



AGREEMENT

BY AND AMONG

THE FORT ORD REUSE AUTHORITY,

THE CITY OF SEASIDE

AND

THE CENTRAL CALIFORNIA COUNCIL
OF AMERICAN YOUTH HOSTELS

CONCERNING CERTAIN PROPERTY AT
THE FORMER FORT ORD, CALIFORNIA



Fort Ord
Reuse Authority



AGREEMENT BETWEEN FORA, THE CITY OF SEASIDE AND AYH CONCERNING CERTAIN PROPERTY AT THE FORMER FORT ORD

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1 part hereof ("Youth Hostel Parcel"), for use as a youth hostel and environmental learning center
2 to be operated by AYH ("Youth Hostel");
3

4 **WHEREAS**, State Parks has requested that the City assume the role of sponsor for the
5 AYH operated Youth Hostel and the City has agreed to assume such role;
6

7 **WHEREAS**, to facilitate City sponsorship of the Youth Hostel, State Parks will
8 withdraw its application for the public benefit conveyance of the Youth Hostel Parcel;
9

10 **WHEREAS**, upon the withdrawal by State Parks of its public benefit conveyance
11 application, the Department of the Interior has agreed to return jurisdiction, custody and control
12 of the Youth Hostel Parcel to the Army for disposition;
13

14 **WHEREAS**, the Army has determined to convey the Youth Hostel Parcel to FORA
15 pursuant to that certain *Memorandum of Agreement between the United States of America,*
16 *Acting by and through the Secretary of the Army and the Fort Ord Reuse Authority for the Sale*
17 *of Portions of the former Fort Ord Located in Monterey County, California* dated June 20, 2000,
18 as amended (the "EDC Agreement");
19

20 **WHEREAS**, FORA has agreed to convey the Youth Hostel Parcel to the City pursuant to
21 the FORA/City Implementation Agreement dated October 18, 2001; and
22

23 **WHEREAS**, in order to establish the Youth Hostel, the City will lease the Youth Hostel
24 Parcel to AYH.
25

26 **AGREEMENTS**

27
28 **NOW, THEREFORE**, in consideration for the mutual promises exchanged by and
29 between the Parties herein, and other good and valuable consideration, the receipt and
30 sufficiency of which is hereby acknowledged, the Parties agree as follows:
31

32 **ARTICLE 1. In General.**
33

34 It is the intention of the Parties that AYH operate a Youth Hostel on the Youth Hostel
35 Parcel or a comparable location within the City of Seaside. Toward that end, State Parks has
36 agreed to withdraw its Public Benefit Conveyance Application for the Youth Hostel Parcel so the
37 Army may convey the Youth Hostel Parcel in fee to FORA, thereby permitting FORA to convey
38 the Youth Hostel Parcel in fee to the City, thereby permitting the City to lease the Youth Hostel
39 Parcel to AYH. It is the intention of the Parties that the transactions described in this paragraph
40 take place concurrently at a single closing (the "Closing"), or as soon thereafter as is practicable
41 as agreed upon by the Parties.

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1
2 **ARTICLE 2. Closing and Settlement.**
3

4 2.1 **Escrow.** The Parties agree to appoint Chicago Title Company as the Escrow
5 Agent ("Escrow Agent") pursuant to a mutually acceptable Escrow Agreement ("Escrow
6 Agreement") substantially in the form of Exhibit J to this Agreement to facilitate the closing of
7 all property transfers and other transactions contemplated by this Agreement and other related
8 agreements.
9

10 2.2 **Schedule.** The Parties shall use their best efforts to consummate the Closing as
11 soon as possible, but in no event later than sixty (60) days after the execution of this Agreement.
12 If the Closing does not occur within one (1) year following the execution of this Agreement, this
13 Agreement, at the option of FORA, the City or AYH, shall expire and shall be null and void.
14

15 2.3 **FORA Closing Deliveries.** FORA shall deliver to the Closing the following
16 documents reasonably satisfactory to the other Parties, and in a form previously reviewed and
17 approved by the other Parties, duly authorized, executed and notarized, as appropriate:
18

19 2.3.1 Fully executed Amendment No. 3 to the EDC Agreement to include the
20 Youth Hostel Parcel within the purview of the EDC Agreement in the form set forth in Exhibit
21 D.
22

23 2.3.2 Fully executed Deed conveying title of the Youth Hostel Parcel from the
24 United States to FORA ("Army Deed") in the form set forth in Exhibit E.
25

26 2.3.3 Executed Deed conveying title of the Youth Hostel Parcel from FORA to
27 the City ("FORA Deed") in the form set forth in Exhibit F.
28

29 2.4 **City Closing Deliveries.** The City shall deliver to the Closing the following
30 documents reasonably satisfactory to the other Parties, and in a form previously reviewed and
31 approved by the Parties, duly authorized, executed and notarized, as appropriate:
32

33 2.4.1 Acceptance of the FORA Deed to convey the Youth Hostel Parcel from
34 FORA to the City in the form set forth in Exhibit F.
35

36 2.4.2 Executed lease between the City and AYH for the Youth Hostel Parcel
37 ("AYH Lease") in the form set forth in Exhibit G.
38

39 2.4.3 Acceptance of the executed State Parks Water Assignment ("Water
40 Assignment") for a sufficient amount of potable water from State Parks to the City for purposes

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1 of the Youth Hostel, which State Parks and AYH deem to be five and one half (5.5) acre feet of
2 water, in substantially the form set forth in Exhibit H.

3
4 2.4.4 Executed signature page for the Short Form Notice of Agreement ("Notice
5 of Agreement") in the form set forth in Exhibit I.

6
7 2.4.5 Executed signature page for the Short Form Notice of AYH Lease
8 ("Notice of AYH Lease") in the form set forth in Exhibit K.

9
10 2.5 **AYH Closing Deliveries.** AYH shall deliver to the Closing the following
11 documents reasonably satisfactory to the other Parties, and in a form previously reviewed and
12 approved by the Parties, duly authorized, executed and notarized, as appropriate:

13
14 2.5.1 Executed letter from State Parks to the Department of the Interior
15 withdrawing its Public Benefit Conveyance Application for the Youth Hostel Parcel in the form
16 set forth as Exhibit C.

17
18 2.5.2. Executed documents from State Parks and other entities, as appropriate,
19 evidencing the availability to AYH of potable water in a sufficient quantity to operate the Youth
20 Hostel on the Youth Hostel Parcel, including the Water Assignment from State Parks to the City
21 in the form set forth as Exhibit H.

22
23 2.5.3 Executed AYH Lease between the City and AYH for the Youth Hostel
24 Parcel in the form set forth in Exhibit G.

25
26 2.5.4 Executed signature page for the Notice of Agreement in the form set forth
27 in Exhibit I.

28
29 2.5.5 Executed signature page for the Notice of AYH Lease in the form set forth
30 in Exhibit K.

31
32 **ARTICLE 3. Potable Water.**

33
34 The Parties recognize that State Parks is responsible for assigning five and one half (5.5)
35 acre-feet per year of potable water for use by AYH for Youth Hostel purposes (the "Water") in
36 the form set forth in Exhibit H. The City shall make Water available to AYH for Youth Hostel
37 purposes on the Youth Hostel Parcel or the Alternative Site only to the extent State Parks assigns
38 such Water to the City. Except for the Water assigned to the City by State Parks for Youth
39 Hostel purposes, under no circumstances shall the City or FORA be responsible for providing
40 any potable water to AYH, the Youth Hostel Parcel, the Alternative Site or for any other
41 purposes related to the operation of the Youth Hostel.

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1 With a copy to: George R. Schlossberg, Esq.
2 Kutak Rock LLP
3 1101 Connecticut Avenue, N.W.
4 Washington, D.C. 20036
5 Tel: (202) 828-2418
6 Fax: (202) 828-2488
7 Email: george.schlossberg@kutakrock.com
8
9 If to the City: City of Seaside
10 440 Harcourt Avenue
11 Seaside, CA 93955
12 Attention: City Manager
13 Tel: (831) 899-6204
14 Fax: (831) 899-6227
15
16 With a copy to: George R. Schlossberg, Esq.
17 Kutak Rock LLP
18 1101 Connecticut Avenue, N.W.
19 Washington, D.C. 20036
20 Tel: (202) 828-2418
21 Fax: (202) 828-2488
22 Email: george.schlossberg@kutakrock.com
23
24 If to AYH: Central California Council of AYH
25 Attn: President
26 P.O. Box 2538
27 Monterey, CA 93942
28 Tel: (831) 899-1252
29 Fax: (831) 649-0375
30 Email: president@centralcalhostels.org
31
32 With a copy to: Central California Council of AYH
33 c/o HI-Monterey Hostel
34 Attn: Executive Director
35 778 Hawthorne Street
36 Monterey, CA 93940
37 Tel: (831) 649-0375
38 Fax: (831) 649-0375
39 Email: ceo@centralcalhostels.org
40

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1 With a copy to: Hostelling International - USA
2 Attn: General Counsel
3 8401 Colesville Road, Suite 600
4 Silver Spring, MD 20910
5 Tel: (301) 495-1240
6 Fax: (301) 495-6697
7

8 **ARTICLE 8. Modification; Waivers.**
9

10 This Agreement, together with all exhibits hereto, contains the entire agreement and
11 understanding of the Parties with respect to the transfer of the Youth Hostel Parcel, and may not
12 be amended, modified or discharged nor may any of its terms be waived except by an instrument
13 in writing signed by the Parties. A waiver by a Party of a specific provision shall not be deemed
14 a waiver of any subsequent provision. The Parties hereto shall not be bound by any terms,
15 conditions, statements, warranties or representations, oral or written, not contained herein.
16

17 **ARTICLE 9. Further Assurances.**
18

19 The Parties acknowledge that it is their mutual intent to effectuate an orderly, amicable,
20 and expeditious transfer and lease of the Youth Hostel Parcel, and toward that end, (i) any or all
21 ambiguities herein shall, to the extent practicable, be construed in the way most liberally
22 conducive to the aforesaid conveyances, (ii) none of the Parties shall be considered the drafter of
23 this Agreement or any of its provisions for the purposes of any statute, case law, or rule of
24 interpretation or construction, that would or might cause any provision to be construed against
25 the drafter of the Agreement, (iii) the Parties agree to take such additional acts and/or to permit
26 such additional actions (including but not limited to any actions required in the event it shall
27 become necessary, before or after the conveyances contemplated herein, to effect a formal
28 subdivision or subdivisions of the property) and (iv) the Parties agree to execute, deliver and
29 perform under the terms of such other documents as their respective legal counsel may deem
30 necessary or appropriate to effect the purposes of this Agreement.
31

32 **ARTICLE 10. Survival and Benefit.**
33

34 Continuing rights, interests and obligations of the Parties shall survive Closing as
35 provided in this Agreement and the same shall inure to the benefit of and be binding upon the
36 respective successors and assigns of the Parties. Nothing in this Agreement otherwise shall be
37 construed as creating any rights of enforcement by any person or entity that is not a Party hereto,
38 nor any rights, interests or third party beneficiary status for any entity or person other than the
39 Parties hereto.
40

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1 **ARTICLE 11. Interpretation.**

2
3 11.1 The headings and captions herein are inserted for convenient reference only
4 and the same shall not limit or construe the paragraphs or sections to which they apply or
5 otherwise affect the interpretation hereof.

6
7 11.2 The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar
8 terms shall refer to this Agreement, and the term "hereafter" shall mean after, and the term
9 "heretofore" shall mean before, the date of this Agreement.

10
11 11.3 Words of the masculine, feminine or neuter gender shall mean and include the
12 correlative words of other genders, and words importing the singular number shall mean and
13 include the plural number and vice versa.

14
15 11.4 Words importing persons shall include firms, associations, partnerships
16 (including limited partnerships), trusts, corporations and other legal entities, including public
17 bodies, as well as natural persons.

18
19 11.5 The terms "include," "including" and similar terms shall be construed as if
20 followed by the phrase "without being limited to."

21
22 11.6 This Agreement shall be governed by and construed in accordance with the
23 laws of the State of California.

24
25 11.7 Whenever under the terms of this Agreement the time for performance of a
26 covenant or condition falls upon a Saturday, Sunday or holiday observed by the performing
27 party, such time for performance shall be extended to the next business day. Otherwise all
28 references herein to "days" shall mean calendar days.

29
30 11.8 If any term or provision of this Agreement or the application thereof to any
31 person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this
32 Agreement, or the application of such term or provision to persons or circumstances other than
33 those as to which it is held invalid or unenforceable, shall not be affected thereby, and each such
34 term and provision of this Agreement shall be valid and be enforced to the fullest extent
35 permitted by law.

36
37 **ARTICLE 12. Non-Discrimination.**

38
39 FORA, the City and AYH covenant for themselves, their successors and assigns, that
40 they will comply with all applicable provisions of the Civil Rights Act of 1964, section 504 of
41 the Rehabilitation Act of 1973, and the Age Discrimination in Employment Act of 1975 in the

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1 use, occupancy, sale or lease of the property described in this Agreement. The foregoing shall
2 not be construed to prohibit the operation of federal or state approved programs focusing on the
3 special needs of the homeless, veterans, victims of domestic violence and other classes of
4 persons at risk; nor shall it be construed to prohibit employment practices not otherwise
5 prohibited by law. The United States of America shall be deemed a beneficiary of this covenant
6 without regard to whether it remains the owner of any land or interest therein in the locality of
7 the property hereby conveyed and shall have the sole right to enforce this covenant in any court
8 of competent jurisdiction.

9
10 **ARTICLE 13. Failure to Insist on Compliance.**

11
12 The failure of any Party to insist, in any one or more instances, upon strict performance
13 of any of the terms of this Agreement shall not be construed as a waiver or relinquishment of
14 such Party's right to future performance of this Agreement, but the obligations of the other
15 Parties with respect to such future performance shall continue in full force and effect. Whenever
16 the terms of this Agreement call for a Party to approve an action or make a determination before
17 another Party may undertake or perform such action, said approval or determination shall not be
18 unreasonably denied or delayed.

19
20 **ARTICLE 14. Short Form Notice of Agreement.**

21
22 The Parties shall, immediately following the execution of this Agreement, record Notice
23 of Agreement in the form attached hereto as Exhibit I in the Office of the Recorder of Deeds,
24 Monterey County, California, and shall amend jointly such Notice of Agreement from time to
25 time upon a material change in the terms of this Agreement.

26
27 **ARTICLE 15. Short Form Notice of AYH Lease.**

28
29 The Parties shall, immediately following the execution of the AYH Lease, record a
30 Notice of AYH Lease in the form attached hereto as Exhibit K in the Office of the Recorder of
31 Deeds, Monterey County, California, and shall amend jointly such Notice of AYH Lease from
32 time to time upon a material change in the terms of the AYH Lease.

33
34 **ARTICLE 16. List of Exhibits.**

35 The following exhibits are attached and made a part of this Agreement:

- 36
37
38 Exhibit A. Description of Youth Hostel Parcel.
39 Exhibit B. State Parks' Public Benefit Conveyance Application for the Youth
40 Hostel Parcel.

EXHIBIT A

DESCRIPTION OF YOUTH HOSTEL PARCEL

(4.654 ac., MCL No. 1, Seaside)

AMERICAN YOUTH HOSTELS

UNITED STATES OF AMERICA, to:

Certain real property situate in Monterey City Lands Tract Number 1, the City of Seaside, Monterey County, California, and being more particularly described as follows:

Beginning at a point from which a 3/4" diameter iron pipe tagged RCE 15310 at the southeast corner of Parcel 1, as shown on map filed in Volume 20 of Surveys at page 71, records of said county, bears N 2°14'00" E, 60.00 feet and N 87°46'00" W, 251.27 feet; thence from said point of beginning

1. S 87°46'00" E, 227.77 feet; thence
2. Along a tangent curve to the right with a radius of 30.00 feet, through a central angle of 89°58'00", for an arc distance of 47.11 feet; thence
3. S 2°12'00" W, 757.22 feet; thence
4. N 87°48'00" W, 257.75 feet; thence
5. N 2°12'00" E, 787.35 feet to the point of beginning.

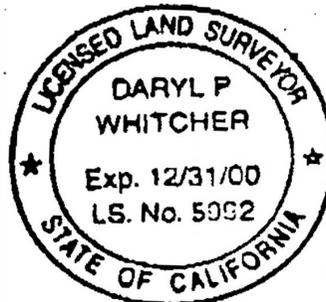
Containing an area of 4.654 acres of land, more or less.

SUBJECT TO, HOWEVER, an easement for access and egress, 15 feet wide lying along, contiguous to and easterly of the following described line which commences at said point of beginning and runs thence S 2°12'00" W, 705.00 feet.

Courses all true.

This description was prepared by me or under my direction.

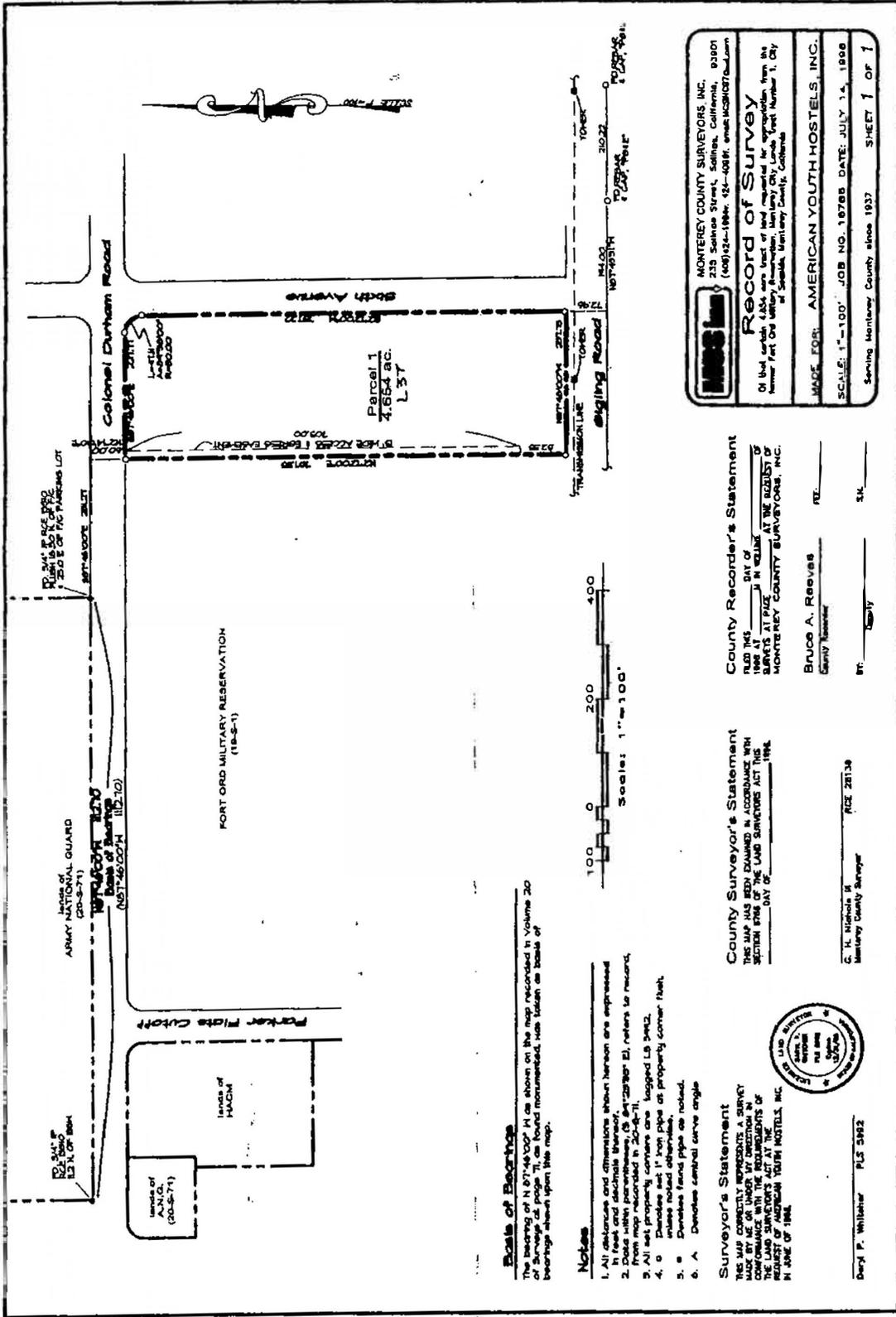

Daryl P. Whitcher P.L.S. 5992



CJD/cd
07/14/98
/cjd/ayh-ld.wpd

AYH.ld

L37



Scale of Bearings
 The bearings of N 87°44'00" is as shown on the map recorded in Volume 20 of Survey of page 71, as found monumented, was taken as basis of bearings shown upon this map.

Notes

1. All distances and other data shown herein are expressed in feet and decimals thereof.
2. Data within parentheses, (S 84°22'30" E), refers to records from map recorded in 20-4-71.
3. All set property corners are tagged L3 2822.
4. 0 indicates a right angle at property corner that unless noted otherwise.
5. 90 indicates a right angle at property corner that.
6. A. Denotes central curve angle.

Surveyor's Statement
 THIS MAP AND THE SURVEY MADE BY US UNDER MY SUPERVISION AND CONTROL IN ACCORDANCE WITH THE REQUIREMENTS OF THE LAND SURVEYORS ACT AT THE REQUEST OF AMERICAN YOUTH HOSTELS, INC. IN JUNE OF 1982.



County Surveyor's Statement
 THIS MAP HAS BEEN EXAMINED IN ACCORDANCE WITH SECTION 5708 OF THE LAND SURVEYORS ACT THIS DAY OF _____ 1982.

C. H. Nichols Jr.
 Monterey County Surveyor
 RICE 28134

County Recorder's Statement
 FILED THIS _____ DAY OF _____ 1982 AT _____ IN VOLUME _____ OF SURVEYS AT THE _____ AT THE REQUEST OF MONTEREY COUNTY SURVEYORS, INC.

Bruce A. Reeves
 County Recorder
 RE: _____
 BY: _____ S.H.

MONTEREY COUNTY SURVEYORS INC.
 235 Salinas Street, Salinas, California, 95001
 (408) 224-1188, 42-408R, email: mcs@comcast.net

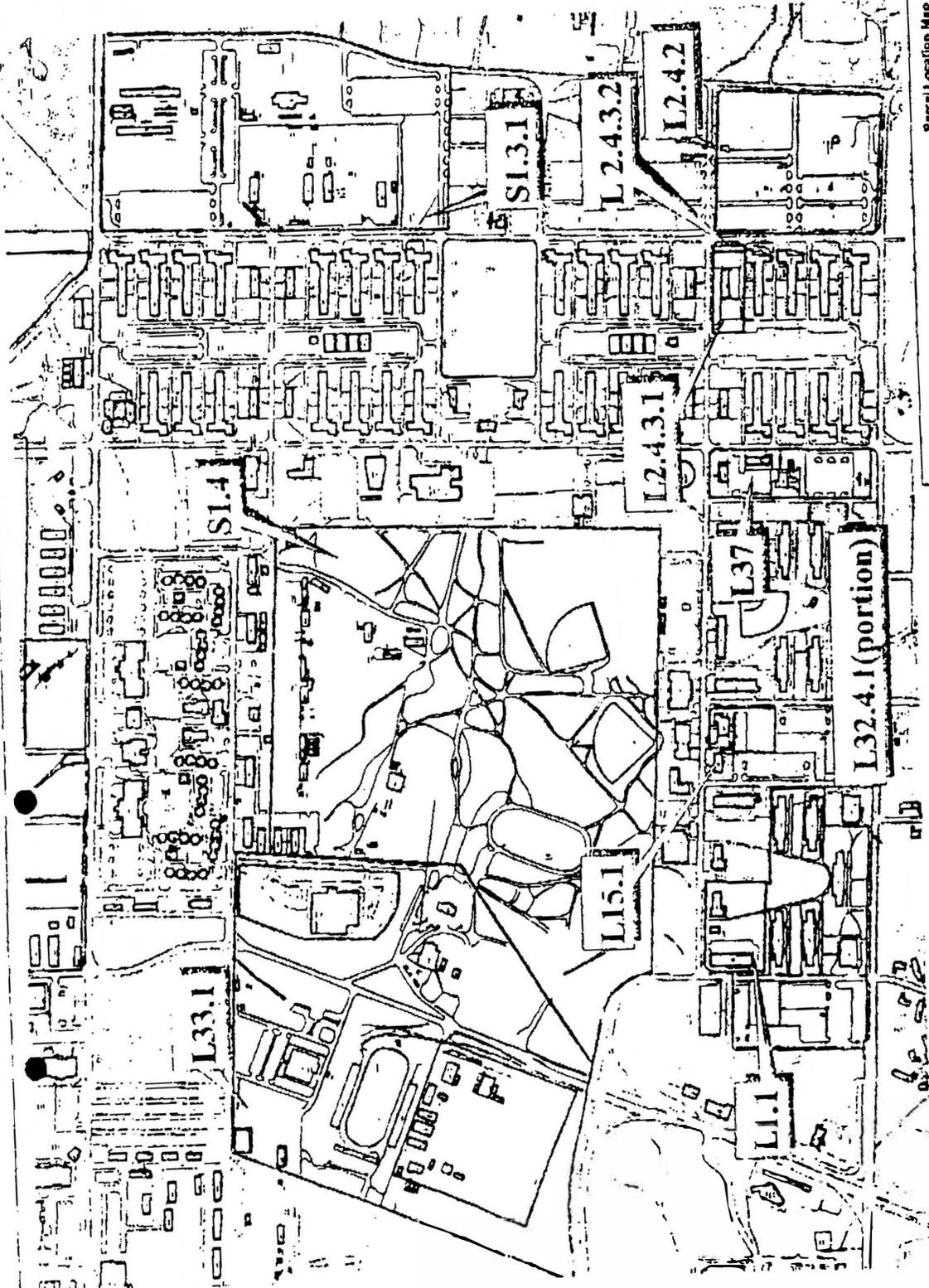
Record of Survey
 Of that certain 4.654 acre tract of land requested for separation from the former Fort Ord Military Reservation, Monterey County, License Number 1, City of Salinas, Monterey County, California

MADE FOR: AMERICAN YOUTH HOSTELS, INC.
 SCALE: 1"=100' JOB NO. 18768 DATE: JULY 14, 1988
 Surveying Monterey County since 1937 SHEET 1 OF 1

L37

EXPLANATION

-  Not Part of this Transfer
-  Transfer Parcels
-  Buildings
-  Roads



Parcel Location Map - Southwest Area
 Housing Areas and Former Gasline Parcels F03E7
 Former East Ord
 Monterey, California

Handling Leases Association
 Engineering and
 Environmental Services
 JCB 36085 010305



10880

10880

EXHIBIT B

**STATE PARKS' PUBLIC BENEFIT CONVEYANCE APPLICATION FOR
THE YOUTH
HOSTEL PARCEL**

INTRODUCTION

These instructions are designed to assist you in completing an application for Surplus Federal Real Property for public park and recreation purposes under Public Law 91-485.

The application consists of three parts, labeled: Part A, Part B, and Part C. For ease of identification, these parts have been separated by colored sheets.

Part A identifies who is applying for what property and sets forth terms and conditions which will be made a part of the deed transferring title to the property upon approval of an application by the Secretary of the Interior and the Administrator, General Services Administration.

Part B sets forth the Applicant's justification for acquiring the property and a program of development and utilization. Part B provides the National Park Service with information upon which approval or rejection of an application is based.

Part C provides the format for a resolution or certificate of authority identifying and certifying that it is legally authorized to make an application for the property.

When you have completed the application, submit five copies to the National Park Service Regional Office. The address appears on the letter transmitting this set of application instructions to you.

Instructions
for
Preparing Part A

Use all of Part A (Application for Federal Surplus Property for Public Park and Recreation Purposes), which accompanies these instructions.

1. Fill in the information in the blanks and the insert where indicated.
2. The references in Part A to Part B and Part C are for indicating that this application consists of three parts. You need not be concerned about these references while preparing Part A.
3. Read the terms and conditions, 1 through 12, thoroughly. Some of the terms and conditions are quite restrictive and will appear as conditions in the Deed of Conveyance.
4. In the event that the property is on, nominated to, or eligible for nomination to the National Register for Historic Places, appropriate language will be incorporated in the deed in order to carry out the intent of the Historic Preservation Act of 1966 and Executive Order 11593.
5. The person having legal responsibility and/or authority to submit the application and carry out the conditions of a deed must sign Part A in the space following Condition 12.
6. The "Acceptance by the Government" statement will be completed by the National Park Service upon completion of the review of your application and its acceptance.

APPLICATION FOR FEDERAL SURPLUS PROPERTY
FOR PUBLIC PARK OR RECREATION PURPOSES

Part A

National Park Service - Western Region
900 Harrison Street - Suite 600
San Francisco, CA 94107

The undersigned State of California Department of Parks and Recreation

hereinafter referred to as the Applicant or Grantee, acting by and through:

Patricia J. Megason, Director

(Name and Title of person having authority to make application)

P.O. Box 942896

(Street Address)

Sacramento, CA 94296-0001 (916) 653-8380

(City, State, Zip, and business telephone number)

hereby makes application to the United States pursuant to Section 203(K)(2) of the Federal Property and Administrative Services Act of 1949 (63 Stat. 387), as amended, and in accordance with the rules and regulations of the Department of the Interior, for the transfer of the following property which has been declared surplus by the General Services Administration and is subject to assignment to the Secretary of the Interior for disposal for public park or recreation purposes:

1. NAME AND LOCATION OF PROPERTY BEING REQUESTED:

A portion of the Presidio of Monterey Annex (FT. Ord Excess Property II) that includes buildings #4419, 4420, 4421, 4423, 4460, and a portion of the adjacent land.

2. GSA CONTROL NUMBER OF THE SUBJECT PROPERTY: Not Applicable

3. ACREAGE OF THE TOTAL PROPERTY OR PORTION THEREOF BEING REQUESTED UNDER THIS APPLICATION FOR PARK AND RECREATION PURPOSES ONLY:

Approximately 4.6 acres.

The property is more fully described in Part B of this application, attached hereto and made a part thereof.

Enclosed herewith as Part C of the application is a resolution or certified statement showing the authority of the undersigned to execute this application and to do all other acts necessary to consummate the transaction.

The undersigned agrees that this application is made subject to the following terms and conditions:

1. This application and its acceptance by the Department of the Interior shall constitute the entire agreement between the Applicant and the Department of the Interior, unless modified in writing signed by both parties.
2. The descriptions of the property set forth above are believed to be correct, but any error or omission shall not constitute ground or reason for non-performance of the agreement resulting from the acceptance of this application.
3. It is understood that the property is to be conveyed "as is" and "where is" without representation, warranty, or guaranty as to quantity, quality, character, condition, size, or kind, or that the same is in condition or fit to be used for the purpose intended and no claim for any adjustment upon such grounds will be considered after this application has been accepted.
4. The Applicant agrees to assume possession of the property within 15 days of any written request given by the Department of the Interior after the property has been assigned to the Department of the Interior by the General Services Administration. Should the Applicant fail to take actual possession within such period, it shall nonetheless be charged with constructive possession commencing at 12:01 A.M., local time, of the 16th day after such request by the Department of the Interior. The word "possession" shall mean either actual physical possession or constructive possession.
5. At the date of assumption of possession of the property, or the date of conveyance, whichever occurs first, the Applicant shall assume responsibility for any general and special real and personal property taxes, which may have been or may be assessed on the property, and to prorate sums paid, or due to be paid, by the Federal Government in lieu of taxes.
6. At the date of assumption of possession of the property, or the date of conveyance, whichever occurs first, the Applicant shall assume responsibility for care and handling and all risks of loss or damage to the property, and have all obligations and liabilities of ownership.
7. The Applicant shall on a mutually agreeable date not later than 30 days after the property has been assigned to the Department of the Interior, or such longer period as may be agreed upon in writing, tender to the Department of the Interior the purchase price, if a purchase price is due.

Conveyance of the property shall be accomplished by an instrument, or instruments, in form satisfactory to the Department of the Interior without warranty, express or implied, and shall contain reservations, restrictions, and conditions substantially as follows:

- A. That the Grantee shall forever use the property in accordance with its application and the approved Program of Utilization included in Part B of this application.
- B. That the Grantee shall, within six months of the date of the signing of the Deed of Conveyance, erect and maintain a sign or marker near the point or principal access to the conveyed area indicating that: the property is a park or recreation area; has been acquired from the Federal Government for such use; is or will be made available for use by the general public.
- C. The property shall not be sold, leased, assigned, or otherwise disposed of except to another eligible governmental agency that the Secretary of the Interior agrees in writing can assure the continued use and maintenance of the property for public park or public recreational purposes subject to the same terms and conditions in the original instrument of conveyance. However, nothing in this provision shall preclude the Grantee from providing related recreational facilities and services compatible with the approved program mentioned under the above Item A through concession agreements entered into with third parties, provided the prior concurrence of the Secretary of the Interior is obtained in writing to such agreements.
- D. The Grantee shall prepare biennial reports setting forth the use made of the property during the preceding two-year period and submit it to the appropriate Regional Office of the National Park Service (whose return address appears on the transmittal letter to you) for ten consecutive reports, and as further determined by the Secretary of the Interior.
- E. If at any time the United States of America shall determine that the premises herein conveyed, or any part thereof, are needed for the national defense, all right, title, and interest in and to said premises, or part thereof determined to be necessary to such national defense, shall revert to and become the property of the United States of America.
- F. The Federal Government shall have the right to reserve all oil, gas, and mineral rights.
- G. Title to the property transferred shall revert to the United States at its option in the event of non-compliance with any of the terms and conditions of disposal.

9. The Program of Utilization included in Part B of the application may be amended at the request of either the Applicant or the Federal Government with the written concurrence of the other party. Such amendments will be added to and become a part of the original application and shall be consistent with purposes for which the property was transferred. The Applicant further agrees to furnish such data, maps, reports, and information as may be needed by the National Park Service.
10. Any title evidence which may be desired by the Applicant will be procured by the Applicant at its sole costs and expense. The Federal Government will, however, cooperate with the Applicant or its authorized agent in this connection and will permit examination and inspection of such deeds, abstracts, affidavits of title, judgements in condemnation proceedings, or other documents relating to the title of the premises and property involved as it may have available. It is understood that the Federal Government will not be obligated to pay for any expense incurred in connection with title matters or survey of the property.
11. The Applicant shall pay all taxes imposed on this transaction and shall obtain at its own expense and affix to all instruments of conveyance and security documents such revenue and documentary stamps as may be required by federal and local law. All instruments of conveyance and security documents shall be recorded within 30 days of their receipt in the manner prescribed by local recording statutes at the Applicant's expense.
12. "Assurance of Compliance with the Department of the Interior Regulations under Title VI of the Civil Rights Act of 1964:"

The following agreement is made by the Applicant in consideration of and for the purpose of obtaining the transfer of any or all property covered by this application and the Applicant recognizes and agrees that any such transfer will be made by the United States in reliance on said agreement.

The Applicant agrees that (1) the program for or in connection with which any property covered by this application as transferred to the Applicant will be conducted in compliance with, and the Applicant will comply with and require any other person (any legal entity) who through contractual or other arrangements with the Applicant is authorized to provide services or benefits under said program to comply with, all requirements imposed by or pursuant to the regulations of the Department of the Interior (43 CFR Part 17) issued under the provisions of Title VI of the Civil Rights Act of 1964; (2) this agreement shall be

subject in all respects to the provisions of said regulations; (3) the Applicant will promptly take and continue to take such action as may be necessary to effectuate this agreement; (4) the United States shall have the right to seek judicial enforcement of this agreement; and (5) this agreement shall be binding upon the successors and assigns of the Applicant.

2. The applicant agrees to comply with the requirements of Public Law 90-489 (82 Stat. 118) the Architectural Barriers Act of 1968 as amended by Public Law 91-205 of 1970 (84 Stat. 49) to assure that development of facilities on conveyed surplus properties for public park and recreation purposes are accessible to the physically handicapped; and, further assure in accordance with Public Law 93-112, the Rehabilitation Act of 1973 (87 Stat. 394) that no otherwise qualified handicapped individual shall solely by reasons of his handicap be excluded from the participation in, be denied benefits of, or be subject to discrimination under any program or activity receiving Federal financial assistance."

It is agreed that the instrument effecting the transfer to the Applicant of any property covered by this application will contain provisions satisfactory to the United States, incorporating the substance of the foregoing agreement such provisions to consist of (a) a condition, coupled with a right reserved to the United States to cause the property to revert to the United States in the event of any breach of such condition and (b) a covenant running with the land.

Patricia J. Ferguson
(Signature)

Director
(Title)

P.O. Box 942896, Sacramento, CA 94296
(Address of Applicant)

1/22/98
(Date)

ACCEPTANCE BY THE GOVERNMENT

Accepted by and on behalf of the United States of America this _____

day of _____, 19__

U. S. DEPARTMENT OF THE INTERIOR

By _____

**APPLICATION FOR FEDERAL SURPLUS PROPERTY
FOR PUBLIC PARK OR RECREATION PURPOSES**

Part B:

1. DESCRIPTION OF PROPERTY:

A. LEGAL SURVEY DESCRIPTION:

See **Attachment #2B** for a draft survey description of the requested parcel of property. This document is currently being filed as the legal survey description.

B. PLOT MAP:

The requested parcel of property comprises a portion of the Presidio of Monterey Annex (Ft. Ord Excess Property II). **Attachments # 1A & 1B** show the relationship of the requested parcel (Buildings #4419, 4420, 4421, 4423, 4460, and a portion of the adjacent land) to the surrounding area in Monterey County (#1A) and to the Excess Property II boundaries (#1B).

Attachment #2A shows the boundary of the requested parcel along with existing buildings and roads within the parcel. This map is a reduced copy of the survey completed 6-23-98 which is being filed as the legal survey.

C. PHYSICAL DESCRIPTION:

The requested parcel is approximately 4.6+ acres of slightly sloping land (from North to South) with some landscaping of trees, grass and shrubs along 6th Ave. and Colonel Durham Rd. in front of buildings 4420, 4421, and 4423. There are two large areas of A.C. pavement previously used for parking, one area is immediately south of buildings 4419 and 4421, and the other paved area is located directly south of and behind building 4423, and west of building 4420 and north of building 4419. There are two large butane tanks located at the southern edge of the requested parcel; these are designated as building 4460. There are public access roads on the North, South and East boundaries and a 15 ft. access and egress easement on the West boundary.

D. PARCEL PHOTOGRAPHS:

Attachment #3 contains photographs of Buildings #4423, 4420, 4421, 4419, 4460 (Butane Tanks), and the pavement areas and surrounding landscaping.

E. HISTORIC CLASSIFICATION:

There is no indication that this parcel is on, nominated to, or eligible for nomination to the National Register of Historic Places.

2. CURRENT AND FUTURE NEED FOR THE PROPERTY:

The requested surplus property at the Presidio of Monterey (POM) Annex will be converted into use as a hostel and environmental learning center complex to be operated by the Central California Council of Hostelling International - American Youth Hostels (CCC/AYH) on a concession basis.

A market study completed by HI-AYH in January 1996 and updated in 1999 concluded that there is an existing demand by domestic and international visitors, as well as educational groups, for hostel accommodations of 160 beds in the Monterey area. CCC/AYH is currently negotiating for the purchase/lease of a building in Monterey that will be remodeled into a 45

APPLICATION FOR FEDERAL SURPLUS PROPERTY

hed hostel. The development of a 120 bed hostel at the former Fort Ord property would compliment the other proposed hostel and would satisfy the demand for hostel accommodations in the Monterey area.

A network of hostels providing a total of 160 beds for the Monterey area is consistent with the Department of Parks & Recreation Coast Hostel Facilities Plan of 1978. All of the hostels developed as a result of the pilot projects of this plan have proved successful. The Pigeon Pt. Lighthouse and Montara Pt. Lighthouse complexes are hostels developed under this plan over 14 years ago. In 1976 the total hostel overnights for all of California was 17,895; twenty years later in 1997 the combined overnights for the two lighthouse hostels alone was 21,810 and the 1997 total overnights for all of California HI-AYH hostels was over 260,000.

The California State Coastal Conservancy supports the development of hostels in their master plan to meet the need for providing affordable access to the California coast. They have targeted the Monterey Peninsula as one of the highest priority locations for the development of a hostel to meet this need.

The Lighthouse hostels and other northern California hostels have implemented environmental education programs that are utilized by schools for group field trips. These programs are promoted at schools throughout northern California with a special emphasis on schools with economically disadvantaged students. The Monterey Bay Aquarium is a popular destination for school groups and an affordable overnight stay at an environmental learning center hostel could enhance their experience of the Aquarium by allowing them more time for the tour and by complementing the Aquarium tour with hands on environmental projects.

The requested buildings would meet this need of budget accommodations and environmental education with a supervised facility of overnight bunkrooms, self-serve kitchen and dining facilities, common areas, recreation rooms and classrooms. The outside areas would be used for solar and wind energy demonstrations, gardening projects, composting demonstrations, outdoor recreation, and future expansion.

3. SUITABILITY OF PROPERTY:

It is important that hostels be easily accessible by bicycle, public transportation, and by automobile or bus. This property meets that criteria by being within 1.5 miles from the major north-south coastal Highway 1 and on the projected metropolitan bus route between the City of Monterey and the California State University at Monterey Bay (CSUMB). There is existing paved parking space for at least 50 vehicles and although the buildings are not currently wheelchair accessible, they will be remodeled for accessibility.

The approximate 14,000 net square feet of existing building space is of sufficient size for a hostel of 120 beds. The approximate 2 acre paved area south of the buildings will allow the development of demonstration solar and wind energy projects, gardening and composting projects, and outdoor recreational activities. The current available building square footage combined with the portions of the paved area offers the potential for future expansion.

APPLICATION FOR FEDERAL SURPLUS PROPERTY

The property is within walking distance of CSUMB and the hostel programs can conveniently utilize university students for volunteers, interns, and docents. The property is also adjacent to a City of Seaside outdoor recreation area for public use

4. CAPABILITY OF HI-AYH:

The California State Parks & Recreation Department is sponsoring CCC/Hi-AYH as the developer and operator of the requested property for use as a hostel and environmental learning center. There are over 150 HI-AYH licensed hostels in the United States and currently 24 are in the State of California and 7 of those are within the Central California region. In addition to its own expertise in hostel development and operation, CCC/Hi-AYH can also draw on the Golden Gate Council of HI-AYH experience with the Pigeon Pt. Lighthouse Hostel and the Montara Pt. Lighthouse Hostel both of which are operating successfully under a concession agreement with the California State Parks & Recreation Department.

Based on the market study for hostelling in the Monterey area and the proven track record of HI-AYH to successfully operate hostels, this proposed hostel, once open, will become financially self sustaining from the income derived from a modest overnight fee of \$15 to \$20 per person with discounts for youth. See **attachment #4A and #4B** for the proposed operating budgets for Phase II and IV respectively. The occupancy rates in these budgets are based on the Monterey area market study and the yearly occupancy rates experienced at the two north coast Lighthouse Hostels, the Monterey Hostel, and the Santa Cruz Hostel over the past several years.

The development budget for **Phases I & II** is estimated at \$278,000 with a total development cost through **Phase IV** projected at \$1,242,000 over a period of eight years. Phase II includes remodeling building 4420 by adding wheelchair accessibility, bathroom and kitchen facilities and sleeping accommodations for up to 30 hostellers: staff quarters, and office space. (see **attachment #2C**). The CCC/AYH will fund Phases I & II from its hostel development savings account and Fundraisers, grants and donations, State Coastal Commission mitigation funds, and donated time & materials. **Phase III** will include a pilot environmental classroom program for small groups and a Council office and classrooms in building 4421. It will also include environmental projects utilizing the adjacent paved area south of the buildings and remodeling of building #4419 for additional workshop and classroom space, as well as a travel store (see **attachment #2C**). **Phase IV** will include expanding the hostel facilities by remodeling building 4423 to accommodate up to 90 additional guests, including additional office space: staff quarters; kitchen, dining, and common space. Phases III & IV will be funded with a combination of grants, hostel operating income, fundraisers, income from the hostel programs, and donated time & materials. See **attachment #5** for the proposed project development schedule and costs for all four phases.

A paid staff of three full-time and 4 part-time will be employed for hostel operations and programming. Volunteers from CSUMB and the City of Seaside as well as other surrounding communities will be recruited as docents for programs, hosts for the hostellers, and for general help in the operation of the hostel.

APPLICATION FOR FEDERAL SURPLUS PROPERTY

5. PROGRAM OF UTILIZATION:

The State of California Department of Parks and Recreation wishes to sponsor the CCC/HI-AYH in the establishment of an HI-AYH hostel learning center on the 4.6+ acre surplus property parcel. This hostel will include overnight facilities, educational, environmental, and recreational programs for the independent traveler, for groups including schools, scouts, inner city youth, and non-profit organizations such as Elderhostel. The hostel will become a resource center for the surrounding communities, including Seaside and CSUMB in environmental and travel information, cultural exchange, languages, and volunteer opportunities.

HOSTEL PROGRAM:

The four buildings #4419, 4420, 4421, 4423 will form the nucleus of the Hostel complex. The largest building #4423, with approximately 8,200 net square ft., will be remodeled in phase IV to provide the main facilities for the hostel including: reception area, registration and office, bunk rooms, family rooms, self-service kitchen and dining facilities, accessible bathrooms and showers, recreation room, library room, staff quarters, meeting room space, bicycle storage and repair facility. Activities within this building and buildings #4421 and #4419 will include programs to encourage cultural exchange between the visitors, travel videos, storytelling, group sing-alongs, short classroom programs in languages, the environment, bicycle repair, and interesting things to do in the surrounding area.

Building #4420 will be remodeled in phase II to provide a small apartment for the hostel manager and initially to accommodate up to 30 hostellers with kitchen, dining, and bathroom facilities.

Building #4419 will be remodeled into a group meeting space, classrooms, travel store and a Council office. The area to the north of building #4419 will be landscaped for use as an outdoor dining area and a gathering space for groups.

Existing parking space to the south of building #4423 can accommodate 20 vehicles and the parking space south of buildings #4421 and #4419 can accommodate another 40 vehicles which is more than is needed for the proposed hostel.

OVERNIGHT ACCOMMODATIONS:

The second phase of remodeling will accommodate up to 30 guests in building #4420 along with a staff studio apartment. The fourth phase will provide additional overnight accommodations for up to 90 guests and 2 staff apartments in building 4423. Bunkrooms will be designed to sleep 4 to 8 guests each with at least 30 square feet of space per guest. Several of the bunkrooms will be designed to accommodate families of up to four.

KITCHEN & DINING FACILITIES:

This hostel will continue the tradition of offering a self-service kitchen for guests to prepare their own meals. There will be kitchens and dining areas in two or three buildings designed to accommodate 40 guests at any given time while self service meals are prepared in 1 or 2 shifts. The indoor dining facilities will accommodate at least 45 guests each while the outdoor dining should accommodate up to 40 guests.

APPLICATION FOR FEDERAL SURPLUS PROPERTY

RECREATION AREAS:

Indoors, the combination recreation room & classrooms will be designed to accommodate approximately 60 guests. A variety of board games and playing cards will be available, as well as a ping pong table.

Outdoor recreation will be encouraged with a display of hiking trails, inexpensive bike rentals, and docent led historic and environmental walks. A volleyball court, multi-purpose courts, and a softball field are located in the future Seaside city park adjacent to the hostel and outdoor activities for hostel guests at the park will be coordinated with the Seaside Parks & Recreation Dept.

ENVIRONMENTAL CENTER:

In Phase III, offices in remodeled building 4421 can be used for classrooms and workshops for environmental projects demonstrating how to harness solar and wind energy. Also in phase III, building #4419 will be remodeled into additional meeting and lecture space for large groups. There will be multi-media computers and other visual aids available for demonstration and instruction.

The outdoor area south of the buildings will contain working models of solar and wind energy projects complementing the classroom instruction. This area will also be landscaped for demonstration vegetable and flower gardens along with a demonstration of methods of composting.

UTILITIES:

Existing water and utility lines will be used wherever possible and new lines installed where needed.

APPLICATION FOR FEDERAL SURPLUS PROPERTY
FOR PUBLIC PARK OR RECREATION PURPOSES

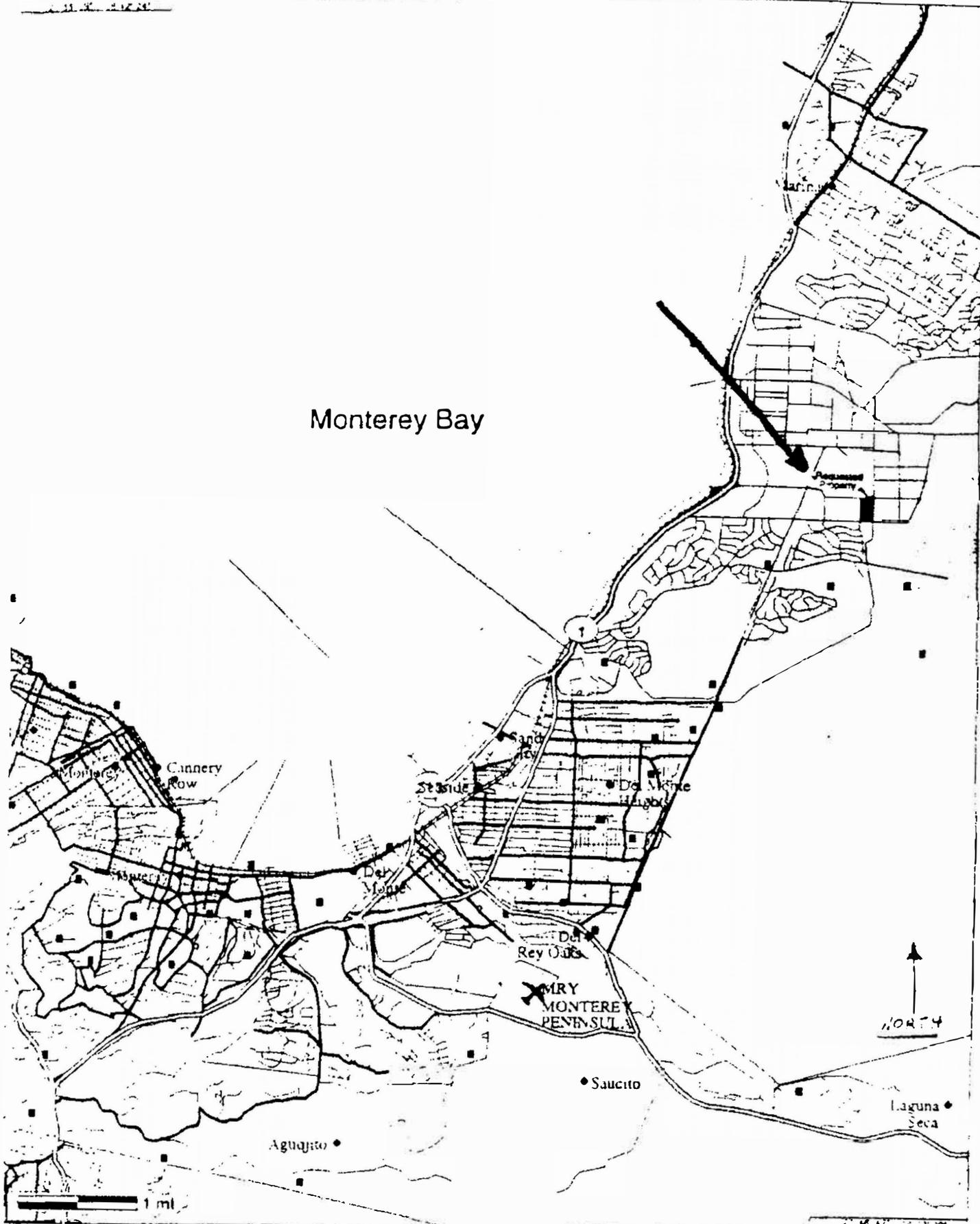
PART C

Proof of Authority

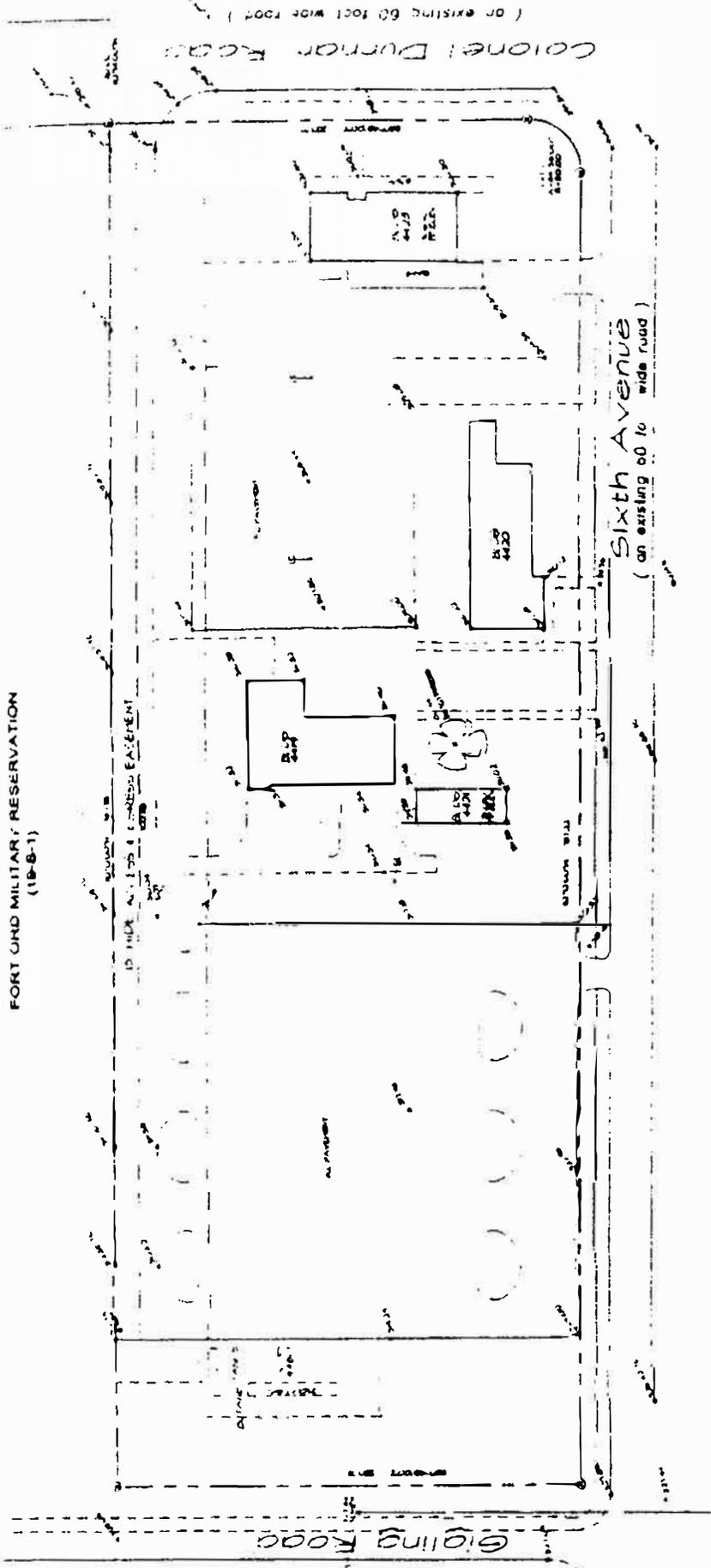
The Director of the State of California Department of Parks and Recreation has the authority to accept title to the subject lands in accordance with the California Public Resources Code, Section 5006, (a), as follows:

5006a. Acquisition of property by Department; State Park System. The department with the consent of the Department of Finance, and subject to Section 15853 of the Government code, may acquire title to or any interest in real and personal property which the Department deems necessary or proper for the extension, improvement, or development of the State Park System.

Monterey Bay



ATTACHMENT #2A



FORT ORD MILITARY RESERVATION
(18-B-1)

Colonel Dunham Road
(an existing 60 foot wide road)

Sixth Avenue
(an existing 60 ft wide road)

Existing Road

Notes

1. Survey of 1987 (Federal Landmarks Survey of 1979)
2. Survey of 1987 (Federal Landmarks Survey of 1979)
3. Survey of 1987 (Federal Landmarks Survey of 1979)
4. Survey of 1987 (Federal Landmarks Survey of 1979)
5. Survey of 1987 (Federal Landmarks Survey of 1979)
6. Survey of 1987 (Federal Landmarks Survey of 1979)
7. Survey of 1987 (Federal Landmarks Survey of 1979)
8. Survey of 1987 (Federal Landmarks Survey of 1979)
9. Survey of 1987 (Federal Landmarks Survey of 1979)
10. Survey of 1987 (Federal Landmarks Survey of 1979)



M&S MONITORING & CLIMATE SOLUTIONS, INC.
118 S. Main Street, Suite 100, San Jose, CA 95128
Tel: 408.293.1000 Fax: 408.293.1001

Limit of Topographic Survey

This survey was conducted in accordance with the standards and practices of the American Society of Professional Surveyors (ASPS) and the National Society of Professional Surveyors (NSPS).

Survey No. 18788 Date: 08/18/08

Client: American Youth Institute, Inc.

ATTACHMENT #2B

4.654 ac. Col. Durlan Rd., Seaside (Ft. Ord)

AMERICAN YOUTH HOSTELS, INC.

THE UNITED STATES OF AMERICA, to

CERTAIN REAL PROPERTY SITUATE in the Monterey City Lands Tract No. 1 and the City of Seaside, Monterey County, California, and being a portion of the lands formerly known as the Fort Ord Military Reservation, more particularly described as follows:

Beginning at a point which bears South 87° 46' 00" East 251.27 feet and South 2° 14' 00" West, 99.69 feet from the southeast corner of Parcel 1 as shown on map recorded in Volume 20 of Surveys at page 71, records of said county, thence

1. South 87° 46' 00" East 227.77 feet, thence
2. Along the arc of a tangent curve to the right with a radius of 30.00 feet, through a central angle of 89° 58' 00" for an arc distance of 47.11 feet, thence
3. South 2° 12' 00" West 757.22 feet, thence
4. North 87° 48' 00" West 257.75 feet, thence
5. North 2° 12' 00" East 787.35 feet to said point of beginning

Containing 4.654 acres, more or less

Courses all true

This description was prepared under my direction

Daryl P. Whitchee

PLS 5992

MCS, Inc
6/22/98

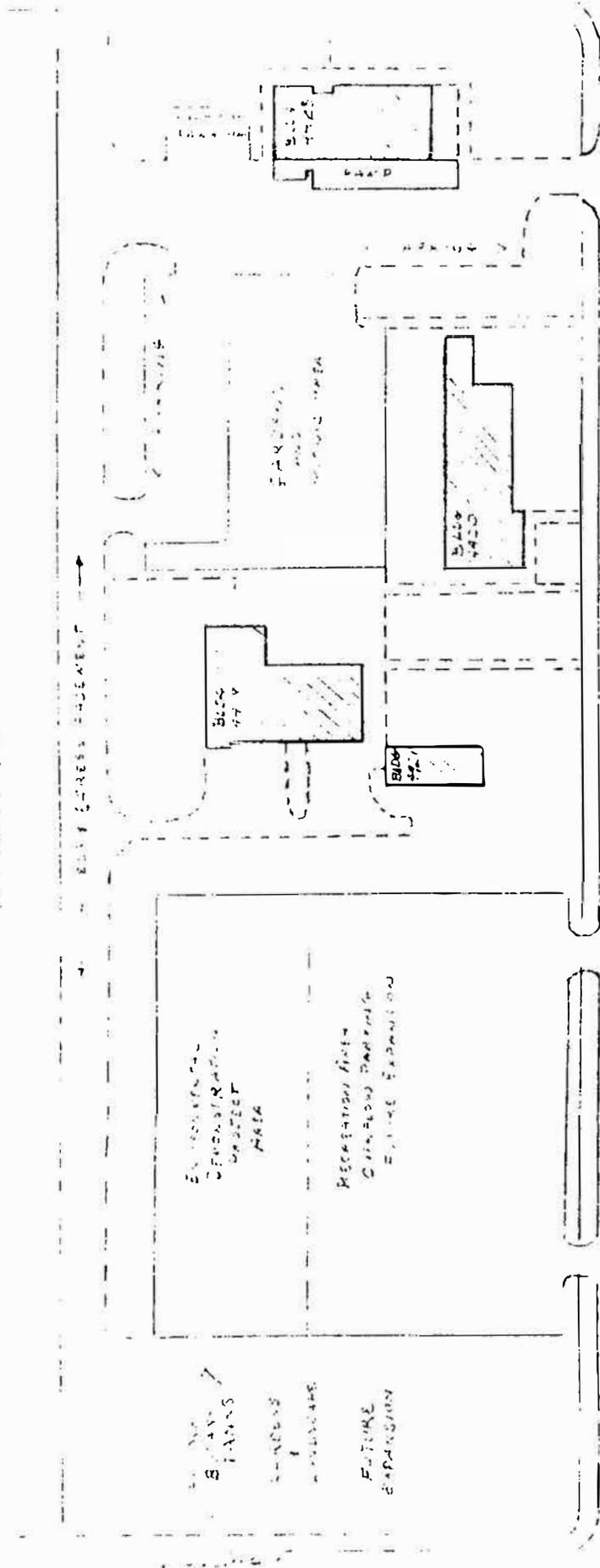
AYHford 1d

DRAFT

ATTACHMENT 20
Site Development Plan

FIGURE

← EAST EXPRESS HIGHWAY



← 6th Avenue →

PHASE I: Bldg# 4420
 Caretaker Apartment:
 1 Bath
 1 Shower
 1 Kitchen / Dining
 1 Clotheswasher

PHASE II: #4420 Remodel
 30 Hostel Beds
 Registration Office
 2 Staff Apartments
 1 Self-Serve Kitchenette
 Dining & Common Space
 4 x 2 Baths
 3 Showers
 1 Dishwasher
 2 Clotheswashers
 1 Utility Sink
 All Accessible

PHASE III: Bldg# 4419 & 4421
 Mini Conference Center
 Travel/Retail Store
 Office
 Meeting Space
 Classroom
 1 Self-Serve Kitchen
 Dining & Common Space
 3 x 2 Baths
 2 Dishwashers
 2 Clotheswashers
 1 Utility Sink
 All Accessible

PHASE IV: Bldg# 4423
 40 Hostel Beds
 Registration Office
 2 Staff Apartments
 1 Self-Serve Kitchenette
 Dining & Common Space
 5 x 12 Baths
 5 Showers
 1 Dishwasher
 2 Clotheswashers
 1 Utility Sink
 1st Floor ADA Accessible

**Central California Council of HI-AYH
Proposed HI - Fort Ord Hostel
Projected Budget After Phase II**

ATTACHMENT 4A

Revision: 10-Sep-04

INCOME:

ACCOMODATION REVENUE.		Overnight(O/N) Fees= (\$18 Adult, \$12 Age 7 to 17, \$9.00 Age less than 7)				
# Beds =	30	Avg. O/N Fee = \$17.00				
	Dates Open	# Days	% Occupancy	# Overnights(O/N)	Income(O/N\$)	
	6/1/2009 - 9/30/2009	122	70%	2,562	\$43,554	
	10/1/2009 - 5/31/2010	243	35%	2,552	\$43,384	
			<u>47%</u>	<u>5,114</u>	<u>\$86,938</u>	

SALES/RENTALS

* Linen / Towel Rentals	\$153
* Pay Phone & Phone Cards	\$511
* Net U.S. Membership Passes	\$256
* Net Int'l Membership Passes	\$1,023
Net Eurail/Britrail Passes	\$200
* Net Books & Merchandise	\$205
	<u>\$2,348</u>

* OTHER (Interest, Donations, Activities, & Events)

\$1,011

TOTAL INCOME

\$90,297

EXPENSES:

HOSTEL OPERATIONS: (Overflow and by Group Reservation only)

PAYROLL:

1	Hostel Manager (40hrs/wk)	Lodging/Mnth= \$300	Salary/Mnth= \$1,400	\$16,800
1	Asst. Manager (20hrs/wk)	Onsite Lodging \$300	Salary/Mnth= \$700	\$8,400
0	Summer Help (15hrs/wk)	3 Mnths+Lodging= \$200	Salary/Mnth= \$300	\$0
	Vacation Replacements			\$969
	Payroll Taxes / Workers Comp. (Lodging x17%, Salary x 25% estimates)			\$7,766
	Total Payroll Expense			<u>\$33,936</u>

OPERATING EXPENSES:

Advertising & Promotion	\$1,200
* Fees (AYH & Bank): (\$5/Bed/Year)+(3.5% of O/N\$)+(CCC \$.25 per O/N)+Bank Fees	\$4,521
Furnishings & Equipment (Included in Replacement Reserves)	
Rent	\$1
Volunteer/Club Development & Hospitality	\$1,900
* Insurance (AYH & Property): (Liability=.26 per O/N, Property=1000)	\$2,330
* Maintenance & Repairs (3% of O/N\$)	\$2,608
* Miscellaneous	\$358
* Printing & Postage	\$511
Professional Services (Bookkeeping, Payroll, Gardening, Legal, ...)	\$2,000
* Community Programmimg (Activities)	\$1,023
* Disposable Supplies (Hostel Operation)	\$3,836
* Supplies (Office)	\$409
* Telephone / Internet Access	\$1,505
* Training, Retreats, & Meetings	\$1,134
Transportation	\$500
* Utilities	\$4,301
	<u>\$28,137</u>
	<u>\$62,072</u>

OVERSIGHT COMMITTEE EXPENSES **\$1,200**

CAPITAL IMPROVEMENTS (Building Upgrades, Replacement Reserves, & Major Repairs) **\$2,000**

TOTAL EXPENSES **\$65,272**

NET EARNINGS (LOSS) {Available for Loan Repayment} **\$25,025**

* Items based on a percentage of Overnight Usage (O/N) & Overnight Income (O/N\$).

**Central California Council of HI-AYH
Proposed HI - Fort Ord Hostel
Projected Budget After Phase IV**

ATTACHMENT 4B

Revision: 11-Sep-04

INCOME:

ACCOMODATION REVENUE: Overnight(O/N) Fees= (\$18 Adult, \$12 Age 7 to 17, \$9.00 Age less than 7)
Beds = 120 **Avg. O/N Fee = \$16.50**

Dates Open	# Days	% Occupancy	# Overnights(O/N)	Income(O/N\$)
6/1/2014 - 9/30/2014	122	40%	5,856	\$96,624
10/1/2014 - 5/31/2015	243	18%	5,249	\$86,609
		<u>25%</u>	<u>11,105</u>	<u>\$183,233</u>

SALES/RENTALS

* Group Day Use Rental	\$4,800
* Linen / Towel Rentals	\$333
* Pay Phone/Phone Cards/Internet	\$3,221
* Net U.S. Membership Passes	\$555
* Net Int'l Welcome Stamps	\$2,221
Net Eurail/Britrail Passes	\$200
* Net Books & Merchandise	\$1,333
	<u>\$12,663</u>

* OTHER (Interest, Donations, Activities, & Events)

\$1,611

TOTAL INCOME

\$197,506

EXPENSES:

HOSTEL OPERATIONS: (Overflow and Group Reservation Only)

PAYROLL:

1 Hostel Manager (40hrs/wk)	Lodging/Mnth= \$400	Salary/Mnth= \$1,680	\$20,160
3 Asst. Staff (25hrs/wk)	Lodging/Mnth= \$400	Salary/Mnth= \$683	\$24,600
0 Summer Help (15hrs/wk)	4 Mnths+Lodging= \$300	Salary/Mnth= \$220	\$0
2 Cleaners (10hrs/wk)	12 Mnths(No lodge)	Salary/Mnth= \$390	\$9,360
Vacation Replacements			\$1,722
Payroll Taxes / Workers Comp. (Lodging x17%, Salary x 25% estimates)			\$32,476
Total Payroll Expense			<u>\$88,318</u>

OPERATING EXPENSES:

Advertising & Promotion	\$1,200
* Fees (AYH & Bank) (\$5/Bed/Year)+(3.5% of O/N\$)+(CCC \$.25 per O/N)+Bank Fees	\$9,839
Furnishings & Equipment (Included in Replacement Reserves)	
Rent	\$1
Volunteer/Club Development & Hospitality	\$1,900
* Insurance (AYH & Property): (Liability=.26 per O/N, Property=2000)	\$4,887
* Maintenance & Repairs (2% of O/N\$)	\$3,665
* Miscellaneous	\$777
* Printing & Postage	\$1,111
Professional Services (Bookkeeping, Payroll, Gardening, Legal, ...)	\$2,000
* Community Programmimg (Activities)	\$2,221
* Disposable Supplies (Hostel Operation)	\$6,663
* Supplies (Office)	\$888
* Telephone / Internet Access	\$1,744
* Training, Retreats, & Meetings	\$1,790
Transportation	\$500
* Utilities	\$6,997
	<u>\$46,184</u>
	<u>\$134,502</u>

OVERSIGHT COMMITTEE EXPENSES

\$1,200

CAPITAL IMPROVEMENT FUND (Building Upgrades, Replacement Reserves, & Major Repairs)

\$3,000

TOTAL EXPENSES

\$138,702

NET EARNINGS (LOSS) (Available for Loan Repayment)

\$58,804

* Items based on a percentage of Overnight Usage (O/N) & Overnight Income (O/N\$).

FO_B120P30V04b

11-Sep-04

**Central California Council of AYH
Hostel at the Former Fort Ord
Proposed Development Schedule & Costs**

PHASE I: 1998-2006		COST
1998	Survey Parcel L37 and Recording Fees	\$3,800
2000	Army authorizes caretaker & PG&E for Building# 4420	
2001-2002	PG&E Electrical installed to Bldg# 4420	\$7,000
2002	Water meter & temporary water to Bldg# 4420	\$3,000
2000-2003	Volunteer & In-Kind Services (Trenching, Equip Repair, etc...)	\$4,000
2000-2003	Fees & Professional Help	\$1,200
May-03	Caretaker takes residence in house trailer (security)	
2005-2006	Caretaker takes residence in Bldg# 4420	
1998-2006	Volunteer Maintenance Help	\$8,000
2000-2006	Bldg# 4420 Maintenance Costs	<u>\$3,000</u>
	Subtotal	\$30,000
PHASE II: 2007-2009		
2007	Develop Site Master Plan	\$8,000
2007	Develop Remodel Plans for Buildings 4420	\$5,000
2008	Fees & Professional Help	\$20,000
2008-2009	Remodel Building #4420	\$150,000
2008-2009	Landscaping (less donated materials and labor)	\$10,000
2007-2009	Volunteer & In-Kind Materials and Services	\$50,000
2009	30 bed Overflow Hostel Opens (Furnishings)	<u>\$5,000</u>
	Subtotal	\$248,000
PHASE III: 2010-2012		
2010	Develop Remodel Plans for Building #4419, 4421, & 4423	\$10,000
2010	Develop Environmental Program Curriculum	\$3,000
2010	Start Solar, Wind, & Garden Projects	\$6,000
2010-2012	Fees & Professional Help	\$20,000
2011-2012	Install Utilities (PG&E and Water) for Bldgs# 4419 & 4421	\$20,000
2011-2012	Remodel Building #4419 & 4421	\$195,000
2012	Furnishings for #4419 & 4421	\$15,000
2010-2012	Volunteer & In-Kind Materials and Services	<u>\$65,000</u>
	Subtotal	\$334,000
PHASE IV: 2013/2014		
2013-2014	Fees & Professional Help	\$40,000
2013-2014	Install Utilities (PG&E and Water) for Bldg# 4423	\$30,000
2013-2014	Remodel Building #4423	\$465,000
2013-2014	Landscaping (less donated materials and labor)	\$10,000
2014	Furnishings for #4423	\$10,000
2013-2014	Volunteer & In-Kind Materials and Services	<u>\$75,000</u>
	Subtotal	\$630,000
TOTAL COST		<u>\$1,242,000</u>
FUNDING:	CCC/AYH Funds from Income/Fundraisers	\$220,000
	Projected Grants	\$620,000
	Coastal Commission Mitigation Funds	\$200,000
	Donated Materials & Labor	<u>\$202,000</u>
	TOTAL FUNDS	<u>\$1,242,000</u>

EXHIBIT C

**LETTER WITHDRAWING STATE PARKS' PUBLIC BENEFIT
CONVEYANCE APPLICATION FOR THE YOUTH HOSTEL PARCEL**



MAY 07 2008

Honorable Dirk Kempthorne
Secretary
Department of Interior
1849 C Street, N.W.
Washington, D.C. 20240

Dear Secretary Kempthorne:

Withdrawal of Public Benefit Conveyance Application for Youth Hostel Parcel,
Fort Ord, California; Buildings 4419,4420,4421,4423,4460, and adjacent land

On behalf of California State Parks (CSP), I am writing in my official capacity as Director to withdraw CSP's Public Benefit Conveyance Application (copy enclosed), to acquire a portion of the land at the former Fort Ord military installation in Monterey County, California, commonly known as the American Youth Hostel Parcel. The Public Benefit Conveyance Application was filed with the Department of the Interior by former Director Patricia J. Megason on December 29, 1998. CSP's application was made pursuant to and under the authority of Section 203(k)(2) of the Federal Property and Administrative Services Act of 1949 (63 Stat. 387) as amended.

Should you need to contact CSP with this regard, please feel free to contact project manger, Elizabeth L. Steller at (916) 445-8785. Thank you for your kind assistance.

Sincerely,

Ruth Coleman
Director

Enclosure

cc: Mr. Ray Corpuz, Manager, City of Seaside
Honorable Ralph Rubio, Mayor, City of Seaside
George R. Schlossberg, Esq., Consultant to the City of Seaside
Hon. Bill Birney, Assistant Deputy Assistant Secretary of the Army (I&L)

EXHIBIT D

DRAFT AMENDMENT NO. 3 TO THE EDC AGREEMENT

1
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4
5 **AMENDMENT NO. 3**
6 **TO THE**
7 **MEMORANDUM OF AGREEMENT**
8 **BETWEEN**
9 **THE UNITED STATES OF AMERICA**
10 **ACTING BY AND THROUGH**
11 **THE SECRETARY OF THE ARMY**
12 **UNITED STATES DEPARTMENT OF THE ARMY**
13 **AND**
14 **THE FORT ORD REUSE AUTHORITY**
15 **FOR THE SALE OF**
16 **PORTIONS OF THE FORMER FORT ORD**
17 **LOCATED IN MONTEREY COUNTY, CALIFORNIA**
18
19

20 **THIS AMENDMENT NO. 3** ("Amendment No. 3") to the *Memorandum of Agreement*
21 *between the United States of America acting by and through the Secretary of the Army, United*
22 *States Department of the Army, and the Fort Ord Reuse Authority for the Sale of Portions of the*
23 *Former Fort Ord Located in Monterey County, California dated June 20, 2000* ("Agreement") is
24 entered into on this ____ day of _____ 2008 by and between **THE UNITED STATES OF**
25 **AMERICA**, acting by and through the Department of the Army ("Government"), and **THE**
26 **FORT ORD REUSE AUTHORITY** ("Authority"), recognized as the local redevelopment
27 authority by the Office of Economic Adjustment on behalf of the Secretary of Defense.
28 Government and Authority are sometimes referred to herein collectively as the "Parties."
29

30 **RECITALS**
31

32 **WHEREAS**, the Parties did enter into the Agreement for the Economic Development
33 Conveyance ("EDC") to the Authority of a portion of the former Fort Ord, California
34 ("Property") pursuant to Section 2905(b)(4) of the Defense Base Closure and Realignment Act
35 of 1990, as amended, and the implementing regulations of the Department of Defense (32 CFR
36 Part 175); and
37

38 **WHEREAS**, subsequent to the execution and delivery of the Agreement, the
39 Government did convey to the Authority, or is poised to convey to the Authority, pursuant to the
40 Agreement, certain property located at the former Fort Ord, described more specifically in
41 EXHIBIT "A" and hereinafter referred to as the "Youth Hostel Parcel"; and
42

43 **WHEREAS**, subsequent to the execution and delivery of the Agreement, the Authority,
44 the City of Seaside and the Central California Council of American Youth Hostels ("AYH")

FORT ORD MOA AMENDMENT NO. 3

1 have executed a separate agreement effective on the ____ day of _____, 2008
2 addressing the transfer of the Youth Hostel Parcel from FORA to the City of Seaside; and
3

4 **WHEREAS**, the Parties believe it is desirable and necessary to include the Youth Hostel
5 Parcel within the scope of the Agreement.
6

7 **NOW THEREFORE**, in consideration of the foregoing premises and the respective
8 representations, agreements, covenants and conditions herein contained, and other good and
9 valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the
10 Parties agree as follows:
11

12 **AGREEMENTS**
13

14 **Article 1. Amendment to Property Description, as Described in EXHIBIT A of the**
15 **Agreement.**
16

17 a. The Youth Hostel Parcel, as described in Exhibit A to this Amendment No. 3,
18 shall be added to the parcels listed in EXHIBIT A to the Agreement, and shall be considered as
19 property transferred to the Authority as part of an economic development conveyance subject to
20 the terms and conditions of Article 2.01 of the Agreement, No Cost Economic Development
21 Conveyance.
22

23 **Article 2. Survival and Benefit**
24

25 a. Unless defined separately, the terms used in this Amendment No. 3 shall be the
26 same as used and defined in the Agreement, as amended.
27

28 b. Except as set forth herein, and unless modified specifically by this Amendment
29 No. 3, the terms and conditions contained in the Agreement, as amended, shall remain binding
30 upon the Parties and their respective successors and assigns as set forth in the Agreement, as
31 amended.
32

33
34 **[Signature Page Follows]**
35

FORT ORD MOA AMENDMENT NO. 3

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In Witness whereof, the Parties, intending to be legally bound, have caused their duly authorized representatives to execute and deliver this Amendment No. 3 as of the date first above written.

**UNITED STATES OF AMERICA,
Acting by and through the Department of the Army**

By: _____

**FORT ORD REUSE AUTHORITY
LOCAL REDEVELOPMENT AUTHORITY**

By: _____
Michael A. Houlemard, Jr.
Executive Officer

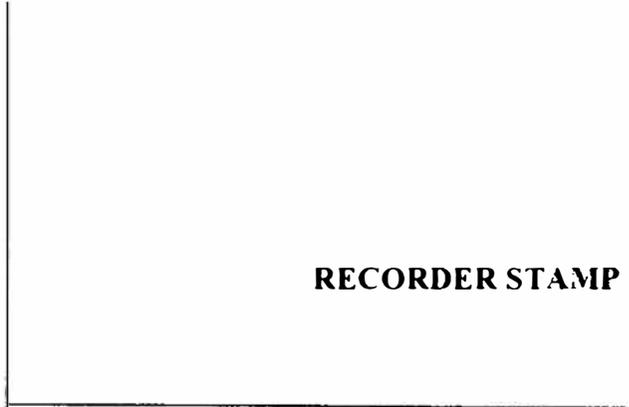
EXHIBIT E

DRAFT DEED FROM ARMY TO FORA

Quitclaim Deed No. _____

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WHEN RECORDED RETURN TO:



RECORDER STAMP

**QUITCLAIM DEED FOR A PORTION OF THE
FORMER FORT ORD, MONTEREY, CALIFORNIA
(Youth Hostel Parcel)**

THIS DEED, made and entered into between the **UNITED STATES OF AMERICA**, acting by and through the **SECRETARY OF THE ARMY** (the "**Grantor**"), under and pursuant to the power and authority contained in the Defense Base Closure and Realignment Act of 1990 (Public Law No. 101-510, 10 U.S.C. § 2687), as amended ("**DBCRA**"), Federal Property and Administrative Services Act of 1949 (40 U.S.C. § 101 *et seq.*), as amended, and the **FORT ORD REUSE AUTHORITY** (the "**Grantee**"), created under Title 7.85 of the California Government Code, Chapters 1 through 7, inclusive, commencing with Section 67650, *et seq.*, and selected provisions of the California Redevelopment Law, including Division 24 of the California Health and Safety Code, Part 1, Chapter 4.5, Article 1, commencing with Section 33492, *et seq.*, and Article 4, commencing with Section 33492.70, *et seq.*, and recognized as the Local Redevelopment Authority for the former Fort Ord Army Base, California, by the Office of Economic Adjustment on behalf of the Secretary of Defense.

WITNESSETH THAT:

WHEREAS, the Secretary of the Army may convey surplus property to a local redevelopment authority at a closing military installation for economic development purposes pursuant to the power and authority provided by the DBCRA and the implementing regulations of the Department of Defense (32 CFR 174.1-176.1);

WHEREAS, Grantee, by application, requested an economic development conveyance of portions of the former Fort Ord, California, consistent with the redevelopment plan prepared by the Grantee;

WHEREAS, Grantor and the Grantee have entered into a Memorandum of Agreement Between the United States of America Acting By and Through the Secretary of the Army,

1 United States Department of the Army and the Fort Ord Reuse Authority For the Sale of
2 Portions of the Fort Ord, California, dated the 20th day of June 2000, ("MOA") and MOA
3 Amendment No. 1, dated the 23rd day of October 2001, and MOA Amendment No. 2, dated the
4 ___ day of December 2006, and MOA Amendment No. 3, dated the ___ day of _____
5 2008, which sets forth the specific terms and conditions of the sale of portions of the Fort Ord
6 located in Monterey County, California;

7
8 WHEREAS, the California State Historic Preservation Officer determined on May 5,
9 1994, that no structures, monuments, or other property within the property conveyed herein,
10 were identified as having any historical significance;

11
12 WHEREAS, Fort Ord, California, has been identified as a National Priority List Site
13 under the Comprehensive Environmental Response Compensation and Liability Act
14 ("CERCLA") of 1980, as amended, the Grantor has provided the Grantee with a copy of the
15 Fort Ord Base Federal Facility Agreement ("FFA") and all amendments thereto entered into by
16 United States Environmental Protection Agency ("EPA") Region IX, the State of California,
17 and the Department of the Army that were effective on November 19, 1990; and

18
19 WHEREAS, an Installation-Wide Multispecies Habitat Management Plan for Fort Ord,
20 California ("HMP"), dated December 1994, as revised and amended by the "*Installation-Wide*
21 *Multispecies Habitat Management Plan for Former Fort Ord, California*" dated April 1997,
22 has been developed to assure that disposal and reuse of Fort Ord lands is in compliance with
23 the Endangered Species Act ("ESA"), 16 U.S.C. § 1531 *et seq.* Timely transfer of these lands
24 and subsequent implementation of the HMP is critical to ensure effective protection and
25 conservation of the Fort Ord lands' wildlife, plant species, and habitat values while allowing
26 appropriate economic redevelopment of Fort Ord and the subsequent economic recovery of the
27 local communities.

28
29 **NOW, THEREFORE**, the Grantor, for good and valuable consideration, does hereby
30 **remise, release, and forever quitclaim** unto the Grantee, its successors and assigns, all such
31 interest, rights, title, and claim as the Grantor has in and to the Youth Hostel Parcel,
32 approximately 4.6 acres (the "Property"), more particularly described in Exhibit "A", which are
33 attached hereto and made a part hereof.

34
35 **I. PROPERTY DESCRIPTION**

36
37 The Property includes:

38
39 A. All buildings, facilities, roadways, and other improvements, including the storm
40 drainage systems and the telephone system infrastructure, and any other improvements thereon,

41
42 B. All appurtenant easements and other rights appurtenant thereto, permits, licenses,
43 and privileges not otherwise excluded herein, and
44

1 C. All hereditaments and tenements therein and reversions, remainders, issues, profits,
2 privileges and other rights belonging or related thereto.

3
4 **II. EXCLUSIONS AND RESERVATIONS**

5
6 This conveyance is made subject to the following **EXCLUSIONS** and
7 **RESERVATIONS:**

8
9 A. The Property is taken by the Grantee subject to any and all valid and existing
10 recorded outstanding liens, leases, easements, and any other encumbrances made for the
11 purpose of roads, streets, utility systems, rights-of-way, pipelines, and/or covenants,
12 exceptions, interests, liens, reservations, and agreements of record, and any unrecorded leases,
13 easements and any other encumbrances made for the purpose of roads, streets, utility systems,
14 rights-of-way, pipelines, and/or covenants, exceptions, interests, reservations and agreements
15 of record between Grantor and other government entities.

16
17 B. The Grantor reserves a perpetual unassignable right to enter the Property for the
18 specific purpose of treating or removing any unexploded shells, mines, bombs, or other such
19 devices deposited or caused by the Grantor.

20
21 C. The reserved rights and easements set forth in this section are subject to the
22 following terms and conditions:

23 (1) to comply with all applicable Federal law and lawful existing regulations;

24
25 (2) to allow the occupancy and use by the Grantee, its successors, assigns,
26 permittees, or lessees of any part of the easement areas not actually occupied or required for the
27 purpose of the full and safe utilization thereof by the Grantor, so long as such occupancy and
28 use does not compromise the ability of the Grantor to use the easements for their intended
29 purposes, as set forth herein;

30
31 (3) that the easements granted shall be for the specific use described and may
32 not be construed to include the further right to authorize any other use within the easements
33 unless approved in writing by the fee holder of the land subject to the easement;

34
35 (4) that any transfer of the easements by assignment, lease, operating agreement,
36 or otherwise must include language that the transferee agrees to comply with and be bound by
37 the terms and conditions of the original grant;

38
39 (5) that, unless otherwise provided, no interest granted shall give the Grantor
40 any right to remove any material, earth, or stone for consideration or other purpose except as
41 necessary in exercising its rights hereunder; and
42
43

1 (6) to restore any easement area so far as it is reasonably possible to do so upon
2 abandonment or release of any easement as provided herein, unless this requirement is waived
3 in writing by the then-owner of the Property.
4

5 D. Grantor reserves mineral rights that Grantor owns with the right of surface entry in a
6 manner that does not unreasonably interfere with Grantee's development and quiet enjoyment
7 of the Property.
8

9 **TO HAVE AND TO HOLD** the Property unto the Grantee and its successors and
10 assigns forever, provided that this Deed is made and accepted upon each of the following
11 notices, covenants, restrictions, and conditions which shall be binding upon and enforceable
12 against the Grantee, its successors and assigns, in perpetuity, as follows:
13

14 **III. CERCLA COVENANT**

15
16 The Youth Hostel Parcel is addressed in "*Finding of Suitability to Transfer (FOST)*
17 _____", dated _____.
18

19 Pursuant to Section 120(h)(4)(D)(i) of the Comprehensive Environmental Response,
20 Compensation, and Liability Act of 1980 (42 U.S.C. §9620(h)(4)(D)(i)), the Grantor has
21 identified the Property as real property on which no hazardous substances and no petroleum
22 products or their derivatives were stored for one year or more, or known to have been released
23 or disposed of. Grantor warrants that any response action or corrective action found to be
24 necessary after the date of this Deed attributable to Grantor activities on the Property and/or
25 hazardous substances or petroleum products contamination existing on the Property prior to the
26 date of this Deed shall be conducted by Grantor using all reasonable means to the extent
27 practicable to avoid and/or minimize interference with the use of the Property. Grantee, its
28 successors and assigns, as consideration for the conveyance of the Property, to the extent
29 authorized by law, agree to release Grantor from any liability or responsibility arising solely out
30 of the release of any hazardous substance or petroleum product on the Property occurring after
31 the date of the delivery and acceptance of this Deed and not attributable to the activities of
32 Grantor, where such substance or product was placed on the Property by the Grantee, or its
33 successors, assigns, employees, invitees, agents or contractors, after the conveyance. This
34 paragraph shall not affect the Grantor's responsibilities to conduct response actions or
35 corrective actions required by applicable laws, rules and regulations, or the Grantor's
36 indemnification obligations under applicable laws.
37

38 **IV. RIGHT OF ACCESS**

39
40 A. The Grantor, EPA, and DTSC, and their officers, agents, employees, contractors,
41 and subcontractors will have the right, upon reasonable notice to the Grantee, and at no cost to
42 the Grantor, to enter upon the Property in any case in which a response or corrective action is
43 found to be necessary, after the date of transfer of the Property, or such access is necessary to
44 carry out a response action or corrective action on adjoining property, including, without
45 limitation, the following activities:

1
2 (1) To conduct investigations and surveys, including where necessary, drilling,
3 soil and water sampling, test-pitting, and other activities related to the Fort Ord Installation
4 Restoration Program ("IRP"), Military Munitions Response Program ("MMRP"), or FFA;

5
6 (2) To inspect field activities of the Army and its contractors and subcontractors
7 with regards to implementing the Fort Ord IRP, MMRP, or FFA;

8
9 (3) To conduct any test or survey related to the implementation of the IRP by the
10 EPA or the DTSC relating to the implementation of the FFA or environmental conditions at
11 Fort Ord or to verify any data submitted to the EPA or the DTSC by the Government relating to
12 such conditions;

13
14 (4) To construct, operate, maintain or undertake any other investigation,
15 corrective measure, response, or remedial action as required or necessary under any Fort Ord
16 FFA, Record of Decision ("ROD"), IRP or MMRP requirement, including, but not limited to
17 monitoring wells, pumping wells, and treatment facilities.

18
19 Such right of access shall be binding on the Grantee, its successors and assigns, and
20 shall run with the land.

21
22 B. In exercising this access easement, except in case of imminent endangerment to
23 human health or the environment, the Grantor shall give the Grantee, or the then record owner,
24 reasonable prior notice. Grantee agrees that, notwithstanding any other provisions of this
25 Deed, the Grantor assumes no liability to the Grantee, its successors or assigns, or any other
26 person, should remediation of the Property interfere with the use of the Property. The Grantee
27 shall not, through construction or operation/maintenance activities, interfere with any
28 remediation or response action conducted by the Grantor under this paragraph. The Grantee,
29 the then record owner, and any other person shall have no claim against the Grantor or any of
30 its officers, agents, employees or contractors solely on account of any such interference
31 resulting from such remediation.

32
33 C. Without the express written consent of the Grantor in each case first obtained,
34 neither the Grantee, its successors or assigns, nor any other person or entity acting for or on
35 behalf of the Grantee, its successors or assigns, shall interfere with any response action being
36 taken on the Property by or on behalf of the Grantor, or interrupt, relocate, or otherwise
37 interfere with any remediation system now or in the future located, over, through, or across any
38 portion of the Property.

39
40 **V. "AS IS, WHERE IS"**

41
42 The Property is conveyed in an "As Is, Where Is" condition without any representation,
43 warranty or guarantee, except as otherwise stated herein, by the Grantor as to quantity, quality,
44 title, character, condition, size, or kind, or that the same is in condition or fit to be used for the
45 purpose for which intended, and no claim for allowance or deduction upon such grounds will

1 be considered. There is no obligation on the part of the Grantor to make any alterations,
2 repairs, or additions, and said Grantor shall not be liable for any latent or patent defects in the
3 Property. This section shall not affect the Grantor's responsibility under **CERCLA**
4 **COVENANTS, INDEMNITY, and ENVIRONMENTAL PROTECTION PROVISIONS,**
5 or any other statutory obligations as applicable.

6
7 **VI. ENVIRONMENTAL PROTECTION PROVISIONS**

8
9 The Grantee shall neither transfer the Property, lease the Property, nor grant any
10 interest, privilege, or license whatsoever in connection with the Property without the inclusion
11 of the following Environmental Protection Provisions, and shall require the inclusion of the
12 following Environmental Protection Provisions in all further deeds, easements, transfers,
13 leases, or grant of any interest, privilege, or license.

14
15 **A. FEDERAL FACILITIES AGREEMENT ("FFA")**

16
17 The Grantor acknowledges that former Fort Ord has been identified as a National
18 Priority List ("NPL") Site under CERCLA. The Grantee acknowledges that the Grantor has
19 provided it with a copy of the FFA entered into by the EPA Region IX, the State of California,
20 and the United States Department of the Army, effective on February 1990, and will provide
21 the Grantee with a copy of any amendments thereto. The Grantee agrees that should any
22 conflict arise between the terms of the FFA as they presently exist or may be amended, and the
23 provisions of this Property transfer, the terms of the FFA will take precedence. The Grantee
24 further agrees that notwithstanding any other provisions of the Property transfer, the Grantor
25 assumes no liability to the Grantee, should implementation of the FFA interfere with their use
26 of the Property. Grantor shall give Grantee reasonable notice of its action required by the FFA
27 and use all reasonable means to the extent practicable to avoid and/or minimize interference
28 with Grantee's, its successors or assigns' use of the Property. The Grantee, or any subsequent
29 transferee, shall have no claim on account of any such interference against the Grantor or any
30 officer, agent, employee or contractor thereof. Grantor agrees to use its best efforts to the
31 extent practicable to avoid and/or minimize interference with Grantee's, its successors or
32 assigns' use of the Property, and to provide Grantee with a copy of any amendments to the
33 FFA.

34
35 **B. NO LIABILITY FOR NON-ARMY CONTAMINATION**

36
37 The Army shall not incur liability for additional response action or corrective action
38 found to be necessary after the date of transfer in any case in which the person or entity to
39 whom the Property is transferred, or other non-Army entities, is identified as the party
40 responsible for contamination of the property.

1 **C. UNRESTRICTED USE**

2
3 The Parties acknowledge that the Army has undertaken environmental study of the
4 Property and concluded in a Finding of Suitability to Transfer ("FOST") that the Property is
5 suitable for unrestricted use.

6
7 **D. NOTICE OF THE POTENTIAL FOR THE PRESENCE OF MUNITIONS**
8 **AND EXPLOSIVES OF CONCERN (MEC)**

9
10 (1) Military Munitions Response Program (MMRP) investigations indicate that
11 it is not likely that munitions and explosives of concern (MEC) are located on the Property;
12 however, there is a potential for MEC to be present because military munitions were used
13 throughout the history of Fort Ord. In the event the Grantee, its successors, or assigns, should
14 discover any MEC on the Property, they shall immediately stop any intrusive or ground
15 disturbing work in the area or in any adjacent areas and shall not attempt to disturb, remove or
16 destroy it, but shall immediately contact the local law enforcement agency having jurisdiction
17 on the Property. The local law enforcement agency will contact the Army for appropriate
18 response. Competent Grantor or Grantor designated unexploded ordnance (UXO) personnel
19 will promptly be dispatched to dispose of such MEC properly at no expense to the Grantee.
20 The Grantee hereby acknowledges receipt of the "Ordnance and Explosives Safety Alert"
21 pamphlet.

22
23 (2) Because the Grantor cannot guarantee that all MEC has been removed, the
24 Grantor recommends reasonable and prudent precautions be taken when conducting intrusive
25 operations on the Property and will, at its expense, provide construction worker MEC
26 recognition training.

27
28 (3) The Army reserves the right to conduct any munitions response actions for
29 which the Army is responsible, as required or necessary as a result of the ongoing Munitions
30 Response Remedial Investigation/Feasibility Study.

31
32 (4) The use and/or occupancy of the Property may be limited or restricted, as
33 necessary, under the following scenarios: (a) to provide the required minimum separation
34 distance employed during intrusive munitions response actions that may occur on or adjacent to
35 the Property; and (b) if Army implemented prescribed burns are necessary for the purpose of a
36 munitions response action (removal) in adjacent areas.

37
38 **E. RARE, THREATENED AND ENDANGERED SPECIES MANAGEMENT**

39
40 The Grantee, or its successors or assignees, or contractor, acknowledges and agrees to
41 implement the following provisions, as applicable, relative to listed species:

42
43 (1) The Property is within a Habitat Management Plan (HMP) Development
44 Area. No resource conservation requirements are associated with the HMP for these

1 parcels. However, small pockets of habitat may be preserved within and around the
2 Property.
3

4 (2) The Biological Opinions (March 30, 1999, October 22, 2002, and March 14,
5 2005) identified sensitive biological resources that may be salvaged for use in restoration
6 activities within reserve areas, and allows for development of the Property.
7

8 (3) The HMP does not exempt the Grantee from complying with environmental
9 regulations enforced by Federal, State, or local agencies. These regulations could include
10 obtaining the Endangered Species Act (ESA) (16 U.S.C. § 1531 – 1544 et seq.) Section 7 or
11 Section 10(a) permits from the U.S. Fish and Wildlife Service (USFWS); complying with
12 prohibitions against the removal of listed plants occurring on federal land or the destruction of
13 listed plants in violation of any state laws; complying with measures for conservation of state-
14 listed threatened and endangered species and other special-status species recognized by
15 California ESA, or California Environmental Quality Act (CEQA); and, complying with local
16 land use regulations and restrictions.
17

18 (4) The HMP serves as a management plan for both listed and candidate species,
19 and is a prelisting agreement between the USFWS and the local jurisdiction for candidate
20 species that may need to be listed because of circumstances occurring outside the area covered
21 by the HMP.
22

23 (5) Implementation of the HMP would be considered suitable mitigation for
24 impacts to HMP species within HMP prevalent areas and would facilitate the USFWS
25 procedures to authorize incidental take of these species by participating entities as required
26 under ESA Section 10. No further mitigation will be required to allow development on the
27 Property unless species other than HMP target species are proposed for listing or are listed.
28

29 (6) The HMP does not authorize incidental take of any species listed as
30 threatened or endangered under the ESA by entities acquiring or leasing land at the former Fort
31 Ord. The USFWS has recommended that all nonfederal entities acquiring or leasing land at
32 former Fort Ord apply for ESA Section 10(a)(1)(B) incidental take permits for the species
33 covered in the HMP. The definition of “take” under the ESA includes to harass, harm, hunt,
34 shoot, wound, kill, trap, capture, or collect, or attempt to engage in any such conduct.
35 Although the USFWS will not require further mitigation from these entities that are in
36 conformation with the HMP, those entities without incidental take authorization would be in
37 violation of the ESA if any of their actions resulted in the take of a listed animal species. To
38 apply for a Section 10 (a)(1)(B) incidental take permit, an entity must submit an application
39 form (Form 3-200), a complete description of the activity sought to be covered by the permit,
40 and a conservation plan (50 CFR 17.22[b]).
41

42 VII. AIR NAVIGATION RESERVATION AND RESTRICTIONS

43

44 The Monterey Airport and the former Fritzsche Airfield, now known as the Marina
45 Municipal Airport, are in close proximity to the Property. Accordingly, in coordination with

1 the Federal Aviation Administration, the Grantee covenants and agrees, on behalf of it, its
2 successors and assigns and every successor in interest to the Property herein described, or any
3 part thereof, that, when applicable, there will be no construction or alteration unless a
4 determination of no hazard to air navigation is issued by the Federal Aviation Administration
5 in accordance with Title 14, Code of Federal Regulations, Part 77, entitled, Objects Affecting
6 Navigable Airspace, or under the authority of the Federal Aviation Act of 1968, as amended.
7

8 **VIII. ENFORCEMENT AND NOTICE REQUIREMENT**
9

10 A. The provisions of this Deed benefit the governments of the United States of
11 America, the State of California, acting on behalf of the public in general, and the lands
12 retained by the Grantor and, therefore, are enforceable by the United States, the State of
13 California, and by the Grantee, and its successors and assigns. Enforcement of this Deed shall
14 be at the discretion of the parties entitled to enforcement hereof, and any forbearance, delay or
15 omission to exercise their rights under this Deed in the event of a breach of any term of this
16 Deed, shall not be deemed to be a waiver by any such party of such term or of any subsequent
17 breach of the same or any other terms, or of any of the rights of said parties under this Deed.
18 All remedies available hereunder shall be in addition to any and all other remedies at law or in
19 equity, including CERCLA. The enforcement rights set forth in this Deed against the Grantee,
20 or its successors and assigns, shall only apply with respect to the Property conveyed herein and
21 held by such Grantee, its successors or assigns, and only with respect to matters occurring
22 during the period of time such Grantee, its successors or assigns, owned or occupied such
23 Property or any portion thereof.
24

25 B. The obligations imposed in this section upon the successors or assigns of Grantee
26 shall only extend to the Property conveyed to any such successor or assign.
27

28 **IX. OTHER CONDITIONS**
29

30 Should the Property be considered for the proposed acquisition and construction of
31 school properties utilizing State funding, at any time in the future, a separate environmental
32 review process in compliance with the California Education Code Section 17210 *et seq.*, will
33 need to be conducted and approved by DTSC.
34

35 **X. NOTICE OF NON-DISCRIMINATION**
36

37 With respect to activities related to the Property, the Grantee covenants for itself, its
38 successors and assigns, that the Grantee, and such successors and assigns, shall not
39 discriminate upon the basis of race, color, religion, sex, age, handicap, or national origin in the
40 use, occupancy, sale or lease of the Property, or in their employment practices conducted
41 thereon in violation of the provisions of Title VI of the Civil Rights Act of 1964, as amended
42 (42 U.S.C. § 2000d); the Age Discrimination Act of 1975 (42 U.S.C. § 6102); and the
43 Rehabilitation Act of 1973, as amended, (29 U.S.C. § 794). The Grantor shall be deemed a
44 beneficiary of this covenant without regard to whether it remains the owner of any land or

1 interest therein in the vicinity of the Property hereby conveyed, and shall have the sole right to
2 enforce this covenant in any court of competent jurisdiction.

3
4 **XI. ANTI-DEFICIENCY ACT STATEMENT**

5
6 The Grantor's obligation to pay or reimburse any money under this Deed is subject to
7 the availability of funds appropriated for this purpose to the Department of the Army, and
8 nothing in this Deed shall be interpreted to require obligations or payments by the Grantor in
9 violation of the Anti-Deficiency Act (31 U.S.C. § 1341).

10
11 **XII. GENERAL PROVISIONS**

12
13 A. SEVERABILITY. If any provision of this Deed, or the application of it to any
14 person or circumstance, is found to be invalid, the remainder of the provisions of this Deed, or
15 the application of such provisions to persons or circumstances other than those to which it is
16 found to be invalid, shall not be affected thereby.

17
18 B. NO FORFEITURE. Nothing contained herein will result in a forfeiture or reversion
19 of title in any respect.

20
21 C. CAPTIONS. The captions in this Deed have been inserted solely for convenience
22 of reference and are not a part of this Deed and shall have no effect upon construction or
23 interpretation.

24
25 D. RIGHT TO PERFORM. Any right which is exercisable by the Grantee, and its
26 successors and assigns, to perform under this Deed may also be performed, in the event of non-
27 performance by the Grantee, or its successors and assigns, by a lender of the Grantee and its
28 successors and assigns.

29
30 **XIII. THE CONDITIONS, RESTRICTIONS, AND COVENANTS**

31
32 The conditions, restrictions, and covenants set forth in this Deed are a binding servitude
33 on the herein conveyed Property and will be deemed to run with the land in perpetuity.
34 Restrictions, stipulations and covenants contained herein will be inserted by the Grantee
35 verbatim or by express reference in any deed or other legal instrument by which it divests itself
36 of either the fee simple title or any other lesser estate in the Property or any portion thereof.
37 All rights and powers reserved to the Grantor, and all references in this Deed to Grantor shall
38 include its successors in interest. The Grantor may agree to waive, eliminate, or reduce the
39 obligations contained in the covenants, PROVIDED, HOWEVER, that the failure of the
40 Grantor or its successors to insist in any one or more instances upon complete performance of
41 any of the said conditions shall not be construed as a waiver or a relinquishment of the future
42 performance of any such conditions, but the obligations of the Grantee, its successors and
43 assigns, with respect to such future performance shall be continued in full force and effect.

1 **NIV. LIST OF EXHIBITS**
2

3 The following listed Exhibits are made a part of this Deed:
4

5 Exhibit A: Legal Descriptions and map of the Property

6 Exhibit B: Finding of Suitability
7

8 **[Signature Pages Follow]**

1
2 **IN WITNESS WHEREOF**, the Grantor, the **UNITED STATES OF AMERICA**, acting by
3 and through the **SECRETARY OF THE ARMY**, has caused these presents to be executed on
4 this _____ day of _____ 2008.
5

6
7 **UNITED STATES OF AMERICA**
8

9
10
11
12 By _____
13 Joseph W. Whitaker
14 Deputy Assistant Secretary of the Army
15 (Installations and Housing)
16 OASA (I&E)
17

18
19
20 COMMONWEALTH OF VIRGINIA)
21) ss
22 COUNTY OF ARLINGTON)
23

24
25 On _____ before me, the undersigned, a Notary Public in and for
26 said State, personally appeared Joseph W. Whitaker personally known to me (or proved to me
27 on the basis of satisfactory evidence) to be the person whose name is subscribed to the within
28 instrument and acknowledged to me that he executed the same in his authorized capacity, and
29 that by his signature on the instrument the person, or the entity upon behalf of which the person
30 acted, executed the instrument.

31
32 WITNESS my hand and official seal.
33

34
35
36 _____
37 Notary Public, Commonwealth of Virginia

1 **ACCEPTANCE:**

2
3 **In Testimony Whereof** witness the signature of the Fort Ord Reuse Authority this
4 _____ day of _____, 2008 and hereby accepts and approves this Quitclaim Deed for itself,
5 its successors and assigns, and agrees to all the conditions, reservations, restrictions, and terms
6 contained therein.
7

8
9
10 **FORT ORD REUSE AUTHORITY**

11
12
13
14
15 **BY:** _____
16 **MICHAEL A. HOULEMARD, JR.**
17 Executive Officer
18

19
20
21
22 STATE OF CALIFORNIA

23
24 COUNTY OF _____

25
26 On _____ before me, _____, personally appeared
27 _____
28 _____ personally know to me (or proved to me on the
29 basis of satisfactory evidence) to be the person whose name is subscribed to the within
30 instrument and acknowledged to me that he executed the same in his authorized capacity, and
31 that by his signatures on the instrument the person or the entity upon behalf of which the
32 person acted, executed the Instrument.
33

34
35 WITNESS my hand and seal.
36

37
38
39
40 Signature _____ (Seal)
41

EXHIBIT F

DRAFT DEED FROM FORA TO THE CITY

1
2
3
4 WHEN RECORDED RETURN TO:

5
6 KUTAK ROCK LLP
7 1101 CONNECTICUT AVENUE, NW
8 WASHINGTON, DC 20036
9 ATTN: GEORGE SCHLOSSBERG

10
11
12
13
14
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RECORDER STAMP

**QUITCLAIM DEED FOR YOUTH HOSTEL PARCEL ON THE
FORMER FORT ORD, MONTEREY, CALIFORNIA
(Fort Ord Reuse Authority to City of Seaside)**

THIS QUITCLAIM DEED ("Deed") is made as of the ___ day of _____, 2008, among the **FORT ORD REUSE AUTHORITY (the "Grantor")**, created under Title 7.85 of the California Government Code, Chapters 1 through 7, inclusive, commencing with Section 67650, *et seq.*, and selected provisions of the California Redevelopment Law, including Division 24 of the California Health and Safety Code, Part 1, Chapter 4.5, Article 1, commencing with Section 33492, *et seq.*, and Article 4, commencing with Section 33492.70, *et seq.*, and recognized as the Local Redevelopment Authority for the former Fort Ord, California, by the Office of Economic Adjustment on behalf of the Secretary of Defense, and **THE CITY OF SEASIDE (the "Grantee")**, a California municipal corporation.

WHEREAS, the United States of America ("Government") was the owner of certain real property, improvements and other rights appurtenant thereto together with all personal property thereon, located on the former Fort Ord, Monterey County, California, which was utilized as a military installation;

WHEREAS, the military installation at Fort Ord was closed pursuant to and in accordance with the Defense Base Closure and Realignment Act of 1990, as amended (Public Law 101-510; 10 U.S.C. § 2687 note);

WHEREAS, the **Grantor** and the Government entered into the *Memorandum of Agreement Between the United States of America Acting By and Through the Secretary of the Army, United States Department of the Army and the Fort Ord Reuse Authority For the Sale of Portions of the former Fort Ord, California*, dated the 20th day of June 2000, ("MOA") as amended, which sets forth the specific terms and conditions of the sale of portions of the former Fort Ord located in Monterey County, California;

FORA QUITCLAIM DEED FOR YOUTH HOSTEL PARCEL ON THE FORMER FORT ORD

1 The responsibilities and obligations placed upon, and the benefits provided to, the
2 **Grantor** by the Government shall run with the land and be binding on and inure to the benefit of
3 all subsequent owners of the Property unless or until such responsibilities, obligations, or
4 benefits are released pursuant to the provisions set forth in the MOA and the Government Deed.
5 **Grantee** and its successors and assigns, respectively, shall not be liable for any breach of such
6 responsibilities and obligations with regard to the Property arising from any matters or events
7 occurring after transfer of ownership of the Property by **Grantee** or its successors and assigns,
8 respectively; provided, however, that each such party shall, notwithstanding such transfer, remain
9 liable for any breach of such responsibilities and obligations to the extent caused by the fault or
10 negligence of such party.

11
12 **[Are there any restrictions that must be placed on this transfer?]**

13 14 **General Provisions:**

15
16 A. Liberal Construction. Any general rule of construction to the contrary
17 notwithstanding, this Deed shall be liberally construed to effectuate the purpose of this Deed and
18 the policy and purpose of CERCLA. If any provision of this Deed is found to be ambiguous, an
19 interpretation consistent with the purpose of this Deed that would render the provision valid shall
20 be favored over any interpretation that would render it invalid.

21
22 B. Severability. If any provision of this Deed, or the application of it to any person
23 or circumstance, is found to be invalid, the remainder of the provisions of this Deed, or the
24 application of such provisions to persons or circumstances other than those to which it is found
25 to be invalid, shall not be affected thereby.

26
27 C. No Forfeiture. Nothing contained herein will result in a forfeiture or reversion of
28 title in any respect.

29
30 D. Captions. The captions in this Deed have been inserted solely for convenience of
31 reference and are not a part of this Deed and shall have no effect upon construction or
32 interpretation.

33
34 E. Right to Perform. Any right which is exercisable by the **Grantee**, and its
35 successors and assigns, to perform under this Deed may also be performed, in the event of non-
36 performance by the **Grantee**, or its successors and assigns, by a lender of the **Grantee** and its
37 successors and assigns.

38
39 The conditions, restrictions, and covenants set forth in this Deed are a binding servitude
40 on the herein conveyed Property and will be deemed to run with the land in perpetuity.
41 Restrictions, stipulations and covenants contained herein will be inserted by the **Grantee**

**FORA QUITCLAIM DEED FOR YOUTH HOSTEL PARCEL ON THE FORMER FORT
ORD**

1 verbatim or by express reference in any deed or other legal instrument by which it divests itself
2 of either the fee simple title or any other lesser estate in the Property or any portion thereof. All
3 rights and powers reserved to the **Grantor**, and all references in this Deed to **Grantor** shall
4 include its successors in interest. The **Grantor** may agree to waive, eliminate, or reduce the
5 obligations contained in the covenants, PROVIDED, HOWEVER, that the failure of the **Grantor**
6 or its successors to insist in any one or more instances upon complete performance of any of the
7 said conditions shall not be construed as a waiver or a relinquishment of the future performance
8 of any such conditions, but the obligations of the **Grantee**, its successors and assigns, with
9 respect to such future performance shall be continued in full force and effect.

10
11
12
13
[Signature Pages Follow]

**FORA QUITCLAIM DEED FOR YOUTH HOSTEL PARCEL ON THE FORMER FORT
ORD**

IN WITNESS WHEREOF, the **Grantor**, the **FORT ORD REUSE AUTHORITY**, has
caused this Deed to be executed this ____ day of _____, 2008.

THE FORT ORD REUSE AUTHORITY

By: Michael Houlemard
Executive Officer

STATE OF CALIFORNIA)
) ss
COUNTY OF MONTEREY)

On _____ before me, the undersigned, a Notary Public in and for said
state, personally appeared the _____ personally known to me (or
proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to
the within instrument and acknowledged to me that he executed the same in his authorized capacity,
and that by his signature on the instrument the person, or the entity upon behalf of which the person
acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public, State of California

**FORA QUITCLAIM DEED FOR YOUTH HOSTEL PARCEL ON THE FORMER FORT
ORD**

1
2 **ACCEPTANCE:**
3

4 **In Testimony Whereof**, witness the signature of **THE CITY OF SEASIDE**, this ____
5 day of _____, 2008 hereby accepts and approves this Deed for itself, its successors
6 and assigns, and agrees to all the conditions, reservations, restrictions, and terms contained therein.
7

8
9 **CITY OF SEASIDE**

10
11 By: _____
12 Honorable Ralph Rubio
13 Mayor
14

15
16 STATE OF CALIFORNIA)
17) ss
18 COUNTY OF MONTEREY)
19

20 On _____ before me, the undersigned, a Notary Public in and for said
21 state, personally appeared _____ personally known to me (or proved
22 to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within
23 instrument and acknowledged to me that they executed the same in their authorized capacity, and
24 that by their signature on the instrument the person, or the entity upon behalf of which the person
25 acted, executed the instrument.
26

27 WITNESS my hand and official seal.
28

29
30 _____
31 Notary Public, State of California

EXHIBIT G

DRAFT LEASE BETWEEN THE CITY AND AYH

1
2
3
4 **LEASE AGREEMENT**
5 **BY AND BETWEEN**
6 **THE CITY OF SEASIDE**
7 **AND**

8 **THE CENTRAL CALIFORNIA COUNCIL OF AMERICAN YOUTH HOSTELS**
9 **FOR THE LEASE OF CERTAIN CITY OWNED PROPERTY**
10 **FOR THE USE AS A YOUTH HOSTEL**

11
12 **THIS LEASE AGREEMENT** ("Lease") by and between the City of Seaside, a political
13 subdivision of the State of California ("Landlord"), herein after referred to as the "City," and the
14 Central California Council of American Youth Hostels, a California nonprofit public benefit
15 corporation ("Tenant"), herein after referred to as "AYH," relates to the leasing to AYH of
16 certain City owned buildings and real property contained on parcel L37 of the former Fort Ord,
17 California, more particularly described below.

18
19 **RECITALS**

20
21 **WHEREAS** the City is the owner of certain property acquired from the Fort Ord Reuse
22 Authority ("FORA") to be operated as a "Youth Hostel";

23
24 **WHEREAS** AYH, a California nonprofit public benefit corporation, desires to use
25 several structures and grounds owned by the City as a youth "hostel facility," as that term is
26 defined in California Public Resources Code § 5052(a);

27
28 **WHEREAS** the California State Parks Department ("State Parks") has agreed to provide
29 to the City five and one half (5.5) acre-feet of potable water, or such other amount reasonably
30 deemed necessary by the City or AYH, for the use by AYH to operate a Youth Hostel on the
31 Premises, as defined below;

32
33 **WHEREAS** the City, AYH, State Parks, FORA, and the United States Department of the
34 Army have executed various agreements that, among other things, fosters the establishment of a
35 Youth Hostel in accordance with State Park's Public Benefit Conveyance Application for the
36 Youth Hostel Parcel.

37
38 **NOW THEREFORE**, in consideration of the mutual promises, covenants and conditions
39 contained herein, the parties agree as follows:

- 40
41 1. Description of Premises. City shall lease to AYH and AYH shall rent from City certain
42 land and improvements shown on Exhibits A and B, attached hereto (the "Premises"), to
43 be used as a Youth Hostel, consistent with the City's building codes and occupancy
44 regulations.

LEASE BETWEEN THE CITY OF SEASIDE AND AMERICAN YOUTH HOSTELS

1 2. Term. This Lease shall be for a term of thirty (30) years commencing on _____,
2 2008 (the "Commencement Date") and terminating on _____, 2038.

3
4 If AYH is not in default under this Lease at the end of the initial Lease term, or any
5 subsequent renewal term, then AYH shall have the right to renew the term of this Lease
6 for additional thirty (30) year periods by giving City written notice of AYH's intent to
7 renew the Lease at least one hundred and twenty (120) days before the expiration of the
8 then-current lease term. The renewal shall be on the same terms and conditions contained
9 in this Lease. The word "term," as used in this Lease, includes any renewal term.

10
11 3. Rent. AYH shall pay to City as annual rent the sum of One Dollar (\$1.00). The first
12 payment shall be made upon the execution of this Lease, and each consecutive payment
13 shall be made the first week in January of each successive year of this Lease. All rent
14 shall be paid to the City at the address set forth below or at any other address that City
15 may designate in writing, without any prior demand and without any deduction or offset.

16
17 4. Permitting and Fees. AYH shall obtain all permits or approvals required for any
18 renovation, construction, and operation on the Premises and pay all applicable City fees,
19 and taxes and other applicable federal, state, and local fees and taxes required for such
20 renovation, construction, and operation of the Youth Hostel.

21
22 5. Occupancy of Building No. 4420. The City shall issue an occupancy permit, permitting
23 the occupancy of Building No. 4420 on the Premises by an AYH caretaker, to take place
24 after the signing of this Lease and after the City verifies that Building No. 4420 continues
25 to meet the required minimum standards of the California Building Code for habitation
26 and life safety as reported in a letter dated 04/08/04 to AYH by the City's Building
27 Inspector.

28
29 6. Use. AYH shall use and occupy the Premises for the purpose of operating a Youth
30 Hostel in accordance with the "State Parks' Public Benefit Conveyance Application for
31 the Youth Hostel Parcel," attached and made a part hereof, and for no other purpose
32 without City's prior written consent. The City makes no representations or warranties
33 regarding the condition, fitness or suitability of the Premises to operate a Youth Hostel or
34 for any other purpose. Food preparation and service shall be permitted on the Premises
35 for Youth Hostel employees and occupants incidental to the operation of a Youth Hostel,
36 subject to AYH's compliance with all applicable statutes, regulations and ordinances.
37 AYH shall not intentionally or knowingly use the Premises for any purpose or in any
38 manner in violation of any law, ordinance, rule, or regulation adopted or imposed by the
39 City or any other governmental agency. AYH shall not deface or injure the Premises or
40 permit anything to be done on the Premises tending to create a nuisance. AYH shall
41 comply with all federal, state, and local laws and regulations applicable to AYH's
42 renovation, construction, and operation on the Premises.

LEASE BETWEEN THE CITY OF SEASIDE AND AMERICAN YOUTH HOSTELS

1
2 7. Alternate Site for Youth Hostel. At the City's sole option, within three (3) years
3 following the execution of this Lease, the City may choose to offer AYH an alternative
4 location for the Youth Hostel ("Alternate Site Offer"), separate and apart from the
5 Premises, within the City's Transportation Corridor, which corridor is generally described
6 and depicted on Exhibit C to this Lease ("Alternate Site"). The Alternate Site will
7 include land and improvements comparable to the Premises and, to the extent necessary,
8 the City will make available for the Alternate Site the value of the Premises to provide
9 such comparable land and improvements. AYH shall have the sole option to either (i)
10 accept the Alternate Site Offer under the terms and conditions proposed by the City, or
11 (ii) reject the Alternate Site Offer and retain the same rights to the Premises as set forth in
12 this Lease. AYH shall notify the City as to whether AYH accepts or rejects the Alternate
13 Site Offer within sixty (60) days of receiving an offer from the City ("Alternate Site
14 Decision"). If the City and AYH agree to relocate the Youth Hostel to the Alternate Site,
15 the City and AYH shall negotiate in good faith an amendment to this Lease that provides
16 for a suitable and acceptable plan to relocate the Youth Hostel to the Alternate Site and
17 replaces the description and depiction of the Premises in Exhibits A and B with the
18 description and depiction of the Alternate Site. All terms and conditions of this Lease
19 shall remain in full force and effect and apply to the Alternate Site.

20
21 8. Remodeling and Operation. AYH agrees to begin preparing the Premises for Youth
22 Hostel operations and renovating the facilities as appropriate in accordance with the
23 "State Parks' Public Benefit Conveyance Application for the Youth Hostel Parcel"
24 (starting with Building No. 4420) at its own cost and expense within three (3) years
25 following the execution of this Lease, or within one hundred and eighty (180) days
26 following receipt of the City's decision not to present an Alternate Site Offer. AYH
27 agrees to complete the renovation of the Premises and to undertake full Youth Hostel
28 operations within ten (10) years following the date of the Alternate Site Decision;
29 provided, however, if the City does not present an Alternate Site Offer, such ten (10) year
30 period shall begin following receipt of the City's decision not to present an Alternate Site
31 Offer. AYH agrees to continuously use the Premises for the operation of a Youth Hostel
32 and shall keep the Premises open and available as a Youth Hostel in accordance with the
33 Hostel License Agreement entered into with Hostelling International-USA, the American
34 affiliate with the International Youth Hostel Federation. AYH agrees that all renovations
35 shall be in compliance with HI-USA Quality Standards and any applicable City
36 ordinance, regulation or building code and that AYH will procure the appropriate
37 occupancy permit before allowing anyone to occupy any of the facilities.

38
39 9. AYH's Duties.
40
41 a. AYH shall keep the Premises clean and free from trash, garbage, rubbish and
42 refuse to the satisfaction of the City. AYH shall keep all such trash, garbage,

LEASE BETWEEN THE CITY OF SEASIDE AND AMERICAN YOUTH HOSTELS

1 rubbish and refuse in suitable or designated containers specified by the City
2 subject to disposal at the sole cost and expense of AYH.

3
4 b. AYH shall store and/or stock in the Premises only goods, wares, and merchandise
5 that it intends to use for the operation of the Youth Hostel on the Premises within
6 a reasonable time after receipt.

7
8 c. AYH shall conduct its business in the Premises in a dignified manner and in
9 accordance with the high standards for the operation of an HI-USA Association
10 Youth Hostel.

11
12 10. Taxes. AYH shall pay or cause to be paid all real property taxes and special assessments,
13 fees and costs levied against the Premises. AYH shall pay all personal property taxes,
14 fees and costs assessed against any personal property owned by AYH on the Premises.

15
16 11. Maintenance and Repair. AYH shall maintain and keep the Premises in good condition
17 and repair. AYH shall provide and pay for its own regular janitorial service to maintain
18 the Premises in a neat and clean condition. AYH shall also be responsible for all repairs
19 or replacements occasioned by the negligence or willful act of AYH or its agents,
20 employees, invitees, licensees or other third parties.

21
22 12. Assignment and Subletting. AYH may not sell, assign, mortgage, pledge, or in any
23 manner transfer this Lease or sublet the Premises or any portion of the Premises without
24 the City's prior written consent. Notwithstanding any such assignment or subletting,
25 AYH shall remain fully liable on this Lease. City's right to assign this Lease is and shall
26 remain unqualified. Upon any sale of the Premises in which the purchaser assumes all
27 obligations under this Lease, City shall be free of all its obligations under this Lease and
28 shall not be subject to any liability resulting from any act, omission, or event occurring
29 after such conveyance. AYH agrees to recognize and attorn to the transferee as landlord,
30 and AYH further agrees, at City's request, to execute and deliver the documents and
31 letters that City may request to assist in such transfer of title.

32
33 13. Utilities. AYH is solely responsible for evaluating and determining the availability of
34 utilities for AYH's use of the Premises, and AYH shall be solely responsible for
35 providing utility services to the Premises. All utilities servicing the Premises shall be
36 metered in the name of AYH, and AYH shall pay all charges and deposits for such
37 utilities provided to or used on the Premises during the term of this Lease. The City
38 makes no representations or warranties regarding the availability or suitability of utility
39 facilities, improvements or infrastructure necessary to serve the Premises, and the City
40 shall not be liable for any claims, losses, or damages if the furnishing of any utilities is
41 interrupted by fire or other casualty, accident, strike, labor dispute or disagreement,
42 construction, the making of any necessary repairs or improvements, or any other causes

LEASE BETWEEN THE CITY OF SEASIDE AND AMERICAN YOUTH HOSTELS

1 beyond City's reasonable control.

2
3 14. Water. The City will make available for AYH use up to five and one half (5.5) acre feet
4 of water that is made available to the City by State Parks, or such other amount as is made
5 available to the City by State Parks pursuant to that certain water deed between the City
6 and State Parks relating to the Youth Hostel, for so long as State Parks makes such water
7 available to the City for use by AYH; the City and AYH understand and acknowledge
8 that the City shall have no obligation to make any water available to AYH to operate the
9 Youth Hostel over and above any water that is provided to the City by State Parks for use
10 by AYH. The City makes no representations or warranties regarding the availability or
11 suitability of facilities, improvements or infrastructure necessary to serve the Premises,
12 and the City shall not be liable for any claims, losses, or damages if the furnishing of any
13 utilities is interrupted by fire or other casualty, accident, strike, labor dispute or
14 disagreement, construction, the making of any necessary repairs or improvements, or any
15 other causes beyond City's reasonable control.

16
17 15. [Insurance and Liability.] AYH shall indemnify City and save harmless City from any
18 liability or claim that may be asserted against City for any injury or damage to any person
19 or property occurring or incurred in connection with or in any way relating to the
20 Premises from any cause. AYH shall, at its own cost and expense, obtain and keep in
21 force a policy or policies of public liability insurance with an insurance company
22 approved by City, with liability coverage in an amount acceptable to the City that, for the
23 initial coverage, shall be not less than \$500,000.00 for injury or death to any one person,
24 \$1,000,000.00 for injury or death to more than one person, and \$300,000.00 for damage
25 to property. AYH shall furnish City with certificates or other evidence acceptable to City
26 indicating that the insurance is in effect and providing that City shall be notified in
27 writing at least thirty (30) days before cancellation of, any material change in, or renewal
28 of such policy. All insurance policies shall name City and any persons designated by City
29 as insured parties.

30
31 AYH shall, at its own cost and expense, obtain and keep in force a policy or policies of
32 insurance to protect the Premises against all risks that may occur on the Premises
33 including, but not limited to, flood, fire, earthquake or other peril in the amount equal to
34 the replacement value of the facilities located on the Premises.

35
36 Any insurance maintained by either party pursuant to this paragraph shall contain a clause
37 or endorsement under which the insurer waives all rights of subrogation against the other
38 party and its agents or employees with respect to losses payable under the policy.

39
40 Any personal property kept on the Premises by AYH shall be kept there at AYH's sole
41 risk.

LEASE BETWEEN THE CITY OF SEASIDE AND AMERICAN YOUTH HOSTELS

1 City shall not be liable to AYH and AYH hereby waives all claims against City, its agents
2 and employees, for any injury or damage to any person or property occurring or incurred
3 in connection with or in any way relating to the Premises from any cause. Without
4 limiting the foregoing, neither City nor its agents or employees shall be liable for and
5 there shall be no abatement of Rent for (i) any damage to AYH's property stored on the
6 Premises, (ii) loss of or damage to any property by theft or any other wrongful or illegal
7 act, or (iii) any injury or damage to persons or property resulting from fire, explosion,
8 earthquake, falling plaster, steam, gas, electricity, water or rain which may leak from any
9 part of the Premises or from the pipes, appliances, appurtenances or plumbing works
10 therein or from the roof, street or subsurface or from any other place or resulting from
11 dampness or any other cause whatsoever or from the acts or omissions of other tenants,
12 occupants or other visitors to the Premises or from any other cause whatsoever, or (iv)
13 any latent or other defect in the Premises or surrounding property. AYH agrees that in no
14 case shall City ever be responsible or liable on any theory for any injury to AYH's
15 business, loss of profits, loss of income or any other form of consequential damage.
16 AYH shall immediately notify City in the event of (a) the occurrence of a fire or accident
17 on the Premises, or (b) the discovery of any defect thereon or in the fixtures or equipment
18 thereof.

19
20 The provisions of this Section 15 shall survive the expiration or termination of this
21 Lease.]

22
23 16. Acceptance of Premises. AYH agrees to accept the Premises "as is, where is" in its
24 present condition and subject to and without liability to City because of or resulting from
25 any conditions or defects on the Premises. City makes no representation that the
26 Premises is suitable for the purposes set forth in this Lease.

27
28 17. Damage or Destruction. If, during the term of this Lease, the Premises are partially or
29 totally destroyed by fire or other casualty covered by insurance so as to become partially
30 or totally untenable, the Premises shall be repaired as speedily as possible at AYH's
31 expense unless this Lease is terminated.

32
33 If, during the term of this Lease, the Premises are partially or totally destroyed by fire or
34 other casualty, and the cost of restoring the Premises to their condition before the damage
35 exceeds the insurance funds available to restore the Premises, or if the Premises are
36 damaged by any casualty not insured against by AYH and AYH cannot provide evidence
37 to the City of a source of funds to replace the Premises, either party shall have the right to
38 terminate this Lease by giving the other written notice of its election to do so within thirty
39 (30) days of the date on which the damage occurs or the unavailability of insurance funds
40 to restore the Premises becomes known, whichever is the later to occur. Upon the giving
41 of notice by either Party, the Lease shall terminate as of the date on which the damage
42 occurred and the rent shall be adjusted to that date. Absent termination notice by City.

LEASE BETWEEN THE CITY OF SEASIDE AND AMERICAN YOUTH HOSTELS

1 this Lease shall continue, and AYH shall cause the Premises to be repaired or restored
2 with due diligence.

3
4 18. Condemnation. If the whole or any part of the Premises is taken by any public authority
5 other than the City under the power of eminent domain, then the term of this Lease shall
6 cease on that part to be taken from the date the possession is acquired by the public
7 authority, and the rent shall be paid up to that date. If the taking of a portion of the
8 Premises substantially impairs the usefulness of the Premises for the purpose for which
9 the Premises were leased, AYH shall have the right either to terminate this Lease or to
10 continue in the possession of the remainder of the Premises under the terms and
11 conditions of this Lease, and in the latter event, AYH shall promptly restore the
12 remainder to a reasonably tenantable condition.

13
14 19. Remedies and Default. If AYH (a) defaults in paying any sums to City when due and
15 does not cure the default within five (5) days, (b) defaults in performing any other
16 covenant or condition of the Lease and does not cure the default within thirty (30) days
17 after City's written notice specifying the default, or (c) is bankrupt or makes any
18 assignment for the benefit of creditors, then City may accelerate the full balance of the
19 rent payable for the remainder of the term and sue for the sums, may terminate this Lease,
20 or may, without terminating this Lease, reenter the Premises, dispossess AYH or any
21 other occupant of the Premises, remove AYH's effects, and relet the Premises for the
22 account of City for the rent and upon the terms that are satisfactory to City, crediting the
23 proceeds, after deducting the costs of reentry, alterations, additions, and reletting, to the
24 unpaid rent and the other amounts due during the remainder of the term, and AYH shall
25 remain liable to City for any unpaid balance.

26
27 If suit is brought to recover possession of the Premises, to recover any rent or any other
28 amount due under the provisions of this Lease, or because of the breach of any other
29 covenant that AYH was to keep or perform, and a breach is established, then AYH shall
30 pay to City all expenses incurred, including reasonable attorney fees, which shall be
31 deemed to have been incurred on the commencement of the default and shall be
32 enforceable whether or not the action is prosecuted to judgment.

33
34 20. Surrender. Upon the expiration of the term of this Lease, its termination by City or AYH,
35 or AYH's occupancy of the Alternate Site, AYH shall quietly and peacefully remove itself
36 and its property from the Premises (with respect to relocation to the Alternate Site, the
37 Premises on the date of the signing of this Lease) and surrender the possession thereof to
38 the City on the expiration date, or the date of prior termination or occupancy of the
39 Alternate Site; provided, in the event that City terminates this Lease for a default of this
40 Lease by AYH or AYH is relocated to the Alternate Site, AYH shall be allowed a
41 reasonable period of time, as determined by the City, in which to remove all of its
42 property from and terminate its operations on the Premises. During such period prior to

LEASE BETWEEN THE CITY OF SEASIDE AND AMERICAN YOUTH HOSTELS

1 surrender, all obligations assumed by AYH under this Lease shall remain in full force and
2 effect. The City may, in its discretion following thirty (30) days notice to AYH, declare
3 any property which has not been removed from the Premises upon surrender as
4 abandoned property.
5

6 21. Restoration. Before the expiration or prior to termination of this Lease or AYH's
7 relocation to the Alternate Site, AYH shall restore the Premises (with respect to
8 relocation to the Alternate Site, the Premises on the date of the signing of this Lease) to
9 the condition in which it was first received and used by AYH, or to such improved
10 condition as may have resulted from any improvement made therein by AYH, subject
11 however to ordinary wear and tear and loss or damage for which AYH is not liable
12 hereunder. AYH is not obligated to restore improvements to the Premises once those
13 improvements have been demolished or to demolish improvements that have been
14 completed during the term of this Lease.
15

16 22. Net Lease. AYH hereby acknowledges and agrees that this Lease is intended to be a
17 "triple net" lease to the City, as such term is commonly used for the leasing of property,
18 and except as expressly stated herein, the City is not responsible for any costs, charges,
19 expenses and outlays of any nature whatsoever arising from or relating to the Premises, or
20 the use and occupancy thereof, or the contents thereof or the operations carried on therein,
21 and that AYH shall pay all charges, impositions, costs and expenses of every nature and
22 kind relating to the Premises including without limitation all costs related to AYH's
23 obligations under any section of this Lease.
24

25 23. Liens. AYH shall promptly discharge or cause to be discharged any valid lien, stop
26 notice, right in rem, claim, or demand of any kind on the Premises, except one in favor of
27 the City, which at any time may arise or exist with respect to the Premises or materials or
28 equipment furnished therefore, or any part thereof, and if the same shall not be promptly
29 discharged by AYH, or should AYH be declared bankrupt or make an assignment on
30 behalf of creditors, or should the leasehold estate be taken by execution, the City reserves
31 the right to take immediate possession without any liability to AYH. If AYH breaches
32 the foregoing, AYH shall be responsible for any costs incurred by the City in securing
33 clear title to its property.
34

35 24. Access to Premises. City shall have the right to enter the Premises at all reasonable hours
36 to inspect the Premises.
37

38 25. Waiver. City's failure to insist on a strict performance of any of the terms, covenants, or
39 conditions of this Lease shall not be deemed a waiver of any subsequent breach or default
40 in the terms, covenants, and conditions. This Lease may not be changed, modified, or
41 discharged orally.
42

LEASE BETWEEN THE CITY OF SEASIDE AND AMERICAN YOUTH HOSTELS

1 26. Notices. All notices required under this Lease shall be in writing and shall be deemed to
2 have been given if either delivered personally or mailed by certified or registered mail to
3 City or to AYH at their respective addresses set forth below, or to any other address that
4 either party may furnish in writing during the term of this Lease:

5
6 If to City: City of Seaside
7 440 Harcourt Avenue
8 Seaside, CA 93955
9 Attention: City Manager
10 Tel: (831) 899-6204
11 Fax: (831) 899-6227

12
13 With a copy to: George R. Schlossberg, Esq.
14 Kutak Rock LLP
15 1101 Connecticut Avenue, N.W.
16 Washington, D.C. 20036
17 Tel: (202) 828-2418
18 Fax: (202) 828-2488
19 Email: george.schlossberg@kutakrock.com

20
21 If to AYH: Peter Kambas
22 [Hostel Development Committee Chair]
23 Central California Council of AYH
24 P.O. Box 2538
25 Monterey, CA 93942
26 Tel: (831) 465-1553
27 Fax: (831) 465-1553
28 Email: pkambas@aol.com

29
30 With a copy to: Council President
31 Central California Council of AYH
32 778 Hawthorne Street
33 Monterey, CA 93940
34 Tel: (831) 649-0375
35 Fax: (831) 649-0375
36 Email: president@centralcalhostels.org

37
38 With a copy to: William Nole Evans
39 General Counsel HI-USA
40 [Insert]
41
42

LEASE BETWEEN THE CITY OF SEASIDE AND AMERICAN YOUTH HOSTELS

- 1 27. Quiet Enjoyment. City covenants and agrees with AYH and its successors and assigns
2 that when AYH pays the rent and observes and performs all the terms, covenants, and
3 conditions on AYH's part to be performed and observed, AYH may peaceably and quietly
4 possess and enjoy the Premises for the full term of this Lease.
5
- 6 28. Recording. Upon the request of either party, the other party shall join in the execution of
7 a memorandum or so-called "short form" of this Lease for the purpose of recordation.
8 The memorandum or short form of this Lease shall describe the parties, the Premises, and
9 the term of this Lease and shall incorporate this Lease by reference.
10
- 11 29. Captions and Headings. The captions and headings used in this Lease are intended only
12 for convenience and are not to be used in construing this Lease.
13
- 14 30. Applicable Law. This Lease shall be construed under the laws of the State of California.
15 If any provision of this Lease, or its application to any person or circumstances, shall to
16 any extent be invalid or unenforceable, the remainder of this Lease shall not be affected
17 and each provision of this Lease shall be valid and enforceable to the fullest extent
18 permitted by law.
19
- 20 31. Successors. This Lease and the covenants and conditions shall inure to the benefit of and
21 be binding on the City and its successors and assigns and shall be binding on AYH and
22 permitted assigns of AYH.
23
- 24 32. No Partnership. Any intention to create a joint venture or partnership between the parties
25 is expressly disclaimed, and the City shall be under no obligation to operate or assist in
26 the operation of a Youth Hostel.
27

28 **WITNESS**

CITY OF SEASIDE, CALIFORNIA

29
30
31 _____

By: _____
Honorable Ralph Rubio, Mayor

32
33
34
35 **WITNESS**

**CENTRAL CALIFORNIA COUNCIL OF
AMERICAN YOUTH HOSTELS**

36
37
38
39 _____

By: _____
Peter C. Kambas, President

EXHIBIT H
STATE PARKS WATER ASSIGNMENT

WATER ASSIGNMENT FROM STATE PARKS TO CITY OF SEASIDE

1 a youth hostel and environmental learning center as described in the application submitted by
2 State Parks to the Department of the Interior on December 29, 2008 concerning the public
3 benefit conveyance of the Youth Hostel Parcel (the "Youth Hostel"); and
4

5 **WHEREAS**, pursuant to the AYH Agreement, the City and AYH have entered that
6 certain *Lease Agreement By and Between the City of Seaside and the Central California*
7 *Council of American Youth Hostels for the Lease of Certain City Owned Property for the Use*
8 *as a Youth Hostel*, dated _____, 2008 ("AYH Lease"); and
9

10 **WHEREAS**, FORA has the authority to allocate water on the former Fort Ord to the
11 various jurisdictions, and that water supply was obtained from the United States Army, and in
12 turn, is part of the 6,600 acre-feet per year of groundwater, which is addressed in that certain
13 County Agreement No. A-06404, entered into between the United States Army and the
14 Monterey County Water Resources Agency, dated September 21, 1993; and
15

16 **WHEREAS**, FORA has made a 45-acre-foot/year allocation of water to State Parks;
17 and
18

19 **WHEREAS**, the operation of a Youth Hostel on the former Fort Ord property would
20 contribute to the public's access and enjoyment of Fort Ord Dunes State Park; and
21

22 **WHEREAS**, consistent with the AYH Agreement and the State Parks Agreement,
23 State Parks desires to provide up to 5.5 acre-feet of State Parks' 45-acre-foot potable water
24 allocation from FORA to the City for the use by a Youth Hostel in the City; and
25

26 **WHEREAS**, the City desires to accept State Parks' assignment of 5.5 acre-feet of its
27 potable water allocation from FORA for the use by a Youth Hostel in the City; and
28

29 **WHEREAS**, State Parks and the City desire to have written confirmation of State
30 Parks water assignment in order to facilitate the development of the Youth Hostel in the City.
31

32 **NOW, THEREFORE, in consideration of the above recitals and the mutual**
33 **promises set forth herein, State Parks and the City agree as follows:**
34

- 35 1. Commencing upon the date of occupation of the Youth Hostel by AYH, as
36 demonstrated by written notice to State Parks signed by both AYH and the City, State
37 Parks does hereby assign to the City the right to use up to a maximum of five and a
38 half (5.5) acre-feet of potable water per year from State Parks' allocation of potable
39 water from FORA, to be provided to the City to the extent necessary for AYH to
40 operate the Youth Hostel on the Youth Hostel Parcel or at another location that is
41 within the boundaries of the City of Seaside. Any water not needed for operation of
42 the Youth Hostel by AYH shall be retained by or revert back to State Parks.
43

WATER ASSIGNMENT FROM STATE PARKS TO CITY OF SEASIDE

- 1 2. The City hereby agrees to provide such assigned water solely for use by AYH for the
2 purpose of operating a Youth Hostel on the Youth Hostel Parcel or at another
3 location that is within the boundaries of the City of Seaside.
4
5 3. The assignment of potable water by State Parks to the City for purposes of operating
6 the Youth Hostel shall terminate, and State Parks shall not be obligated to provide
7 any water to the City, if any one of the following occurs:
8
9 a. AYH fails to begin operation of the Youth Hostel on the Youth Hostel Property
10 or at another location within the boundaries of the City of Seaside within five
11 (5) years of the date of execution of this Assignment; or
12
13 b. After the initial opening, the Youth Hostel is no longer in operation or the
14 Youth Hostel fails to be open to the public for a continuous period longer than
15 one (1) year; or
16
17 c. The Youth Hostel is owned by any person or persons, organization, corporation,
18 partnership, association or entity other than AYH; or
19
20 d. FORA reduces or eliminates State Parks' 45-acre-foot-per-year water
21 allocation; or
22
23 e. The Youth Hostel is located or relocated to any place that is outside the
24 boundaries of the City of Seaside.
25
26 4. Water shall be allocated to the City for use either by AYH or the City in accordance
27 with the following terms and conditions:
28
29 a. If AYH is operating on the Youth Hostel Parcel in accordance with the terms
30 and conditions set forth in the AYH Lease, then State Parks shall provide up to
31 five and one half (5.5) acre feet of potable water per year to the City for use by
32 AYH.
33
34 b. If AYH is operating in a facility in accordance with the terms and conditions set
35 forth in the AYH Lease that is (a) not on the Youth Hostel Parcel, (b) within the
36 City, and (c) within the former Fort Ord, then State Parks shall provide up to
37 five and one half (5.5) acre feet of potable water per year to the City for use by
38 AYH.
39
40 c. If AYH is operating in a facility in accordance with the terms and conditions set
41 forth in the AYH Lease that is (a) not on the Youth Hostel Parcel, (b) within the
42 City, and (c) not within the former Fort Ord, then State Parks shall provide up to
43 five and one half (5.5) acre feet of potable water per year to the City for the
44 City's use; provided, however, that the City shall make the same amount of
45 potable water available to AYH for their operations at such facility in the City.

WATER ASSIGNMENT FROM STATE PARKS TO CITY OF SEASIDE

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- d. If AYH is operating in a facility, which is not on the Youth Hostel Parcel, with previously assigned water rights, in accordance with the terms and conditions set forth in the AYH Lease, then State Parks shall not be obligated to provide any potable water to the City for use by AYH.
- 5. This Assignment shall be governed and interpreted under the laws of the State of California.
- 6. Both parties shall observe and comply with all applicable federal, state and local laws, regulations and ordinances.
- 7. The City shall defend, indemnify and hold harmless State Parks, its officers, employees and/or agents from and against any and all demands, claims, actions, liabilities, losses, damages and costs, including reasonable attorneys' fees, arising out of or resulting from State Parks' assignment of water to the City or the parties' implementation of this Assignment, except those arising from the sole negligence or willful misconduct of State Parks, its officers, employees and/or agents.
- 8. No alteration, amendment, variation or waiver of the terms of this Assignment shall be valid unless made in writing and signed by both parties. This Assignment may be terminated by the mutual written agreement of the parties.
- 9. This Assignment shall be deemed to have been prepared equally by both parties and the Assignment and its individual provisions shall not be construed or interpreted more favorably for one party on the basis that the other party prepared it.
- 10. Except as expressly provided for herein, nothing in this Assignment shall be construed as giving either the City or State Parks the right or ability to bind the other or to create any joint liability with regard to, or as a result of, the activities undertaken by each party to implement this Assignment.
- 11. The City and State Parks are the only parties to this Assignment. This Assignment shall not create any rights in any person, entity or organization not a party hereto; nor may any third party maintain any lawsuit for breach of this Assignment.
- 12. This Assignment constitutes the entire contract between the City and State Parks regarding the subject matter of this Assignment. Any prior agreements, whether oral or written, between the City and State Parks regarding the subject matter of this Assignment are hereby terminated effective immediately upon full execution of this Assignment; provided, however, that the State Parks Agreement shall remain in effect.

[Signatures on the following pages]

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IN WITNESS WHEREOF, the City of Seaside, California, intending to be legally bound hereby, has caused this Assignment to be executed on the Effective Date set forth above.

CITY OF SEASIDE, CALIFORNIA

By: _____
Ray Corpuz, City Manager

State of California)
County of Monterey)

On _____ before me,
_____, Notary Public (here insert name and title of the officer),
personally appeared _____

_____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

WATER ASSIGNMENT FROM STATE PARKS TO CITY OF SEASIDE

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IN WITNESS WHEREOF, the California Department of Parks and Recreation, intending to be legally bound hereby, has caused this Assignment to be executed on the Effective Date set forth above.

CALIFORNIA DEPARTMENT OF PARKS AND RECREATION

By: Ruth Coleman
Ruth Coleman, Director

State of California)
County of SACRAMENTO)

On MAY 7 2008 before me,
SONIA A. WINDTBERG, Notary Public (here insert name and title of the officer),
personally appeared RUTH COLEMAN

who proved to me on the basis of satisfactory evidence to be the person~~(s)~~ whose name~~(s)~~ is/~~are~~ subscribed to the within instrument and acknowledged to me that ~~he~~/~~she~~/~~they~~ executed the same in ~~his~~/~~her~~/~~their~~ authorized capacity~~(ies)~~, and that by ~~his~~/~~her~~/~~their~~ signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Sonia A. Windtberg (Seal)

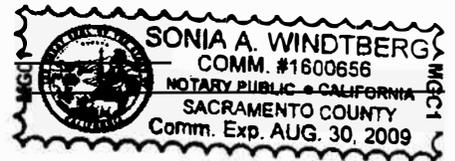


EXHIBIT I
SHORT FORM NOTICE OF AGREEMENT

**CITY OF SEASIDE
OFFICIAL BUSINESS**

EXECUTION
VERSION
5-7-08

**Recording requested by and
when recorded mail to:**

George R. Schlossberg, Esq.
Kutak Rock LLP
1101 Connecticut Avenue, NW
Suite 1000
Washington, DC 20036

Space Above This Line Reserved for Recorder's Use

**SHORT FORM NOTICE
OF AGREEMENT**

THIS SHORT FORM NOTICE is entered into this ____ day of _____ 2008 ("Effective Date"), by and among the **FORT ORD REUSE AUTHORITY** ("FORA"), the **CITY OF SEASIDE** ("City"), and the **CENTRAL CALIFORNIA COUNCIL OF AMERICAN YOUTH HOSTELS** ("AYH"). FORA, the City, and AYH are sometimes referred to herein individually as a "Party" and collectively as the "Parties".

RECITALS:

WHEREAS:

1. The Parties have entered into that certain *Agreement By and Among the Fort Ord Reuse Authority, the City of Seaside, and American Youth Hostels Concerning Certain Property at the Former Fort Ord, California*, dated _____, 2008 ("AYH Agreement"), setting forth the terms and conditions of the agreement between the Parties;

2. FORA received certain property commonly known as the "Youth Hostel Parcel" on the former Fort Ord, California, as more particularly described in Exhibit A attached hereto, from the United States of America, Acting by and through the Secretary of the Army;

3. FORA will convey the Youth Hostel Parcel to the City;

4. The City will enter into a long-term lease with AYH for the Youth Hostel Parcel;
and

SHORT FORM NOTICE OF AMERICAN YOUTH HOSTELS AGREEMENT

1 **IN WITNESS WHEREOF**, the Fort Ord Reuse Authority, intending to be legally bound
2 hereby, caused its duly appointed representative to execute this Short Form Notice as of the
3 Effective Date set forth above.

4
5
6 **FORT ORD REUSE AUTHORITY**

7
8
9 _____
10 Michael A. Houlemard, Jr.
11 Executive Officer
12

13
14
15 State of California)
16 County of Monterey)

17
18 On _____ before me.
19 _____, Notary Public (here insert name and title of the officer),
20 personally appeared

21 _____
22 who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
23 subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
24 his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
25 person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

26
27 I certify under PENALTY OF PERJURY under the laws of the State of California that the
28 foregoing paragraph is true and correct.

29
30 WITNESS my hand and official seal. Signature ____ (Seal)

SHORT FORM NOTICE OF AMERICAN YOUTH HOSTELS AGREEMENT

1 **IN WITNESS WHEREOF**, the City of Seaside, California, intending to be legally
2 bound hereby, caused its duly appointed representative to execute this Short Form Notice as of
3 the Effective Date set forth above.

4
5
6 **CITY OF SEASIDE**

7
8
9 _____
10 Ray Corpuz
11 City Manager
12

13
14
15 State of California)
16 County of Monterey)

17
18 On _____ before me,
19 _____, Notary Public (here insert name and title of the officer),
20 personally appeared

21
22 _____
23 who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
24 subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
25 his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
26 person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

27 I certify under PENALTY OF PERJURY under the laws of the State of California that the
28 foregoing paragraph is true and correct.

29
30 WITNESS my hand and official seal. Signature _____ (Seal)

SHORT FORM NOTICE OF AMERICAN YOUTH HOSTELS AGREEMENT

1 **IN WITNESS WHEREOF**, the Central California Council of American Youth Hostels,
2 intending to be legally bound hereby, caused its duly appointed representative to execute this
3 Short Form Notice as of the Effective Date set forth above.

4
5

6 **CENTRAL CALIFORNIA COUNCIL OF AMERICAN YOUTH HOSTELS**

7
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10 _____
11 Peter Kambas
12 President

13
14

15 State of California)
16 County of Monterey)

17
18

18 On _____ before me,
19 _____, Notary Public (here insert name and title of the officer),
20 personally appeared

21

22 _____
22 who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
23 subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
24 his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
25 person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

26
27
28

27 I certify under PENALTY OF PERJURY under the laws of the State of California that the
28 foregoing paragraph is true and correct.

29
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31

30 WITNESS my hand and official seal. Signature ____ (Seal)

EXHIBIT J
ESCROW AGREEMENT

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ESCROW AGREEMENT

THIS ESCROW AGREEMENT ("Agreement") is made as of the 30th day of April, 2008 between the **City of Seaside, California**, a political subdivision of the State of California ("City"), the **United States of America**, acting by and through the **Secretary of the Army** ("Army"), **California Department of Parks and Recreation** ("State Parks"), the **Fort Ord Reuse Authority** ("FORA"), a California regional agency established under California Government Code Section 67650, **Central California Council of American Youth Hostels** ("AYH"), a California nonprofit public benefit corporation, and **Chicago Title Company** ("Escrow Agent") (collectively, the "Parties").

PRELIMINARY STATEMENT

WHEREAS, the Army and the City will enter into that certain *Exchange Agreement Between the City of Seaside and the United States of America, Acting By and Through the Secretary of the Army* ("Exchange Agreement");

WHEREAS, State Parks and the City will execute that certain *Agreement Between the California State Parks Department and the City of Seaside Concerning the Fort Ord Dunes State Park Within the City of Seaside* ("State Parks Agreement");

WHEREAS, FORA, the City and AYH will enter into that certain *Agreement By and Among the Fort Ord Reuse Authority, the City of Seaside and the Central California Council of American Youth Hostels Concerning Certain Property at the Former Fort Ord, California* ("AYH Agreement");

WHEREAS, the Army is the owner of certain land and facilities known as the Light Fighter Drive Parcel ("Light Fighter Parcel"), the Firehouse Parcel ("Firehouse Parcel") and the Drumstick Parcel ("Drumstick Parcel") (together the "Army Property," as defined in the Exchange Agreement), all of which are located on the former Fort Ord ("former Fort Ord") in Monterey County, California, which was closed pursuant to the Defense Base Closure and Realignment Act of 1990, as amended;

WHEREAS, the City is the owner of certain land and facilities known as all or part of the Stilwell Kidney Parcel ("Kidney Property," as defined in the Exchange Agreement), located on the former Fort Ord;

WHEREAS, the Army and Monterey Bay Land, LLC have entered into an agreement for the design and construction of privatized housing for military personnel in the Monterey Bay area in accordance with the Army's Residential Communities Initiative ("RCI Project");

WHEREAS, the Army desires to construct portions of the RCI Project on the Kidney Property;

ESCROW AGREEMENT

Page 2.

1 **WHEREAS**, the City's use of the Army Property will support the ongoing economic
2 redevelopment of the former Fort Ord;

3
4 **WHEREAS**, the Monterey Bay area suffers from a shortage of affordable and workforce
5 housing;

6
7 **WHEREAS**, the Army and the City desire to exchange the Kidney Property for the
8 Army Property, together with facilities and other valuable consideration, in order to facilitate the
9 RCI Project, economic redevelopment of the former Fort Ord, and an increased supply of
10 affordable and workforce housing in the Monterey Bay area;

11
12 **WHEREAS**, State Parks has filed an application with the U.S. Department of the Interior
13 ("DOI") for the public benefit conveyance for park and recreation purposes of a portion of the
14 former Fort Ord to establish Fort Ord Dunes State Park ("Dunes Park PBC Application"), which
15 includes the Drumstick Parcel;

16
17 **WHEREAS**, State Parks has filed an application with DOI for the public benefit
18 conveyance for park and recreation purposes of a portion of the former Fort Ord within the City
19 to facilitate the establishment of a youth hostel ("Youth Hostel") by AYH ("Hostel PBC
20 Application");

21
22 **WHEREAS**, the City agrees, among other things, to provide State Parks three million,
23 four hundred thousand dollars (\$3,400,000.00) for State of California State Parks purposes
24 within Monterey County, in exchange for (1) State Parks modifying its Dunes Park PBC
25 Application to exclude the Drumstick Parcel; (2) State Parks withdrawing its Hostel PBC
26 Application; (3) the Army conveying to the City certain parcels of the former Fort Ord; (4) the
27 Army making available to State Parks' employees on a priority basis certain affordable or
28 workforce housing on the former Fort Ord; and (5) the Army dedicating sufficient potable water
29 for such affordable or workforce housing units;

30
31 **WHEREAS**, the City and State Parks believe that the modification of the Dunes Park
32 PBC Application and the withdrawal of the Hostel PBC Application will allow the optimal use
33 and reutilization of the former Fort Ord;

34
35 **WHEREAS**, State Parks has requested that the City assume the role of sponsor for the
36 AYH operated Youth Hostel, and the City has agreed to assume such role;

37
38 **WHEREAS**, upon the withdrawal by State Parks of its Hostel PBC Application, DOI has
39 agreed to return jurisdiction, custody and control of the Youth Hostel Parcel ("Youth Hostel
40 Parcel", as defined in the AYH Agreement) to the Army for disposition;

ESCROW AGREEMENT

Page 3.

1 **WHEREAS**, the Army has determined to convey the Youth Hostel Parcel to FORA
2 pursuant to that certain Memorandum of Agreement between the United States of America,
3 Acting by and through the Secretary of the Army and the Fort Ord Reuse Authority for the Sale
4 of Portions of the former Fort Ord Located in Monterey County, California dated June 20, 2000,
5 as amended ("EDC Agreement");
6

7 **WHEREAS**, FORA has agreed to convey the Youth Hostel Parcel to the City pursuant to
8 the FORA/City Implementation Agreement dated October 18, 2001;
9

10 **WHEREAS**, in order to establish the Youth Hostel, the City will lease the Youth Hostel
11 Parcel to AYH;
12

13 **WHEREAS**, the Parties wish to escrow the Closing Documents (as described herein)
14 with the Escrow Agent to facilitate the exchanges described above; and

16 **WHEREAS**, the Escrow Agent is willing and able to accept the duties as escrow agent
17 under the terms of this Agreement.
18

19 **NOW, THEREFORE**, in consideration of the mutual covenants, obligations and
20 agreements hereinafter set forth and other good and valuable consideration, the receipt and
21 sufficiency of which are hereby acknowledged, the Parties agree as follows:
22

23 **ARTICLE 1. Appointment of Escrow Agent.**

24

25 The Parties hereby designate, appoint, and engage Escrow Agent to act as escrow agent
26 under the terms of this Agreement, the Exchange Agreement, the State Parks Agreement and the
27 AYH Agreement. Escrow Agent accepts the appointment as escrow agent and agrees to abide by
28 the terms of this Agreement. Escrow Agent has received copies of the Exchange Agreement, the
29 State Parks Agreement, and the AYH Agreement and is familiar with the terms of such
30 agreements as they affect this escrow. All capitalized terms used herein unless otherwise defined
31 shall have the meaning assigned to them in the Exchange Agreement, the State Parks Agreement
32 or the AYH Agreement, as applicable, which definitions are incorporated herein by this
33 reference. For purposes of this Agreement, the Exchange Agreement, the State Parks
34 Agreement, and the AYH Agreement, the closing date shall be the date designated by the Parties
35 in writing (the "Closing Date").
36

37 **ARTICLE 2. Delivery of Funds and Documents on Closing Date.**

38

39 2.1 City Closing Deliveries. On or before 10:00 A.M. Pacific time on the Closing
40 Date, the City shall deliver or cause to be delivered to the Escrow Agent the following deliveries
41 reasonably satisfactory to the Parties and in a form previously reviewed and approved by the
42 Parties:

ESCROW AGREEMENT

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2.1.1 Executed signature page for the Exchange Agreement;

2.1.2 Executed signature page for the Short Form Notice of Exchange Agreement in substantially the form set forth in Exhibit I to the Exchange Agreement;

2.1.3 Executed signature page for the State Parks Agreement;

2.1.4 Executed signature page for the Short Form Notice of State Parks Agreement in substantially the form set forth in Exhibit F to the State Parks Agreement;

2.1.5 Executed signature page of the AYH Agreement;

2.1.6 Executed signature page of the Short Form Notice of AYH Agreement in substantially the form set forth in Exhibit I to the AYH Agreement;

2.1.7 Executed Deed conveying fee ownership of the Kidney Property to the Army in substantially the form set forth in Exhibit B-1 of the Exchange Agreement;

2.1.8 Acceptance of the Deeds conveying fee ownership of the Army Property to the City in substantially the forms set forth in Exhibits B-2 through B-4 of the Exchange Agreement;

2.1.9 Executed Release of Easements in substantially the form set forth in Exhibit D of the Exchange Agreement;

2.1.10 Reserved.

2.1.11 Acceptance of the Water Deed conveying one hundred nine (109) acre-feet of potable water from the Army to the City in substantially the form set forth in Exhibit F of the Exchange Agreement;

2.1.12 Executed Firehouse and Burger King Lease in substantially the form set forth in Exhibit E of the Exchange Agreement;

2.1.13 Permits, leases, licenses or easements transferred or assigned to the Army relating to the Kidney Property, if any;

2.1.14 Certificate confirming that all representations of the City set forth in the Exchange Agreement, to the best of the City's knowledge and belief, are true and correct as of the Closing Date in substantially the form set forth in Exhibit K-1 of the Exchange Agreement;

ESCROW AGREEMENT

Page 5.

1 2.1.15 Acknowledgment of the General Jim Moore Boulevard Access Easement
2 in substantially the form set forth in Exhibit H of the Exchange Agreement;

3
4 2.1.16 Executed signature page for the Short Form Notice of the Firehouse and
5 Burger King Lease in the form set forth in Exhibit P to the Exchange Agreement.

6
7 2.1.17 The amount of four hundred forty thousand, three hundred fifteen dollars
8 and fifty-five cents (\$440,315.55) to be paid to State Parks pursuant to the State Parks
9 Agreement;

10
11 2.1.18 An executed Note obligating the City to pay State Parks nine (9) annual
12 payments of four hundred forty thousand, three hundred fifteen dollars and fifty-five cents
13 (\$440,315.55) pursuant to the State Parks Agreement in substantially the form set forth in
14 Exhibit H to the State Parks Agreement;

15
16 2.1.19 Acceptance of the Deed to convey the Youth Hostel Parcel from FORA to
17 the City in substantially the form set forth in Exhibit F of the AYH Agreement;

18
19 2.1.20 Executed lease between the City and AYH for the Youth Hostel Parcel in
20 substantially the form set forth in Exhibit G of the AYH Agreement;

21
22 2.1.21 Acceptance of the Water Assignment conveying a sufficient amount of
23 potable water from State Parks to the City for purposes of the Youth Hostel in substantially the
24 form set forth in Exhibit H to the AYH Agreement;

25
26 2.1.22 Executed Short Form Notice of the AYH Lease in the form set forth in
27 Exhibit K to the AYH Agreement; and

28
29 2.1.23 Such additional documents as might be required by California law, or as
30 may reasonably be required by the Title Insurer and the Parties.

31
32 2.2 Army Closing Deliveries. On or before 10:00 A.M. Pacific time on the Closing
33 Date, the Army shall deliver or cause to be delivered to the Escrow Agent the following
34 deliveries reasonably satisfactory to the Parties and in a form previously reviewed and approved
35 by the Parties:

36
37 2.2.1 Executed signature page for the Exchange Agreement;

38
39 2.2.2 Executed signature page for the Short Form Notice of Exchange
40 Agreement in substantially the form set forth in Exhibit I to the Exchange Agreement;

41

ESCROW AGREEMENT

Page 6.

1 2.2.3 Three executed Deeds conveying fee ownership of the Army Property to
2 the City in substantially the forms set forth in Exhibits B-2 through B-4 of the Exchange
3 Agreement;

4
5 2.2.4 Acceptance of the Deed conveying fee ownership of the Kidney Property
6 to the Army in substantially the form set forth in Exhibit B-1 of the Exchange Agreement;

7
8 2.2.5 Reserved.

9
10 2.2.6 Executed Water Deed transferring one hundred nine (109) acre-feet of
11 potable water to the City in substantially the form set forth in Exhibit F of the Exchange
12 Agreement;

13
14 2.2.7 Executed General Jim Moore Boulevard Access Easement in substantially
15 the form set forth in Exhibit H of the Exchange Agreement;

16
17 2.2.8 Executed signature page for the Short Form Notice to the Firehouse and
18 Burger King Lease in the form set forth in Exhibit P to the Exchange Agreement.

19
20 2.2.9 Executed Firehouse and Burger King Lease substantially in the form set
21 forth in Exhibit E of the Exchange Agreement;

22
23 2.2.10 Permits, leases, licenses or easements transferred or assigned relating to
24 the Army Property, if any;

25
26 2.2.11 Certificate confirming that all representations of the Army set forth in the
27 Exchange Agreement, to the best of the Army's knowledge and belief, are true and correct as of
28 the Closing Date in substantially the form set forth in Exhibit K-2 of the Exchange Agreement;

29
30 2.2.12 Fully executed Amendment No. 3 to the EDC Agreement in substantially
31 the form set forth in to the AYH Agreement;

32
33 2.2.13 Executed Deed conveying fee ownership of the Youth Hostel Parcel from
34 the United States to FORA in substantially the form set forth in Exhibit E to the AYH
35 Agreement; and

36
37 2.2.14 Such additional documents as might be required by California law, or as
38 may reasonably be required by the Title Insurer or the Parties.

39
40 2.3 State Parks Closing Deliveries. On or before 10:00 A.M. Pacific time on the
41 Closing Date, State Parks shall deliver or cause to be delivered to the Escrow Agent the

ESCROW AGREEMENT

Page 7.

1 following deliveries reasonably satisfactory to the Parties and in a form previously reviewed and
2 approved by the Parties:

3
4 2.3.1 Executed signature page for the State Parks Agreement;

5
6 2.3.2 Executed signature page for the Short Form Notice of State Parks
7 Agreement in substantially the form set forth in Exhibit F to the State Parks Agreement;

8
9 2.3.3 Notification addressed to DOI officially modifying State Parks' Dunes
10 Park PBC Application to exclude the Drumstick Parcel in substantially the form set forth in
11 Exhibit C of the State Parks Agreement;

12
13 2.3.4 Notification addressed to DOI officially withdrawing State Parks' Hostel
14 PBC Application in substantially the form set forth in Exhibit D of the State Parks Agreement;

15
16 2.3.5 Executed Water Assignment conveying a sufficient amount of potable
17 water from State Parks to the City for purposes of the Youth Hostel in substantially the form set
18 forth in Exhibit I of the AYH Agreement; and

19
20 2.3.6 Such additional documents as might be required by California law, or as
21 may reasonably be required by the Title Insurer, the Parties or DOI.

22
23 2.4 FORA Closing Deliveries. On or before 10:00 A.M. Pacific time on the Closing
24 Date, FORA shall deliver or cause to be delivered to the Escrow Agent the following deliveries
25 reasonably satisfactory to the Parties and in a form previously reviewed and approved by the
26 Parties:

27
28 2.4.1 Executed signature page of the AYH Agreement;

29
30 2.4.2 Executed signature page of the Short Form Notice of AYH Agreement in
31 substantially the same form set forth in Exhibit I to the AYH Agreement;

32
33 2.4.3 Fully executed Amendment No. 3 to the EDC Agreement in substantially
34 the form set forth in to the AYH Agreement;

35
36 2.4.4 Acceptance of the Deed conveying title of the Youth Hostel Parcel from
37 the United States to FORA in substantially the form set forth in Exhibit E of the AYH
38 Agreement;

39
40 2.4.5 Executed Deed conveying title of the Youth Hostel Parcel from FORA to
41 the City in substantially the form set forth in Exhibit F of the AYH Agreement; and
42

ESCROW AGREEMENT

Page 8.

1 2.4.6 Such additional documents as might be required by California law, or as
2 may reasonably be required by the Title Insurer or the Parties.

3
4 2.5 AYH Closing Deliveries. On or before 10:00 A.M. Pacific time on the Closing
5 Date, AYH shall deliver or cause to be delivered to the Escrow Agent the following deliveries
6 reasonably satisfactory to the Parties and in a form previously reviewed and approved by the
7 Parties:

8
9 2.5.1 Executed signature page of the AYH Agreement;

10
11 2.5.2 Executed signature page of the Short Form Notice of AYH Agreement in
12 substantially the form set forth in Exhibit I to the AYH Agreement;

13
14 2.5.3 Executed letter from State Parks to the DOI withdrawing its Public Benefit
15 Conveyance Application for the Youth Hostel Parcel in substantially the form set forth in Exhibit
16 C of the AYH Agreement;

17
18 2.5.4 Executed Water Assignment from State Parks to the City in the form set
19 forth in Exhibit H to the AYH Agreement;

20
21 2.5.5 Executed lease between the AYH and the City for the Youth Hostel Parcel
22 in substantially the form set forth in Exhibit G to the AYH Agreement;

23
24 2.5.6 Executed Short Form Notice of the AYH Lease in the form set forth in
25 Exhibit K to the AYH Agreement; and

26
27 2.5.7 Such additional documents as might be required by California law, or as
28 may reasonably be required by the Title Insurer or the Parties.

29
30 2.6 Upon confirming to the Parties that the Escrow Agent is in receipt of all Closing
31 Deliveries under this Agreement, the Escrow Agent shall:

32
33 2.6.1 Deliver signed copies of the Exchange Agreement to the City and the
34 Army;

35
36 2.6.2 Deliver signed copies of the State Parks Agreement to State Parks and the
37 City;

38
39 2.6.3 Deliver signed copies of the AYH Agreement to the City, FORA and
40 AYH;

ESCROW AGREEMENT

Page 9.

1 2.6.4 Record the real property deeds described above in the official land records
2 of Monterey County and deliver the recorded deeds to the address set forth on the deeds;

3
4 2.6.5 Record the Water Deed and Water Assignment described above in the
5 official land records of Monterey County and the official records of the Monterey County Water
6 Resources Agency, and deliver the recorded Water Deed and Water Assignment to the addresses
7 set forth therein;

8
9 2.6.6 Record the easement described above in the official land records of
10 Monterey County, and deliver the recorded easement to the addresses set forth in the easement;

11
12 2.6.7 Deliver to the Army at the Closing or the address set forth in Article 4
13 hereof, the following City closing deliveries pursuant to the Exchange Agreement:

14 2.6.7.1 The executed Release of Easements described in Section 2.1.9
15 hereof;

16
17 2.6.7.2 The executed Firehouse and Burger King Lease described in
18 Section 2.1.12 hereof;

19
20 2.6.7.3 Any permits, leases, licenses or easements described in Section
21 2.1.13 hereof; and

22
23 2.6.7.4 The executed certificate confirming the City's representations
24 described in Section 2.1.14 hereof.

25
26
27 2.6.8 Deliver to the City at the Closing or the address set forth in Article 4
28 hereof, the following Army closing deliveries pursuant to the Exchange Agreement:

29 2.6.8.1 The executed Firehouse and Burger King Lease described in
30 Section 2.2.9 hereof;

31
32 2.6.8.2 Any permits, leases, licenses or easements described in Section
33 2.2.10 hereof; and

34
35 2.6.8.3 The executed certificate confirming the City's representations
36 described in Section 2.2.11 hereof.

37
38
39 2.6.9 Deliver to the Army at the Closing or the address set forth in Article 4
40 hereof, the executed original Notice of Modification of Dunes Park PBC Application described
41 in Section 2.3.3 hereof;

42

ESCROW AGREEMENT

Page 10.

1 2.6.10 Deliver to the Army at the Closing or the address set forth in Article 4
2 hereof, the executed original Notice of Withdrawal of Hostel PBC Application described in
3 Section 2.3.4 hereof;

4
5 2.6.11 Deliver to State Parks at the Closing or at the address set forth in Article 4
6 hereof, the City check described in Section 2.1.17 hereof;

7
8 2.6.12 Deliver to State Parks at the Closing or at the address set forth in Article 4
9 hereof, the City Note described in Section 2.1.18 hereof;

10
11 2.6.13 Record the Short Form Notice of Exchange Agreement and deliver a copy
12 to the City and the Army;

13
14 2.6.14 Record the Short Form Notice of State Parks Agreement and deliver a
15 copy to the City and State Parks;

16
17 2.6.15 Record the Short Form Notice of AYH Agreement and deliver a copy to
18 the City, FORA and AYH;

19
20 2.6.16 Record the Short Form Notice of the Firehouse and Burger King Lease
21 and deliver a copy to the City and the Army;

22
23 2.6.17 Record the Short Form Notice of the AYH Lease and deliver a copy to the
24 City and AYH; and

25
26 2.6.18 Deliver to the Army and FORA the executed Amendment No. 3 to the
27 EDC Agreement.

28
29 2.7 It is the intention of the Parties hereto that the exchange be completed by 5:00
30 P.M. Pacific Time on the Closing Date. If for any reason documents to be recorded are not
31 recorded by such time, the Escrow Agent shall contact the Parties and comply with further joint
32 instructions. Immediately upon recording of all documents to be recorded, the Closing
33 Deliveries shall be deemed released from escrow and delivered to and become the property of
34 the respective Parties.

35
36 2.8 The Escrow Agent acknowledges that the Closing Date may be extended by
37 mutual agreement of the Parties. The Escrow Agent will be notified in writing of any such
38 extension.

39 40 **ARTICLE 3. The Escrow Agent.**

ESCROW AGREEMENT

Page 11.

1 3.1 Escrow Agent shall not be liable for any action lawfully taken or omitted to be
2 taken by it under or in connection with this Agreement, except for its own negligence or willful
3 misconduct. Escrow Agent shall not be responsible to the Parties for any written or oral
4 statement, instruments, reports, certificates or any other documents delivered to Escrow Agent in
5 connection herewith by or on behalf of the Parties.

6
7 3.2 Escrow Agent shall be entitled to rely, and shall be fully protected in relying,
8 upon any notice or document believed by it to be genuine and correct and to have been signed,
9 sent or made by the proper person.

10
11 3.3 Escrow Agent shall not be liable for any loss or damage resulting from (i) the
12 affect of the transaction underlying this escrow or of any element of that transaction, including
13 without limitation, the financial status or insolvency of any other party, and any
14 misrepresentation made by any other party, (ii) any impairment of funds that have been
15 deposited in escrow while those funds are in a financial institution as instructed under this
16 Agreement if such loss or impairment results from the failure, insolvency or suspension of such
17 financial institution and (iii) Escrow Agent's compliance with any legal process, subpoena, writs,
18 orders, judgements and decree of any court whether issued with or without jurisdiction and
19 whether or not consequently vacated, modified, set aside or reversed.

20
21 3.4 In the event of disagreement about the interpretation of this Agreement, or about
22 the rights and obligations or the propriety of any action contemplated by Escrow Agent
23 thereunder, Escrow Agent may, in its sole discretion, file an action to interpleader to resolve the
24 disagreement.

25
26 3.5 The Parties hereby release Escrow Agent in its capacity as such from and against
27 any and all liabilities, except to the extent resulting from Escrow Agent's negligence or willful
28 misconduct.

29 **ARTICLE 4. Notices.**

30
31 All notices and communications hereunder shall be in writing and shall be deemed to be
32 duly given if sent by registered or certified mail, return receipt requested, postage prepaid, to the
33 following address:

34 As to the City: The City of Seaside
35 440 Harcourt Avenue
36 Seaside, California 93955
37 Attention: City Manager
38 Telephone: (408) 899-6204
39 Telecopy: (408) 899-6227

40
41 With a copy to: George R. Schlossberg

ESCROW AGREEMENT

Page 12.

1 Kutak Rock LLP
2 1101 Connecticut Avenue, N.W., 10th Floor
3 Washington, D.C. 20036
4 Telephone: (202) 828-2418
5 Telecopy: (202) 828-2488
6
7 As to the Army: U.S. Army Corps of Engineers, Sacramento District
8 1325 J Street
9 Sacramento, California 95814
10 Attn: CESPCK-RE-B
11 Acquisition & Management Branch
12 Real Estate Division
13 Telephone: (916) 557-6870
14 Telecopy: (916) 557-6949
15
16 As to State Parks: California Department of Parks and Recreation
17 2211 Garden Road
18 Monterey, California 93940
19 Attention: District Superintendent
20 Phone: (831) 649-2836
21 Telecopy: (831) 647-6239
22
23 With a copy to: California State Parks
24 Acquisition and Real Property Services Division
25 One Capitol Mall
26 Suite 500
27 Sacramento, California 95814
28
29 As to FORA: Michael A. Houlemard, Jr., Executive Officer
30 Fort Ord Reuse Authority
31 100 12th Street, Building 2880
32 Marina, California 93933
33 Tel: (831) 883-3672
34 Fax: (831) 883-3675
35
36 With a copy to: George R. Schlossberg, Esq.
37 Kutak Rock LLP
38 1101 Connecticut Avenue, N.W.
39 Washington, D.C. 20036
40 Tel: (202) 828-2418
41 Fax: (202) 828-2488
42

ESCROW AGREEMENT

Page 13.

1 As to AYH: Central California Council of AYH
2 Attn: President
3 P.O. Box 2538
4 Monterey, CA 93942
5 Tel: (831) 899-1252
6 Fax: (831) 649-0375

7
8 With a copy to: Central California Council of AYH
9 c/o HI-Monterey Hostel
10 Attn: Executive Director
11 778 Hawthorne Street
12 Monterey, CA 93940
13 Tel: (831) 649-0375
14 Fax: (831) 649-0375

15
16 With a copy to: Hostelling International - USA
17 Attn: General Counsel
18 8401 Colesville Road, Suite 600
19 Silver Spring, MD 20910
20 Tel: (301) 495-1240
21 Fax: (301) 495-6697

22
23 As to the Escrow Agent: Chicago Title Company
24 Attention: Kimberly Verania
25 250 Bonifacio Place
26 Monterey, CA 93942
27 Tel: (831) 375-2262
28 Fax: (831) 646-8544

29
30 **ARTICLE 5. Governing Law.**

31
32 This Agreement shall be governed by and construed in accordance with California law.

33
34 **ARTICLE 6. Amendment.**

35
36 This Agreement may be amended, modified or terminated only by written instrument or
37 written instruments signed by all Parties hereto. No act or course of dealing shall be deemed to
38 constitute an amendment, modification or termination hereof.

39
40 **ARTICLE 7. Headings.**

ESCROW AGREEMENT

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1 The headings contained in this Agreement are provided for convenience only and form
2 no part of this Agreement and shall not affect the construction or interpretation of this
3 Agreement.

4

5 **ARTICLE 8. Successors and Assigns.**

6

7 This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto,
8 their respective legal representatives, successors and assigns.

9

10 **ARTICLE 9. Entire Agreement.**

11

12 This Agreement sets forth the entire agreement among the Parties with respect to the
13 subject matter hereof, and this Agreement supersedes and replaces any agreement or
14 understanding that may have existed between the Parties prior to the date hereof in respect of
15 such subject matter.

16

17 **ARTICLE 10. Counterparts.**

18

19 This Agreement may be executed in one or more counterparts, each of which shall be
20 deemed an original.

21

22

[Signature Page Follows]

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IN WITNESS WHEREOF, the Parties hereto have duly executed and delivered this Agreement, all as of the date and year first above written.

THE CITY OF SEASIDE, CALIFORNIA

Ray Corpuz
City Manager

THE UNITED STATES OF AMERICA



Mark Connor
Associate Deputy General Counsel

CALIFORNIA DEPARTMENT OF PARKS AND RECREATION

Ken Anderson
Chief, Acquisition and Real Property Services Division

FORT ORD REUSE AUTHORITY

Michael A. Houlemard, Jr.
Executive Officer

CENTRAL CALIFORNIA COUNCIL OF AMERICAN YOUTH HOSTELS

Peter Kambas
President

CHICAGO TITLE COMPANY

Kimberly Verania
Escrow Officer

ESCROW AGREEMENT

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Chief, Acquisition and Real Property Services Division

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Escrow Officer

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ESCROW AGREEMENT

Page 15.

1 IN WITNESS WHEREOF, the Parties hereto have duly executed and delivered this
2 Agreement, all as of the date and year first above written.

3
4 **THE CITY OF SEASIDE, CALIFORNIA**

5
6
7
8 _____
9 Ray Corpuz
10 City Manager

11 **THE UNITED STATES OF AMERICA**

12
13
14 _____
15 Mark Connor
16 Associate Deputy General Counsel

17 **CALIFORNIA DEPARTMENT OF PARKS AND
18 RECREATION**

19
20
21 _____
22 Ken Anderson
23 Chief, Acquisition and Real Property Services Division

24 **FORT ORD REUSE AUTHORITY**

25
26
27 _____
28 Michael A. Houlemard, Jr.
29 Executive Officer

30 **CENTRAL CALIFORNIA COUNCIL OF AMERICAN
31 YOUTH HOSTELS**

32
33 _____
34 Peter Kambas
35 President

36 **CHICAGO TITLE COMPANY**

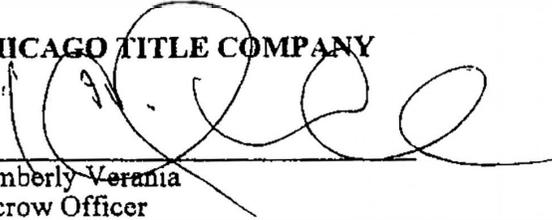
37
38 _____
39 
40 Kimberly Verania
41 Escrow Officer
42
43
44
45
46
47

EXHIBIT K

SHORT FORM NOTICE OF AYH LEASE

**CITY OF SEASIDE
OFFICIAL BUSINESS**

Kutak Rock Draft
5-7-08

**Recording requested by and
when recorded mail to:**

George R. Schlossberg, Esq.
Kutak Rock LLP
1101 Connecticut Avenue, NW
Suite 1000
Washington, DC 20036

Space Above This Line Reserved for Recorder's Use

**SHORT FORM NOTICE
OF AYH LEASE**

THIS SHORT FORM NOTICE is entered into this ____ day of _____ 2008 ("Effective Date"), by and between the **CITY OF SEASIDE** ("City") and the **CENTRAL CALIFORNIA COUNCIL OF AMERICAN YOUTH HOSTELS** ("AYH"). The City and AYH are sometimes referred to herein individually as a "Party" and collectively as the "Parties".

RECITALS:

WHEREAS:

1. Pursuant to that certain *Agreement By and Among the Fort Ord Reuse Authority, the City of Seaside, and the Central California Council of American Youth Hostels Concerning Certain Property at the Former Fort Ord, California*, dated _____, 2008 ("AYH Agreement"), the Fort Ord Reuse Authority transferred to the City certain land and facilities on the former Fort Ord in Monterey County, California known as the Youth Hostel Parcel, as more particularly described in Exhibit A ("Youth Hostel Parcel");

2. AYH, a California nonprofit public benefit corporation, desires to use several structures and grounds owned by the City as a youth "hostel facility," as that term is defined in California Public Resources Code § 5052(a);

3. The Parties have entered that certain *Lease Agreement by and between the City of Seaside and the Central California Council of American Youth Hostels for the Lease of Certain City Owned Property for the Use as a Youth Hostel*, dated _____, 2008 ("AYH Lease") to permit AYH to lease the Youth Hostel Parcel;

SHORT FORM NOTICE OF AYH LEASE

1 **IN WITNESS WHEREOF**, the City of Seaside, California, intending to be legally
2 bound hereby, caused its duly appointed representative to execute this Short Form Notice as of
3 the Effective Date set forth above.

4
5
6 **CITY OF SEASIDE**

7
8
9 _____
10 Ray Corpuz
11 City Manager
12
13

14
15 State of California)
16 County of Monterey)

17
18 On _____ before me,
19 _____, Notary Public (here insert name and title of the officer),
20 personally appeared _____

21
22 _____
23 who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
24 subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
25 his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
26 person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

27 I certify under PENALTY OF PERJURY under the laws of the State of California that the
28 foregoing paragraph is true and correct.

29
30 WITNESS my hand and official seal. Signature ____ (Seal)

SHORT FORM NOTICE OF AYH LEASE

1 **IN WITNESS WHEREOF**, the Central California Council of American Youth Hostels,
2 intending to be legally bound hereby, caused its duly appointed representative to execute this
3 Short Form Notice as of the Effective Date set forth above.

4
5
6 **CENTRAL CALIFORNIA COUNCIL OF AMERICAN YOUTH HOSTELS**

7
8
9 _____
10 Peter Kambas
11 President

12
13
14
15 State of California)
16 County of Monterey)

17
18 On _____ before me,
19 _____, Notary Public (here insert name and title of the officer),
20 personally appeared _____

21
22 who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
23 subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
24 his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
25 person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

26
27 I certify under PENALTY OF PERJURY under the laws of the State of California that the
28 foregoing paragraph is true and correct.

29
30 WITNESS my hand and official seal. Signature ____ (Seal)