS**, agendas may be posted via a public agency's internet website; and
- I. **WHEREAS**, these provisions shall apply only during the period of time in which state or local public health officials have imposed or recommended special distancing measures.

**NOW, THEREFORE**, the Board hereby resolves that:

1. FORA meeting agendas and minutes will be posted electronically via the FORA website. Agendas will include information and links for remote participation through computers, tablets, smart phones and other devices;

2. FORA meeting agenda packages will be distributed as usual via email and made available on the FORA website not less than 72 hours prior to a Regular Meeting or 24 hours prior to a Special Meeting;
3. FORA Board and Committee Members will participate remotely from their homes and/or offices. As per the Governor's EO N-29-20, requirements for posting agendas at and/or near the location of each member have been suspended;
4. FORA Board meeting Chair(s) will recognize individuals who have used the online interface to "raise their hand(s)" and unmute their device so that comments may be heard; and
5. All votes will be conducted by roll call.
6. FORA's office will remain closed until further notice. Members of the public will be able to hear and see public meetings via phone, computer or smart device.
7. Public comments will be accepted via email requests sent to [board@fora.org](mailto:board@fora.org). The public will be asked to identify the item the comment is related to in the subject line. Comments will be read by the clerk. Comments will be limited to 500 words or less to maintain existing time limits. Comments may be submitted prior to the meeting and up until such time as the Chair calls for them during regular meetings.
8. Recordings of meetings will be posted on the FORA website following the conclusion of the meeting.
9. Digital signatures will be accepted for FORA documents.
10. The Executive Officer will have authority to determine when and if staff shall be considered essential for travel or meetings at specific locations.

Upon motion by \_\_\_\_\_, seconded by \_\_\_\_\_, the foregoing Resolution was passed on this 27<sup>th</sup> day of March, 2020, by the following vote:

AYES:  
NOES:  
ABSTENTIONS:  
ABSENT:

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Jane Parker, Chair

ATTEST:

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Joshua Metz., Secretary

# FORT ORD REUSE AUTHORITY BOARD REPORT

## BUSINESS ITEM

|                       |                                     |                           |
|-----------------------|-------------------------------------|---------------------------|
| <b>Subject:</b>       | Building Removal Bond Status Review |                           |
| <b>Meeting Date:</b>  | March 27, 2020                      | <b>INFORMATION/ACTION</b> |
| <b>Agenda Number:</b> | 7b                                  |                           |

### RECOMMENDATION:

1. Consider NHA Advisors Memo regarding coronavirus impacts to building removal bond.
2. Review Updated Bond Indenture of Trust.

### BACKGROUND/DISCUSSION:

At the October 2018 Fort Ord Reuse Authority (“FORA”) Board meeting, the Board directed staff to investigate the legality and feasibility of issuing debt against FORA’s statutory share of property tax revenue provided to FORA by the State Legislature as codified in the State of California Health and Safety Code. In January 2019, FORA released a competitive Request for Qualifications and selected NHA Advisors (“NHA”) to complete the bond feasibility and financial analysis. NHA completed its first milestone, a legal and financial feasibility memorandum regarding FORA’s statutory property tax authority, in April 2019. NHA’s preliminary finding was that FORA would be able to issue bonds in a range of \$25 to \$30 million. In July 2019, the Administrative Committee (“AC”) recommended the Board do the necessary work to prepare a bond package, and in August 2019, the Board approved the Executive Officer (“EO”) to conduct that work.

At the December 10, 2020 meeting of the Monterey County Board of Supervisors, the Board held a hearing consistent with the requirements of the Marks-Roos Act and unanimously voted to adopt Resolution No. 19-412 after a duly noticed public hearing. Resolution No. 19412 held that FORA’s assistance in financing the remediation effort by the issuance and delivery of the bonds would result in significant public benefits to the County of Monterey.

At the December 13, 2019 FORA Board meeting, the FORA Board approved Resolution No 19-13 authorizing the issuance and sale of bonds in a principal amount not to exceed \$55,000,000 to finance building removal and related costs, approving the form and authorizing the execution of an indenture of trust, authorizing judicial validation proceedings relating to the issuance of such bonds and authorizing actions related thereto. At the time, the financial analysts estimated that the bond issuance would produce revenue of approximately \$45 million.

Following FORA’s approval of the issuance and sale of the bonds, FORA became aware of a potential legal challenge to its right to issue bonds and to use its share of statutory property tax revenue to repay the bonds. At that time, the FORA Board authorized Authority Counsel to pursue whatever legal action was necessary to obtain a court determination to validate the issuance of the bonds and the tax revenue to repay them.

On January 28, 2020, Authority Counsel’s law firm filed a lawsuit in Monterey County Superior Court seeking a judgment of validation for the issuance of the bonds authorized by the FORA Board and for the payments of tax increment to FORA pursuant to California law. On March 12, 2020, Judge Lydia Villarreal of the Monterey County Superior Court entered a judgment of validation sought by FORA (**Attachment A**).

On March 5, 2020, Monterey County sent a letter to the FORA Board, requesting a revision to the allocation of previously approved bond proceeds based on refined estimates of County building removal needs. The Administrative Committee considered this request at a March 6, 2020 Special Meeting and recommended Board approval of the County's Request (**Attachment B**).

Prior to the date FORA obtained its judgment of validation, the cities of Marina and Seaside and the Monterey County Regional Fire District entered into agreement to the satisfaction of all parties and approved by the governing bodies of the respective entities (March 3 & March 5) regarding the cities' compensation of Fire District budget impacts from bond issuance (**Attachment C**).

As the final legal and other documents were being prepared, on March 4, 2020, the Governor of California declared a State of Emergency, and on March 19, 2020 issued a Stay at Home Order in response to the global COVID-19 pandemic. On March 18, the Monterey County Public Health Officer issued a Shelter in Place Order. These actions reflect unprecedented national and global efforts by governments to address the coronavirus pandemic. While critical steps to minimize infection rates and impacts on the medical system, these actions have caused unprecedented negative impacts to financial markets, including municipal bonds.

On March 22, 2020, the FORA Bond Team, led by NHA Advisors, in consultation with Bond and Authority Counsel and Underwriters, provided a Memorandum describing the impacts of the coronavirus actions on the bond market, with specific reference to the magnitude of FORA prospective bond proceeds (**Attachment D**). Current estimates reduce prospective bond proceeds from FORA's bond issuance from ~\$45 million to ~\$25-30 million.

Bond Counsel provided an updated Bond Indenture of Trust on March 24, 2020 for consideration at this meeting (**Attachment E**). This version contains refinements from of the Bond Indenture approved at the December 13, 2019 Board meeting including formal designation of the City of Marina as the Bond Successor Agency.

The information contained in this report provides the most current view of the bond environment and updated Bond Indenture of Trust. The Board is requested a) to review the NHA Advisors Memorandum and provide staff direction in the event any action alternatives are desired, and b) review the updated Bond Indenture of Trust.

### **FISCAL IMPACT**

Reviewed by FORA Controller \_\_\_\_\_

Staff time to support the AC is included in the approved annual budget.

### **COORDINATION:**

Authority Counsel, Bond Counsel, County of Monterey, Administrative Committee, NHA Advisors.

### **ATTACHMENTS:**

- A. March 12, 2020 Validation Action Judgement
- B. March 5, 2020 Monterey County Bond Reallocation Request Letter
- C. March 3, 2020 City of Marina Fire District Resolution & Three-Party Agreement
- D. March 22, 2020 NHA Advisors Memorandum
- E. March 24, 2020 Updated Bond Indenture of Trust

Prepared by  \_\_\_\_\_  
Joshua Metz

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12 Attorneys for Plaintiff  
13 FORT ORD REUSE AUTHORITY

14 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
15 COUNTY OF MONTEREY

17 FORT ORD REUSE AUTHORITY,  
18 Plaintiff,

19 vs.

20 ALL PERSONS INTERESTED IN THE  
21 MATTER OF THE ISSUANCE AND SALE  
22 OF BONDS BY THE FORT ORD REUSE  
23 AUTHORITY AND THE TAX INCREMENT  
24 REVENUE PLEDGED TO, AND TO BE  
25 USED FOR, THE REPAYMENT OF SUCH  
26 BONDS,  
27 Defendants.

ELECTRONICALLY FILED BY  
Superior Court of California,  
County of Monterey  
On 3/12/2020  
By Deputy: Cummings, Lorielle

Case No: 20CV000381

~~PROPOSED~~ JUDGMENT OF  
VALIDATION

1           The motion of Plaintiff, the Fort Ord Reuse Authority (“Plaintiff” or “FORA”), for a  
2 judgment having come before the Court, and the Court having reviewed the Memorandum of Law  
3 in Support of Judgment of Validation, the supporting declarations, and the papers on file in this  
4 action, and good cause appearing therefor, it is hereby ordered, adjudged and decreed as follows:

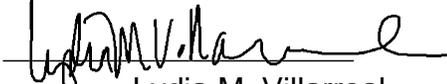
- 5           (a) This action is properly brought under § 53511 of the Government Code and § 860  
6 of the Code of Civil Procedure;
- 7           (b) All proceedings by and for Plaintiff in connection with Resolution Number 19-13  
8 of the FORA Board of Directors (“the Bond Resolution”) and the bonds authorized  
9 by the Bond Resolution (“the Bonds”) and any related agreements approved by the  
10 Bond Resolution in connection with the issuance of the Bonds, including the  
11 Indenture of Trust referenced therein, were and are valid, legal and binding  
12 obligations in accordance with their terms and were and are in conformity with the  
13 applicable provisions of all laws and enactments at any time in force or controlling  
14 upon such proceedings, whether imposed by law, constitution, statute or ordinance,  
15 and whether federal, state or municipal;
- 16           (c) All conditions, things and acts required by law to exist, happen or be performed  
17 precedent to the adoption of the Bond Resolution, and the terms and conditions  
18 thereof, and including the authorization for the issuance of the Bonds and the  
19 execution and delivery of all related agreements approved by the Bond Resolution,  
20 including the Indenture of Trust, have existed, happened and been performed in the  
21 time, form and manner required by law;
- 22           (d) FORA has the authority under California law to issue the Bonds and to execute and  
23 deliver all agreements enacted pursuant thereto, including the Indenture of Trust;
- 24           (e) The Bonds and the Indenture of Trust, and any and all contracts and agreements  
25 executed and delivered in connection therewith, are valid and binding obligations  
26 of FORA under the Constitution and laws of the State of California;
- 27           (f) The payments to FORA under Health & Safety Code Section 33492.71,  
28 subdivisions (c)(1)(A) and (D) are valid payments and shall continue as necessary  
to repay the Bonds at issue herein; and

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(g) The Monterey County Auditor-Controller is entitled and obligated to distribute amounts described in Health & Safety Code Section 33492.71, subdivisions (c)(1)(A) or (D), as applicable, to FORA to repay the Bonds until the Bonds have been paid in full.

Judgment is hereby entered in favor of the Plaintiff, the Fort Ord Reuse Authority.

Dated: **March 12, 2020**

  
Lydia M. Villarreal  
Judge of the Superior Court

# MONTEREY COUNTY RESOURCE MANAGEMENT AGENCY

Carl P. Holm, AICP, Director



LAND USE & COMMUNITY DEVELOPMENT | PUBLIC WORKS & FACILITIES | PARKS

1441 Schilling Place, South 2<sup>nd</sup> Floor

(831)755-4800

Salinas, California 93901-4527

[www.co.monterey.ca.us/rma](http://www.co.monterey.ca.us/rma)

March 5, 2020

Josh Metz, Executive Officer  
Fort Ord Reuse Authority  
920 2nd Avenue  
Marina, CA 93933

Subject: FORA Bond Proceed Allocation and Inter-Agency Agreement

Dear Mr. Metz:

At its December 13, 2019 meeting, the FORA Board approved an allocation methodology for the bond proceeds that provided 4.5% (estimate \$1.3M - \$2.25M) proceeds to the County, and included a cost estimate of \$750,000 building removal costs for the Ammo Supply Point (E11b.8) and \$1,525,000 for 5 open space parcels (L23.3.2.2, L23.3.3.1, L23.3.3.2, L20.2.1, L20.2.2).

The County Board of Supervisors' Fort Ord Committee members conducted a site visit on October 1, 2019 to locations where County (and Successor Agency) have remaining buildings/structures that may benefit from funding derived if FORA issues a bond. Following up to that, County solicited cost estimates to demolish remaining buildings on County lands in the former Fort Ord (Enclosed). The total cost estimate for demolishing and disposing of County buildings on former Fort Ord lands is approximately \$13 million, which is far in excess of the FORA proposed maximum \$2.25M bond proceeds provided for to the County, which was used for the basis of current allocation ratios.

This new information was reviewed by the Fort Ord Committee at its February 2, 2020 Special Meeting, in which the Committee and staff identified 13 buildings that are high priority to the County for removal for a total estimated cost of about \$3.1 million (less than 25% of the estimated total cost for demolition).

Given these much higher than anticipated costs, more favorable bond climate, and in consideration that taxes generated from County lands will contribute approximately 33% toward payment of the bond debt service on the bonds while receiving only approximately 5% of the proceeds, County re-evaluated the allocation methodology (Enclosed). County's analysis provided shows our allocation using the methodology used by the FORA Board at its December 13, 2019 meeting, and proposed reallocation for consideration. The allocation calculations are based on three bond yield scenarios: \$40 million; \$42 million; and \$45 million. County proposes a formula where the bond proceed allocation is 12.5% of the total bond allocation, and not less than \$5 million, to go towards demolition and revitalization of structures within the unincorporated County area. County anticipates rehabilitating bunkers at the Ammo Supply

Point if there is funding available after demolishing our high priority items, but has not yet determined whether the remaining buildings/structures are to be demolished or renovated. For calculation purposes, the County achieved this increase in its allocation by including a corresponding decrease of 4% each to the Cities of Seaside and Marina, based on percentages of work to funding.

Additionally, County requests that an agreement be developed between the entities proposed to receive bond proceeds (County of Monterey, City of Marina, City of Seaside, TAMC, MCWD, and MST) that addresses post-FORA administration of the bond, collaboration to responsibly utilize the bond proceeds, and legal concerns minimize risk associated with the bond issuance and building removal implementation.

The County hopes that FORA and its relevant member jurisdictions agree to address these issues in a timely manner. I request that you include this correspondence with the agenda packet for the FORA Administrative Committee's meeting scheduled for Friday March 6, 2020 at 12:00 pm. Don't hesitate to contact me or Melanie Beretti (berettim@co.monterey.ca.us; 831-755-5285) if you have any questions.

Sincerely,



Carl P. Holm, AICP  
RMA Director

*Enclosures:*

*County Fort Ord Demolition Cost Estimates*  
*County Fort Ord Demolition Location Maps*  
*FORA Bond Proceeds Allocation Proposals*

**FORT ORD - EAST GARRISON**  
**Demolition Cost Estimates Per Structure**

| Structure                           | Square Feet | Project & Construction |                     |                     |                     | 35% Contingency      | Total               | TO BE REMOVED          | PONTIAL REMOVE OR REHABILITATE |
|-------------------------------------|-------------|------------------------|---------------------|---------------------|---------------------|----------------------|---------------------|------------------------|--------------------------------|
|                                     |             | Construction           | Management          | *Misc.              |                     |                      |                     |                        |                                |
| <b>Theater (Foundation Only)</b>    | 14,400      | \$ 405,311             | \$ 84,913           | \$ 15,192           | \$ 141,859          | \$ 647,275           | \$ 647,275          | N/A                    |                                |
| <b>Shooting Range</b>               | 7,500       | \$ 241,330             | \$ 50,559           | \$ 19,674           | \$ 84,466           | \$ 396,028           | \$ 396,028          | N/A                    |                                |
| <b>Marshal Station</b>              | 6,600       | \$ 54,133              | \$ 11,341           | \$ 15,544           | \$ 18,946           | \$ 99,964            | \$ 99,964           | N/A                    |                                |
| <b>Subtotal</b>                     |             | <b>\$ 700,774</b>      | <b>\$ 146,812</b>   | <b>\$ 50,410</b>    | <b>\$ 245,271</b>   | <b>\$ 1,143,267</b>  | <b>\$ 1,143,267</b> | <b>\$ -</b>            |                                |
| <b>Ammunition Supply Area</b>       |             |                        |                     |                     |                     |                      |                     |                        |                                |
| Warehouse #725                      | 4,992       | \$ 360,937             | \$ 75,616           | \$ 52,538           | \$ 126,328          | \$ 615,419           | \$ -                | TBD                    |                                |
| Warehouse #727                      | 4,992       | \$ 360,937             | \$ 75,616           | \$ 52,538           | \$ 126,328          | \$ 615,419           | \$ -                | TBD                    |                                |
| Warehouse #730                      | 4,992       | \$ 360,937             | \$ 75,616           | \$ 52,538           | \$ 126,328          | \$ 615,419           | \$ -                | TBD                    |                                |
| Warehouse #735                      | 4,992       | \$ 360,937             | \$ 75,616           | \$ 52,538           | \$ 126,328          | \$ 615,419           | \$ -                | TBD                    |                                |
| Ancillary Structure #740            | 1,058       | \$ 160,451             | \$ 33,615           | \$ 53,020           | \$ 56,158           | \$ 303,243           | \$ -                | TBD                    |                                |
| Ancillary Structure #741            | 576         | \$ 73,708              | \$ 15,442           | \$ 50,444           | \$ 25,798           | \$ 165,392           | \$ -                | TBD                    |                                |
| Ancillary Structure #742            | 100         | \$ 40,347              | \$ 8,453            | \$ 50,458           | \$ 14,121           | \$ 113,379           | \$ -                | TBD                    |                                |
| Carport Structure #744              | 3,844       | \$ 181,772             | \$ 38,081           | \$ 50,262           | \$ 63,620           | \$ 333,735           | \$ -                | TBD                    |                                |
| Propane Tank & Enclosure #745       | 625         | \$ 50,110              | \$ 10,498           | \$ 49,778           | \$ 17,538           | \$ 127,924           | \$ -                | TBD                    |                                |
| Rocket Repair Structure #746        | 8,208       | \$ 725,427             | \$ 151,977          | \$ 77,671           | \$ 253,899          | \$ 1,208,974         | \$ 1,208,974        | N/A                    |                                |
| Ancillary Structure #747            | 130         | \$ 40,324              | \$ 8,448            | \$ 50,388           | \$ 14,113           | \$ 113,273           | \$ -                | TBD                    |                                |
| Warehouse #750                      | 1,200       | \$ 143,042             | \$ 29,967           | \$ 52,038           | \$ 50,065           | \$ 275,112           | \$ -                | TBD                    |                                |
| Electrical Building #752            | 540         | \$ 83,237              | \$ 17,438           | \$ 50,748           | \$ 29,133           | \$ 180,556           | \$ -                | TBD                    |                                |
| Bunker #760                         | 2,214       | \$ 327,764             | \$ 68,667           | \$ 52,528           | \$ 114,717          | \$ 563,676           | \$ -                | TBD                    |                                |
| Bunker #761                         | 2,214       | \$ 327,764             | \$ 68,667           | \$ 52,528           | \$ 114,717          | \$ 563,676           | \$ -                | Rehabilitate           |                                |
| Bunker #762                         | 2,214       | \$ 327,764             | \$ 68,667           | \$ 52,528           | \$ 114,717          | \$ 563,676           | \$ -                | Rehabilitate           |                                |
| Bunker #763                         | 2,214       | \$ 327,764             | \$ 68,667           | \$ 52,528           | \$ 114,717          | \$ 563,676           | \$ -                | Rehabilitate           |                                |
| Bunker #764                         | 2,214       | \$ 327,764             | \$ 68,667           | \$ 52,528           | \$ 114,717          | \$ 563,676           | \$ -                | Rehabilitate           |                                |
| Bunker #765                         | 2,214       | \$ 327,764             | \$ 68,667           | \$ 52,528           | \$ 114,717          | \$ 563,676           | \$ -                | Rehabilitate           |                                |
| Bunker #766                         | 2,214       | \$ 327,764             | \$ 68,667           | \$ 52,528           | \$ 114,717          | \$ 563,676           | \$ -                | Rehabilitate           |                                |
| Bunker #767                         | 2,214       | \$ 327,764             | \$ 68,667           | \$ 52,528           | \$ 114,717          | \$ 563,676           | \$ -                | Rehabilitate           |                                |
| Bunker #768                         | 2,214       | \$ 327,764             | \$ 68,667           | \$ 52,528           | \$ 114,717          | \$ 563,676           | \$ -                | Rehabilitate           |                                |
| Bunker #769                         | 2,214       | \$ 327,764             | \$ 68,667           | \$ 52,528           | \$ 114,717          | \$ 563,676           | \$ -                | Rehabilitate           |                                |
| Site Light Poles                    | Poles/Fixtu | \$ 135,541             | \$ 28,396           | \$ 20,380           | \$ 47,439           | \$ 231,755           | \$ -                | TBD                    |                                |
| <b>Subtotal</b>                     |             | <b>\$ 6,355,344</b>    | <b>\$ 1,331,445</b> | <b>\$ 1,240,619</b> | <b>\$ 2,224,371</b> | <b>\$ 11,151,779</b> | <b>\$ 1,208,974</b> | <b>\$ -</b>            |                                |
| <b>Cul-de-Sac off of Barley Cyn</b> |             |                        |                     |                     |                     |                      |                     |                        |                                |
| Latrine                             | 200         | \$ 24,751              | \$ 5,168            | \$ 16,080           | \$ 8,663            | \$ 54,661            | \$ 54,661           | N/A                    |                                |
| Ancillary Structure                 | 400         | \$ 31,017              | \$ 6,498            | \$ 16,080           | \$ 10,856           | \$ 64,451            | \$ 64,451           | N/A                    |                                |
| <b>Subtotal</b>                     |             | <b>\$ 55,768</b>       | <b>\$ 11,666</b>    | <b>\$ 32,160</b>    | <b>\$ 19,519</b>    | <b>\$ 119,112</b>    | <b>\$ 119,112</b>   | <b>\$ -</b>            |                                |
| <b>Crescent Bluff</b>               |             |                        |                     |                     |                     |                      |                     |                        |                                |
| Latrine                             | 200         | \$ 24,456              | \$ 5,123            | \$ 16,080           | \$ 8,559            | \$ 54,218            | \$ 54,218           | N/A                    |                                |
| Latrine                             | 200         | \$ 24,456              | \$ 5,123            | \$ 16,080           | \$ 8,559            | \$ 54,218            | \$ 54,218           | N/A                    |                                |
| Ancillary Structure                 | 900         | \$ 47,398              | \$ 9,930            | \$ 16,080           | \$ 16,589           | \$ 89,997            | \$ 89,997           | N/A                    |                                |
| Structure T659                      | 900         | \$ 52,618              | \$ 11,023           | \$ 16,080           | \$ 18,416           | \$ 98,138            | \$ 98,138           | N/A                    |                                |
| Structure T660                      | 1,600       | \$ 67,782              | \$ 14,200           | \$ 16,080           | \$ 23,724           | \$ 121,787           | \$ 121,787          | N/A                    |                                |
| Ancillary Structure                 | 400         | \$ 33,574              | \$ 7,034            | \$ 16,080           | \$ 11,751           | \$ 68,439            | \$ 68,439           | N/A                    |                                |
| Ancillary Structure                 | 400         | \$ 33,574              | \$ 7,034            | \$ 16,080           | \$ 11,751           | \$ 68,439            | \$ 68,439           | N/A                    |                                |
| <b>Subtotal</b>                     |             | <b>\$ 283,858</b>      | <b>\$ 59,468</b>    | <b>\$ 112,560</b>   | <b>\$ 99,350</b>    | <b>\$ 555,237</b>    | <b>\$ 555,237</b>   | <b>\$ -</b>            |                                |
| <b>Grand Total</b>                  |             | <b>\$ 7,395,745</b>    | <b>\$ 1,549,391</b> | <b>\$ 1,435,749</b> | <b>\$ 2,588,511</b> | <b>\$ 12,969,395</b> | <b>\$ 3,026,590</b> | <b>\$ 9,942,804.84</b> |                                |

\* Misc. Includes: Estimates for Environmental Testing & Oversight, Ammunition Plans & Oversight, Permitting, & Biologist & Archeologist Oversight.  
Construction Cost Include: Demolition, Capping Utilities and Abatement

**Project Cost Estimate Methodology:**

Construction quotes were done by Jacob Construction (JOC contractor). Demolition and abatement are worse case, since haz mat reports are not currently available. Quotes are available upon request.

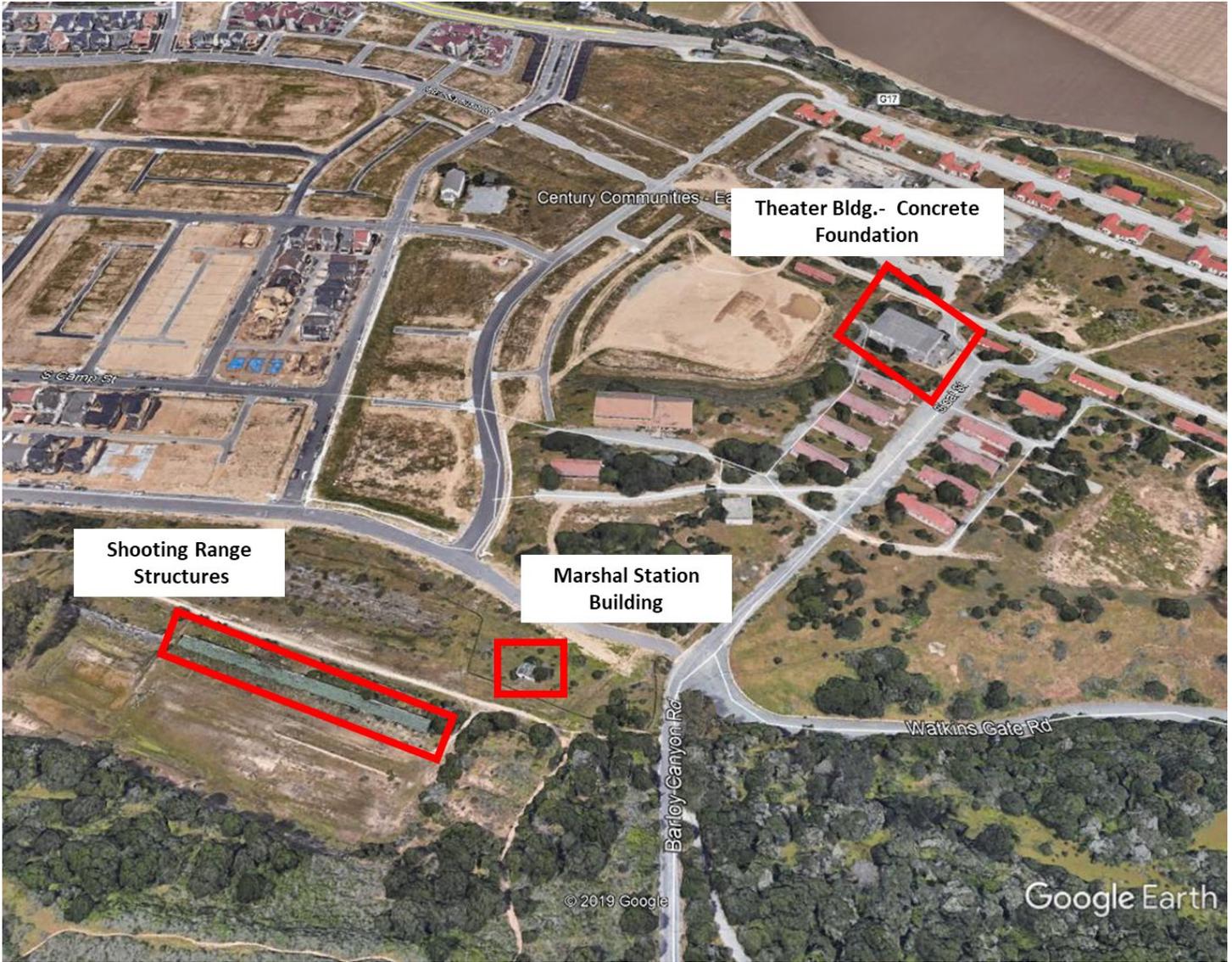
Environmental quotes (testing, oversight & clearance) were done by M3, a local vendor. Available upon request.

Project & Construction Management are based on industry standard - 20% of construction cost

Misc. costs are based on discussions with County Building and FORA staff

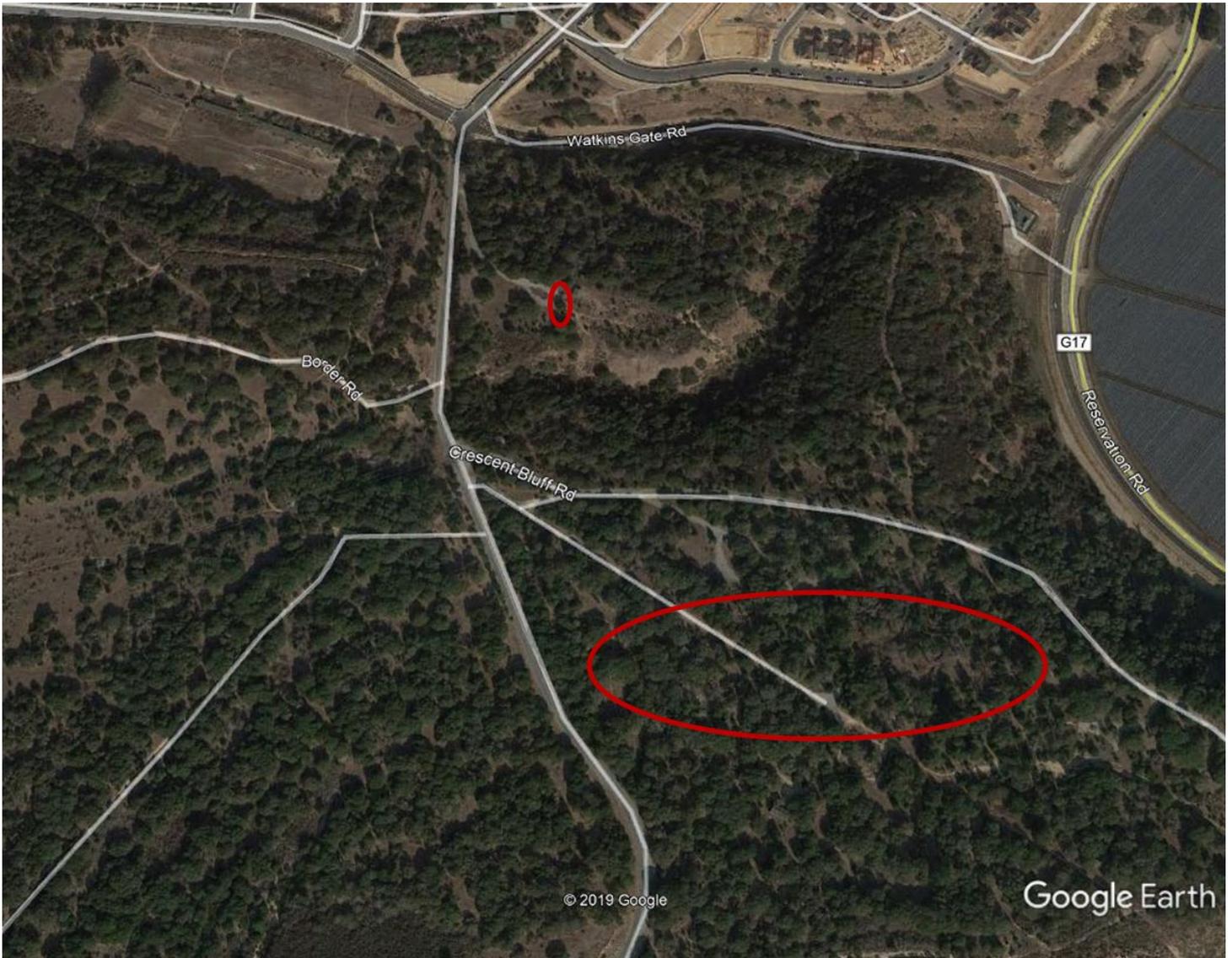
35% construction contingency was added to cover unforeseen expenditures.

**FORT ORD – East Garrison**  
**Theater Bldg. (Concrete Foundation), Marshal Station, Shooting Range**



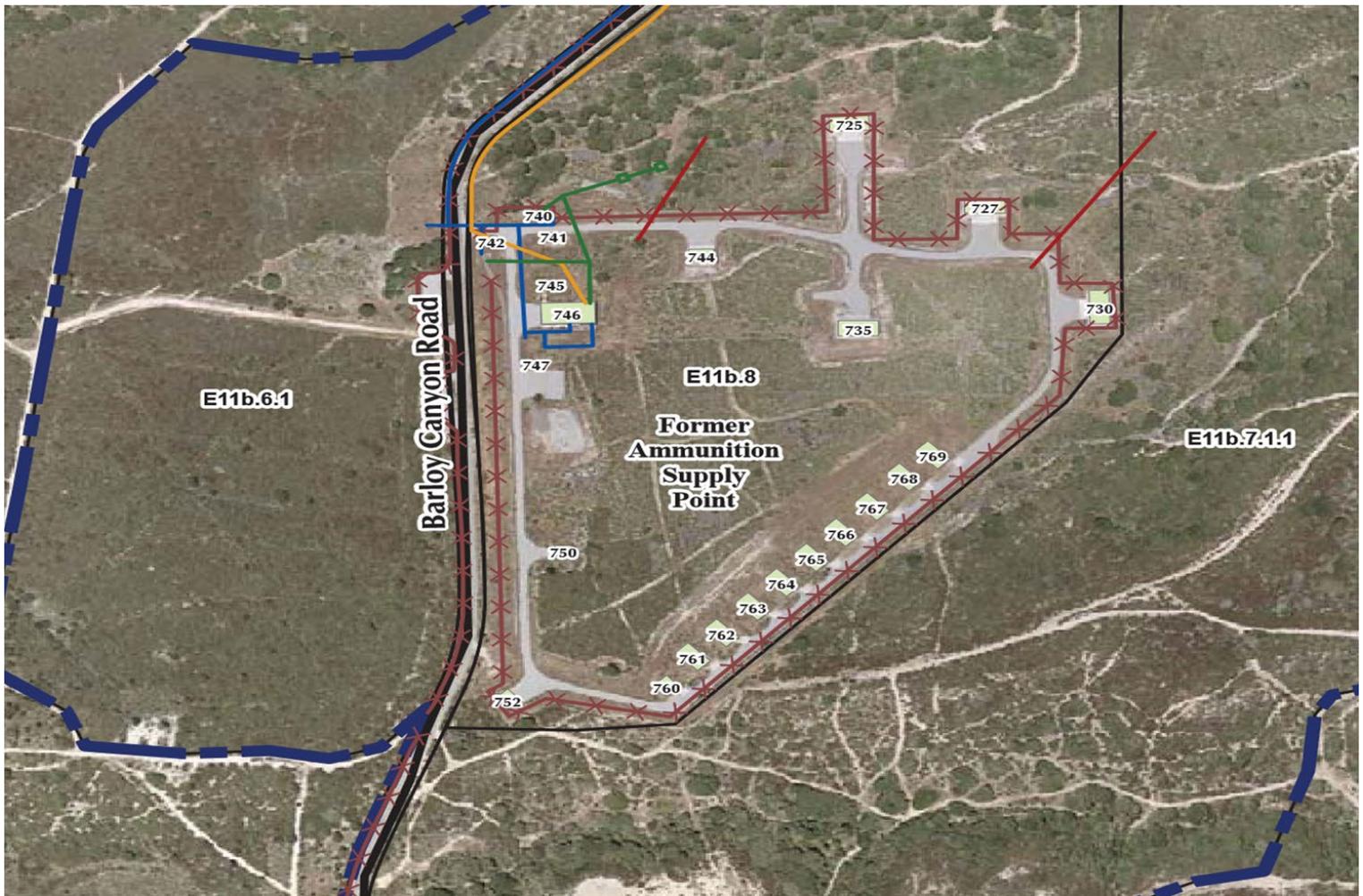
| <b>Structure</b>                         |   | <b>Square Feet</b> |
|--|---|--------------------|
| Theater Building – Concrete Foundation   | - | 14,400             |
| Marshal Station - Structure & Foundation | - | 6,000              |
| Shooting Range – Structure & Foundation  | - | 7,500              |

Fort Ord – East Garrison  
 General Location Map  
 9 Wooden Structures



| Structures                          | Square Feet |
|-------------------------------------|-------------|
| <b>Cul-de-Sac off Barley Canyon</b> |             |
| 1 Ancillary Structure               | - 400       |
| 1 Latrine                           | - 200       |
| <b>Crescent Bluff Road</b>          |             |
| 2 Latrines                          | - 200 ea    |
| 1 Ancillary Structure               | - 900       |
| 2 Ancillary Structure               | - 400 ea    |
| 1 Ancillary Structure (T659)        | - 900       |
| 1 Ancillary Structure (T660)        | - 1,600     |

## Fort Ord Ammunition Supply Point



### Structures

- 4 Warehouse (725, 727, 730, & 735)
- 1 Ancillary Structure (740)
- 1 Ancillary Structure (741)
- 1 Entrance Structure (742)
- 1 Carport Structure (744)
- 1 Propane Tank & Enclosure (745)
- 1 Rocket Repair Lab (746)
- 1 Ancillary Structure (747)
- 1 Warehouse (750)
- 1 Electrical Building (752)
- 10 Bunkers (760-769)

### Square Feet

- 4,992 ea
- 1,058
- 576
- 100
- 3,844
- 625
- 8,208
- 130
- 1,200
- 540
- 2,214 ea

## BOND PROCEEDS ALLOCATION

| Jurisdiction | Original Allocation %* | Proposed Allocation % |
|--------------|------------------------|-----------------------|
| Marina       | 50.00%                 | 46.00%                |
| Seaside      | 32.25%                 | 28.25%                |
| County       | 4.50%                  | 12.50%                |
| TAMC         | 6.25%                  | 6.25%                 |
| MCWD         | 5.25%                  | 5.25%                 |
| MST          | 1.75%                  | 1.75%                 |
|              | 100%                   | 100%                  |

### ORIGINAL ALLOCATIONS

| Bond Yield | \$ | 40,000,000 | \$ | 42,000,000 | \$ | 45,000,000 |
|------------|----|------------|----|------------|----|------------|
| Marina     | \$ | 20,000,000 | \$ | 21,000,000 | \$ | 22,500,000 |
| Seaside    | \$ | 12,900,000 | \$ | 13,545,000 | \$ | 14,512,500 |
| County     | \$ | 1,800,000  | \$ | 1,890,000  | \$ | 2,025,000  |
| TMC        | \$ | 2,500,000  | \$ | 2,625,000  | \$ | 2,812,500  |
| MCWD       | \$ | 2,100,000  | \$ | 2,205,000  | \$ | 2,362,500  |
| MST        | \$ | 700,000    | \$ | 735,000    | \$ | 787,500    |

### PROPOSED ALLOCATIONS

| Bond Yield | \$ | 40,000,000 | \$ | 42,000,000 | \$ | 45,000,000 |
|------------|----|------------|----|------------|----|------------|
| Marina     | \$ | 18,400,000 | \$ | 19,320,000 | \$ | 20,700,000 |
| Seaside    | \$ | 11,300,000 | \$ | 11,865,000 | \$ | 12,712,500 |
| County**   | \$ | 5,000,000  | \$ | 5,250,000  | \$ | 5,625,000  |
| TMC        | \$ | 2,500,000  | \$ | 2,625,000  | \$ | 2,812,500  |
| MCWD       | \$ | 2,100,000  | \$ | 2,205,000  | \$ | 2,362,500  |
| MST        | \$ | 700,000    | \$ | 735,000    | \$ | 787,500    |

\* December13 FORA Board

\*\* County requests not less than \$5M should it be less than \$40M proceeds.

RESOLUTION NO. 2020-23

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA AUTHORIZING THE CITY MANAGER TO EXECUTE A REIMBURSEMENT AGREEMENT BETWEEN THE CITY OF MARINA, THE CITY OF SEASIDE, AND THE MONTEREY COUNTY REGIONAL FIRE DISTRICT WHICH WILL REIMBURSE MONTEREY COUNTY REGIONAL FIRE DISTRICT FOR PROPERTY TAX REVENUES THAT WILL BE REDISTRIBUTED IF FORA ISSUES A BLIGHT REMOVAL BOND PRIOR TO THE SUNSET OF FORA ON JUNE 30, 2020 AND AUTHORIZING THE FINANCE DIRECTOR TO MAKE NECESSARY ACCOUNTING AND BUDGETARY ENTRIES

WHEREAS, FORA is scheduled to sunset on June 30, 2020, and prior to its dissolution, the FORA Board of Directors intends to issue bonds under the Marks-Roos Act to raise up to the amount of \$55 million in net Bond proceeds, to be repaid over a 20-year terms to be expended towards remediation of the remaining blighted property on former Fort Ord; and

WHEREAS, on January 28, 2020 FORA filed a Complaint for Validation in the Monterey County Superior Court seeking judicial validation of the Bonds; and

WHEREAS, the issuance of Bond debt by FORA prior to its dissolution will impact the redistribution of property tax revenues that would have otherwise been received by taxing entities on former Fort Ord and FORA is dissolved; and

WHEREAS, the issuance of bonds will result in the Monterey County Fire District receiving less in property taxes under the County-District Agreement and from residual distribution of property taxes; and

WHEREAS, the City of Marina and Seaside are expected to receive significant benefits from the issuance of the Bonds including funding necessary to remove the remaining blight at the former Fort Ord; and

WHEREAS, the City Marina and Seaside have determined that it is in each of their best interests to mitigate the impacts of the issuance of the Bonds on the Monterey County Fire District by entering into an agreement; and

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Marina that does hereby:

1. Authorize the City Manager to execute a reimbursement agreement between the City of Marina, the City of Seaside, and the Monterey County Regional fire District,
2. Authorize the City Manager and City Attorney to revise the dollar amounts listed for reimbursement depending on the dollar amount of the FORA blight removal bond,
3. Authorize the Finance Director to make necessary accounting and budgetary entries.

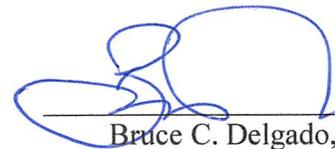
PASSED AND ADOPTED by the City Council of the City of Marina at a regular meeting duly held on the 3<sup>rd</sup> day of March 2020, by the following vote:

AYES: COUNCIL MEMBERS: Berkley, O'Connell, Morton, Delgado

NOES: COUNCIL MEMBERS: None

ABSTAIN: COUNCIL MEMBERS: Urrutia

ABSENT: COUNCIL MEMBERS: None

  
Bruce C. Delgado, Mayor

ATTEST:

  
Anita Sharp, Deputy City Clerk

**REIMBURSEMENT AGREEMENT  
BETWEEN THE  
CITY OF MARINA, THE CITY OF SEASIDE, AND THE  
MONTEREY COUNTY REGIONAL FIRE DISTRICT**

**THIS AGREEMENT** is made and entered into on March 4, 2020 (the "Reference Date") by and between the **CITY OF MARINA**, a California charter city (hereinafter referred to as "Marina") the **CITY OF SEASIDE**, a California general law city (hereinafter referred to as "Seaside"), and the **MONTEREY COUNTY REGIONAL FIRE DISTRICT**, a California fire protection district formed under California Health & Safety Code §13800 *et seq.* (hereinafter referred to as the "District"). Marina, Seaside and the District are sometimes individually referred to as "Party" and collectively as the "Parties" in this Agreement.

**Recitals**

- A. The Fort Ord Reuse Authority (hereinafter referred to as "FORA"), a public corporation of the State of California, was formed to plan, finance and manage the transition of the former Fort Ord from military to civilian use. FORA is authorized by law to issue bonds to fund base-wide improvements (Govt. Code §67679(d)).
- B. FORA is scheduled by statute to dissolve on June 30, 2020, and prior to its dissolution, the FORA Board of Directors intends to issue bonds under the Marks-Roos Act (hereinafter referred to as the "Bonds") to raise up to the amount of \$55 million in net Bond proceeds, to be repaid over a 20-year term (FYs ending 2021-2040) to be expended towards remediation of the remaining blighted property on former Fort Ord and payment of related costs. The Bonds are to be secured by a pledge of, and are to be repaid with, tax increment funds allocated to FORA. After FORA's dissolution by law these funds will continue to be paid to the accounts of FORA as needed to pay debt obligations incurred by FORA prior to its dissolution.
- C. On December 13, 2019, the FORA Board of Directors adopted Resolution 19-13 authorizing issuance and sale of the Bonds and a judicial validation proceeding relating to the issuance of the Bonds and estimating the allocable share of Bond proceeds to Marina and to Seaside to be 50% and 32.25% respectively.
- D. On January 28, 2020, FORA filed a Complaint for Validation in the Monterey County Superior Court seeking judicial validation of the Bonds (the "Validation Action").
- E. The issuance of Bond debt by FORA prior to its dissolution will impact the redistribution of property tax revenues that would have otherwise been received by taxing entities on former Fort Ord after FORA is dissolved.
- F. Marina, Seaside and the County of Monterey (hereinafter referred to as the "County") are FORA member entities and taxing entities on former Fort Ord.

G. Under an agreement with the County, the District is entitled to a percentage of the County's share of property tax revenue generated by the County's East Garrison development project ("County-District Agreement").

H. Issuance of the bonds will result in the District receiving less in property taxes under the County-District Agreement and from residual distributions of property taxes than the District anticipated. Projections of property tax revenues over the expected term of the bonds show that the District may receive \$4,941,101 less in property tax revenues as a result of the issuance of the bonds.

I. Marina and Seaside are expected to receive significant benefits from the issuance of the Bonds including funding necessary to remove the remaining blight at the former Fort Ord. Marina and Seaside have determined that it is in each of their best interests to mitigate the impacts of the issuance of the Bonds on the District by entering into this Agreement, providing financial mitigation payments to the District.

J. The financial mitigation payments made by Marina and Seaside pursuant to this Agreement can be paid from any funding source, including but not limited to property tax revenues, consistent with applicable law.

K. This Agreement does not affect or alter the terms of the County-District Agreement.

#### **Terms and Conditions**

In consideration of the mutual promises contained herein, Marina, Seaside and the District agree to the following terms and conditions:

1. **Recitals.** The Recitals set forth above are true and correct and are incorporated into this Agreement by this reference.

2. **Marina and Seaside to Reimburse the District.** The Parties acknowledge and agree that the issuance of the Bonds by FORA will result in a loss of tax revenue which would otherwise be received by the District and both Marina and Seaside agree that because of the benefit each receives from the operations of the District, including the District providing mutual aid to Marina and to Seaside, the benefits that Marina and Seaside will receive from the issuance of the Bonds, and the financial impact that the issuance of the Bonds will have on the District, each should pay its fair share to reimburse the District for property tax revenue that but for issuance of the Bonds would be received by the District under the terms of the County-District Agreement and as part of residual property tax distributions. In the event the Bonds are issued by FORA but in an amount or for a term other than as described in the Recitals, this Agreement will be amended in writing as provided herein. In the event the Bonds are not issued by FORA on or before June 30, 2020, this Agreement shall be null and void.

3. **Reimbursement Payment.** Marina and Seaside shall each pay to the District the total amount of \$2,470,550.50 payable in nineteen annual installments in accordance with the Payment Schedule attached hereto as Exhibit A and by this reference made a part hereof. Payment in any fiscal year shall be subject to Article XIII B of the California Constitution (the "Gann Appropriations Limit") which limits the amount of the proceeds of taxes cities can expend each fiscal year. Notwithstanding the Gann Appropriations Limit, Marina and Seaside shall remain liable to the District for any unpaid portions of annual installments, consistent with the Payment Schedule and Section 4 of this Agreement.

4. **Timing of Annual Payment; Delinquency.**

a. Payment shall be due no later than June 1st of each year. Marina or Seaside may prepay all or any portion of the amount then due without a prepayment penalty and each shall be independently responsible to meet their respective annual payment obligations. Liability for failure to make any payment shall not be joint.

b. If a Party does not pay its obligation as set forth in Agreement Section 3 on or before the June 1st of each year interest shall accrue on the unpaid amount at the legal rate of 7% per year from the date each installment is due. If either Marina or Seaside does not pay its respective obligation when due, upon request of the District the delinquent Party will execute a promissory note in favor of the District acknowledging in full current amount of the debt with interest at the legal of 7% per annum and execute and agree to the entry in the Monterey County Superior Court of a confession of judgment for that amount.

5. **District Concurrence in Bond Issuance.** In reliance on the reimbursement payments by Marina and Seaside to be made pursuant to this Agreement, the District agrees not to challenge the Validation Action. Upon the approval of this Agreement by the Parties' respective legislative bodies and its execution, the District concurs in the issuance of the Bonds and agrees not to oppose or otherwise impede, challenge, protest, object to or take any action affecting or in opposition to any matters in connection with or related to the issuance of the Bonds by FORA, the expenditure of the Bond proceeds or any other actions related to the Bonds taken by FORA, Marina, or Seaside..

6. **No Legal Relationship.** The Parties disclaim any partnership, joint venture, fiduciary or agency status or relationship between them. Except as otherwise set forth in this Agreement, no Party has the authority to make any representation or warranty or incur any obligation or liability on behalf of another Party, nor shall any Party make any representation to any third party inconsistent with this paragraph.

7. **Term.** The term of this Agreement shall begin on the date the Bonds are issued for sale to investors (the "Effective Date"). Marina and Seaside's obligation to reimburse the District for tax revenue shall not extend past June 30, 2040 or the maturity date and final payoff of the FORA Bonds and shall terminate automatically upon payment of the final annual installment

payment as described in Section 3.

8. **Attorney's Fees.** In the event of any litigation, claim or proceedings relating to this Agreement, or the breach thereof, the prevailing party shall be entitled to recover from the non-prevailing party reasonable expenses, attorney's fees and costs.

9. **Severability.** In the event any part of this Agreement is declared by a court of competent jurisdiction to be invalid, void or unenforceable, such part shall be deemed severed from the remainder of the Agreement and the remaining provisions shall continue in full force without being impaired or invalidated in any way.

10. **Assignment.** No Party may assign this Agreement, or any part hereof, without written consent and prior approval of all other Parties and any assignment without said consent shall be void and unenforceable. The covenants and agreements of this Agreement shall inure to the benefit of, and shall be binding upon, each of the Parties and their respective successors and assignees.

11. **Amendment.** No amendment, modification, alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by authorized representatives for all the Parties hereto and no oral understanding or agreement not incorporated herein shall be binding on any of the Parties hereto.

12. **Governing Law and Venue.** This Agreement shall be deemed an Agreement under the laws of the State of California and for all purposes shall be interpreted in accordance with such laws. All Parties hereby agree and consent to the exclusive jurisdiction of the courts of the State of California and that the venue of any action brought thereunder shall be Monterey County, California.

13. **No Liability of Officials/Employees.** No elected or appointed official, officer, agent, employee, consultant or counsel of Marina or Seaside shall be personally liable to another Party hereto or to any successor in interest in the event of any default or breach by Marina or Seaside or for any amount that may become due to the District or its successors or on any obligations under the terms of this Agreement.

14. **Time of the Essence.** Time is of the essence for each and every provision of this Agreement.

15. **Waiver.** The waiver by any Party of any right granted to it hereunder shall not be deemed a waiver of any other right or of a subsequent right obtained by reason on the matter previously waived.

16. **Notices.** Any notice which any Party may desire to give to another Party or Parties under this Agreement must be in writing and may be given either by (i) personal service with return receipt or affidavit of delivery, (ii) delivery by a reputable document delivery service such as, but not limited to, FedEx, that provides a receipt showing date and time of delivery, or (iii) by mailing in the United States Mail, certified mail, postage prepaid, return receipt requested,

addressed to the address of the Party as set forth below or at any other address as that Party may later designate by written notice provided in accordance with this Section. Notice shall be effective upon delivery to the address specified below or on the third business day following deposit with the document delivery service or United States Mail as provided above.

To Marina: City of Marina  
Attn: City Manager  
211 Hillcrest Avenue  
Marina, CA 93933

To Seaside: City of Seaside  
Attn: City Manager  
440 Harcourt Avenue  
Seaside, CA 93955

To District: Monterey County Regional Fire District  
Attn: Fire Chief  
19900 Portola Drive  
Salinas, CA 93908

17. **Authority.** Each Party to this Agreement represents and warrants to the other Parties that it is authorized to execute, deliver and perform this Agreement and the terms and conditions hereof are valid and binding obligations of the party making this representation.

18. **No Third Party Beneficiaries.** There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

19. **Binding on Successors.** This Agreement shall be binding on and inure to the benefit of the Parties hereto and their respective heirs, legal representatives, successors, and assigns.

20. **Construction/Headings.** The Parties waive the application of any rule of law relating to the construction of this Agreement that provides in effect that ambiguous or conflicting terms or provisions should be construed against the party who prepared this Agreement or any earlier draft thereof. The headings in this Agreement are for reference only and shall not limit or define the meaning of any provision of this Agreement.

21. **Counterparts.** This Agreement may be signed in counterparts, each of which shall constitute an original, but all of which shall constitute one and the same agreement. The signature page of this Agreement or any Amendment may be executed by way of a manual or authorized signature. Delivery of an executed counterpart of a signature page to this Agreement or an Amendment by electronic transmission scanned pages shall be deemed effective as a delivery of a manually or digitally executed counterpart to this Agreement or any Amendment.

22. **Effective Date.** The Effective Date of this Agreement shall be the date the Bonds are issued for sale to investors.

23. **Entire Agreement.** This Agreement contains the entire understanding between the Parties and supersedes any prior written or oral understandings and agreements regarding the subject matter of this Agreement. There are no representations, agreements, arrangements or understandings, or written, between the Parties relating to the subject matter of this Agreement which are not fully expressed herein.

24. **Further Assurances.** The Parties shall cooperate, take such additional actions, sign such additional documentation, and provide such additional information as reasonably necessary to accomplish the objective set forth in this Agreement.

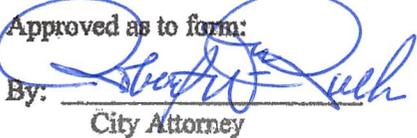
25. **Remedies.** The Parties retain all available remedies in law and equity to enforce the terms of this Agreement.

IN WITNESS WHEREOF, Marina, Seaside and the District by their duly authorized representatives, have executed this Agreement on the date(s) set forth below. The latter date shall be the Reference Date.

**CITY OF MARINA**

By:   
Layne Long,  
City Manager

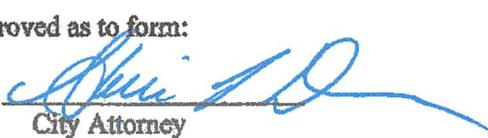
Date: 3/5 2020

Approved as to form:  
By:   
City Attorney

**CITY OF SEASIDE**

By:   
Craig Malin  
City Manager

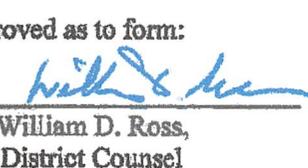
Date: 3/6 2020

Approved as to form:  
By:   
City Attorney

**MONTEREY COUNTY REGIONAL FIRE DISTRICT**

By:   
Michael B. Urguides  
Fire Chief

Date: March 4th 2020

Approved as to form:  
By:   
William D. Ross,  
District Counsel

**EXHIBIT A**

**PAYMENT SCHEDULE**

| <b>For FY<br/>Ending</b> | <b>Payment Due from<br/>from Marina</b> | <b>Payment Due<br/>from Seaside</b> |
|--------------------------|---|-------------------------------------|
| 2021                     | \$125,498.00                            | \$125,498.00                        |
| 2022                     | \$146,269.50                            | \$146,269.50                        |
| 2023                     | \$155,862.00                            | \$155,862.00                        |
| 2024                     | \$155,755.00                            | \$155,755.00                        |
| 2025                     | \$155,801.00                            | \$155,801.00                        |
| 2026                     | \$155,827.00                            | \$155,827.00                        |
| 2027                     | \$155,863.50                            | \$155,863.50                        |
| 2028                     | \$155,896.50                            | \$155,896.50                        |
| 2029                     | \$155,729.00                            | \$155,729.00                        |
| 2030                     | \$155,778.50                            | \$155,778.50                        |
| 2031                     | \$155,838.50                            | \$155,838.50                        |
| 2032                     | \$155,852.50                            | \$155,852.50                        |
| 2033                     | \$155,811.00                            | \$155,811.00                        |
| 2034                     | \$155,890.00                            | \$155,890.00                        |
| 2035                     | \$ 65,817.00                            | \$ 65,817.00                        |
| 2036                     | \$ 65,688.00                            | \$ 65,688.00                        |
| 2037                     | \$ 65,798.00                            | \$ 65,798.00                        |
| 2038                     | \$ 65,820.00                            | \$ 65,820.00                        |
| 2039                     | \$ 65,755.50                            | \$ 65,755.50                        |
| 2040                     | \$ -0-                                  | \$ -0-                              |
| <b>Total</b>             | <b>\$2,470,550.50</b>                   | <b>\$2,470,550.50</b>               |

## MEMORANDUM

March 24, 2020

To: Joshua Metz, FORA Executive Officer

From: Mark Northcross, NHA Advisors LLC

RE: **Announcement Regarding Impact of the Recent Global Financial Markets Deterioration on the Proposed FORA Bond Issue**

Global financial markets have been severely impacted by the COVID-19 pandemic. The municipal bond market has experienced unprecedented volatility, with long-term interest rates rising nearly 2.0% in every maturity from March 10 to March 20. As a result, bond trading nearly halted on multiple occasions during the week ending March 13<sup>th</sup> and only a few small bond sales have been completed within brief windows of stability. The pace and extent of the municipal market recovery once firmer footing is realized is, as yet, unknown. Likewise, the longer-term impact of the pandemic on global and regional economies remains uncertain.

While FORA's finance team remains optimistic that the remediation bonds can be sold by early May, based on the schedule we have proposed, changes in the structure of that bond issue are likely. These changes, along with the recent increase in interest rates, are likely to significantly reduce the bond proceeds available to stakeholders for remediation.

Once markets settle, FORA's finance team will assess the impact of the pandemic on property values. Bond investors may feel uncertain about the near-term future of the real estate market in California. Since the proposed FORA bond issue is secured solely by property tax increment revenues, we expect that the bond issue structure will need to provide more protection for investors against declines in future property tax revenues. This change will de facto result in lower bond proceeds for FORA. However, until market volatility subsides, the FORA finance team cannot provide a reliable estimate of bonding capacity under current market conditions. The finance team can provide a range for bonding capacity at this time. Prior to the recent major market deterioration, bond proceeds for building remediation were estimated to be as high as \$45 million. Using current market conditions, plus an additional interest rate buffer of 1% because of the continuing volatility, we now estimate a range of \$22 to \$26 million in net proceeds for remediation. As the municipal bond market stabilizes, we will continue to refine this estimate. We remain optimistic that the municipal bond market will recover significantly from these distressed levels, hopefully before our June 30, 2020 bond issuance deadline.

Revised drafts of the legal documents for the proposed FORA bond issue are being released for review by FORA stakeholders. As noted above, in response to the deterioration of the bond market, the structure of the bond issue has been changed. The structure has been simplified in order to reduce the exposure of bond investors to uncertainty regarding the real estate market. The FORA finance team will provide a review of these changes on request for all FORA stakeholders.

NHA Advisors, LLC is registered as a Municipal Advisor with the SEC and Municipal Securities Rulemaking Board ("MSRB"). As such, NHA Advisors, LLC has a Fiduciary duty to the public agency and must provide both a Duty of Care and a Duty of Loyalty that entails the following.

*Duty of Care*

- a) exercise due care in performing its municipal advisory activities;
- b) possess the degree of knowledge and expertise needed to provide the public agency with informed advice;
- c) make a reasonable inquiry as to the facts that are relevant to the public agency's determination as to whether to proceed with a course of action or that form the basis for any advice provided to the public agency; and
- d) undertake a reasonable investigation to determine that NHA Advisors, LLC is not forming any recommendation on materially inaccurate or incomplete information; NHA Advisors, LLC must have a reasonable basis for:
  - i. any advice provided to or on behalf of the public agency;
  - ii. any representations made in a certificate that it signs that will be reasonably foreseeably relied upon by the public agency, any other party involved in the municipal securities transaction or municipal financial product, or investors in the public agency securities; and
  - iii. any information provided to the public agency or other parties involved in the municipal securities transaction in connection with the preparation of an official statement.

*Duty of Loyalty*

NHA Advisors, LLC must deal honestly and with the utmost good faith with the public agency and act in the public agency's best interests without regard to the financial or other interests of NHA Advisors, LLC. NHA Advisors, LLC will eliminate or provide full and fair disclosure (included herein) to Issuer about each material conflict of interest (as applicable). NHA Advisors, LLC will not engage in municipal advisory activities with the public agency as a municipal entity, if it cannot manage or mitigate its conflicts in a manner that will permit it to act in the public agency's best interests.

**Fort Ord Reuse Authority**  
**2020 Taxable Tax Allocation Bonds**  
**(Building Removal Financing)**



**Financing Schedule**  
**(As of March 23, 2020)**

*Issuer:* Fort Ord Reuse Authority (FORA)  
*Municipal Advisor:* NHA Advisors (MA)  
*Bond/Disclosure Counsel:* Quint & Thimmig (BC/DC)  
*Fiscal Consultant:* Economic & Planning Systems (FC)  
*Underwriters:* Stifel Nicolaus & Citigroup (UW)

| February 2020 |    |    |    |    |    |    | March 2020 |    |    |    |    |    |    | April 2020 |    |    |    |    |    |    | May 2020 |    |    |    |    |    |    |
|---------------|----|----|----|----|----|----|------------|----|----|----|----|----|----|------------|----|----|----|----|----|----|----------|----|----|----|----|----|----|
| Su            | M  | Tu | W  | Th | F  | Sa | Su         | M  | Tu | W  | Th | F  | Sa | Su         | M  | Tu | W  | Th | F  | Sa | Su       | M  | Tu | W  | Th | F  | Sa |
|               |    |    |    |    |    | 1  | 1          | 2  | 3  | 4  | 5  | 6  | 7  |            |    |    | 1  | 2  | 3  | 4  |          |    |    |    |    | 1  | 2  |
| 2             | 3  | 4  | 5  | 6  | 7  | 8  | 8          | 9  | 10 | 11 | 12 | 13 | 14 | 5          | 6  | 7  | 8  | 9  | 10 | 11 | 3        | 4  | 5  | 6  | 7  | 8  | 9  |
| 9             | 10 | 11 | 12 | 13 | 14 | 15 | 15         | 16 | 17 | 18 | 19 | 20 | 21 | 12         | 13 | 14 | 15 | 16 | 17 | 18 | 10       | 11 | 12 | 13 | 14 | 15 | 16 |
| 16            | 17 | 18 | 19 | 20 | 21 | 22 | 22         | 23 | 24 | 25 | 26 | 27 | 28 | 19         | 20 | 21 | 22 | 23 | 24 | 25 | 17       | 18 | 19 | 20 | 21 | 22 | 23 |
| 23            | 24 | 25 | 26 | 27 | 28 | 29 | 29         | 30 | 31 |    |    |    |    | 26         | 27 | 28 | 29 | 30 |    |    | 24/31    | 25 | 26 | 27 | 28 | 29 | 30 |

| Date                | Activity   | Participants |
|---------------------|--|--------------|
| Wednesday, March 25 | FORA Admin Committee Meeting (8:30 am) - Informational Discussion of Financing | ALL          |
| Wednesday, April 1  | FORA Admin Committee Meeting (8:30 am) - Informational Discussion of Financing | ALL          |
| Saturday, April 11  | End of Passive Validation Period (30 Days after Judgement Entered)             | ALL          |
| Week of April 13    | Credit Rating Presentation   | ALL          |
| Monday, April 13    | Agenda Deadline for April 17, 2020 FORA Board Meeting (Staff Report and POS)   | ALL          |
| Wednesday, April 15 | FORA Admin Committee Meeting (8:30 am) - Informational Discussion of Financing | ALL          |
| Friday, April 17    | FORA Board Approval of POS and Legal Documents                                 | ALL          |
| Monday, April 27    | Pre-pricing Call   | FORA/UW/MA   |
| Tuesday, April 28   | Price Bonds  | FORA/UW/MA   |
| Monday, May 11      | Pre-Closing; All Documents Signed  | ALL          |
| Tuesday, May 12     | Closing  | ALL          |

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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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EXHIBIT A FORM OF BOND

EXHIBIT B BUILDING REMOVAL PARCELS

## 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").

### RECITALS:

**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 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 \_\_\_\_\_ 2 in one calendar year to \_\_\_\_\_ 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 \_\_\_\_\_ 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), 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 Authority 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 \_\_\_\_\_ 1 and \_\_\_\_\_ 1, commencing \_\_\_\_\_ 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 or bankers acceptances with a maximum term of one year 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+" 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 Los Angeles, 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 or Authority of the Trustee at which, at any particular time, its corporate trust Authority 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 the 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 of 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 \_\_\_\_\_ 1, 20\_\_ and \_\_\_\_\_ 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<br>(_____ 1) | Principal<br>Amount | Interest<br>Rate |
|----------------------------|---------------------|------------------|
|                            | \$                  | %                |

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\* 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 \_\_\_\_\_, 20\_\_, 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 \_\_\_\_\_ 1, 20\_\_ and \_\_\_\_\_ 1, 20\_\_ shall be subject to mandatory redemption in whole, or in part by lot, on \_\_\_\_\_ 1 in each year, commencing \_\_\_\_\_ 1, 20\_\_ and \_\_\_\_\_ 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\_\_

|         |                  |
|---------|------------------|
| _____ 1 | Principal Amount |
|         | \$               |

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† Final Maturity.

Term Bonds of 20\_\_

|         |                  |
|---------|------------------|
| _____ 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.

(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 \_\_\_\_\_ 1 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 \_\_\_\_\_ 1 in each year; provided that evidence satisfactory to the Trustee of such purchase has been delivered to the Trustee by said \_\_\_\_\_ 1.

**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 and the Trustee shall execute and deliver to such Depository a letter representing such matters as shall be necessary to so qualify the Bonds. 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.

(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 \_\_\_\_\_ 1, \_\_\_\_ 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 \_\_\_\_\_ 1 in each year beginning \_\_\_\_\_ 1, 2020 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 \_\_\_\_\_ 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 \_\_\_\_\_ 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) Administrative Expense Account. 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 \_\_\_\_\_ 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 \_\_\_\_\_ 2 of each year, after making the deposits required under subsections (a) through (e) above on the preceding \_\_\_\_\_ 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) on \_\_\_\_ each year (or the Business Day after \_\_\_\_ in any year in which \_\_\_\_ is not a Business Day) 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 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 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 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 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 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 under this Indenture shall constitute an Administrative Expense.

**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 and Moody's.** The Trustee shall provide to S&P and Moody's, for so long as S&P and Moody's, as the case may be, 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 and Acceleration of Maturities.** 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 Successor Agency and its Board members, officers, agents or employees to perform each and every term, provision and covenant contained in this Indenture and in the Bonds, and to require the carrying out of any or all such covenants and agreements of the Successor Agency and the fulfillment of all duties imposed upon it;

(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 Successor Agency and its Board members and employees to account as if it and they were the trustees of an express trust.

**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, 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 or an escrow agent, in trust, 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 or an escrow agent, in trust, 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  
633 West Fifth Street, 24th Floor  
Los Angeles, California 90071  
Attention: \_\_\_\_\_

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

06006.05:16759

**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 \_\_\_\_\_, 20\_\_, 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 \_\_\_\_\_ 1 and \_\_\_\_\_ 1 in each year, commencing \_\_\_\_\_ 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 Los Angeles, California 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<br>Parcel Number | Description                 | Bond<br>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<br>Park | 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                  |
| 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    | L15.1                  | Surplus II                  | 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       |
| County of Monterey | E11b.8                 | Ammo Supply Point           | County of Monterey    |
| County of Monterey | L23.3.2.2              | Open Space                  | County of Monterey    |
| County of Monterey | L23.3.3.1              | Open Space                  | County of Monterey    |
| County of Monterey | L23.3.3.2              | Open Space                  | County of Monterey    |
| County of Monterey | L20.2.1                | Open Space                  | County of Monterey    |
| County of Monterey | L20.2.2                | Open Space                  | County of Monterey    |