AGENDA

Tuesday, May 17, 2022 **6:30 P.M. Open Session**

REGULAR MEETING
CITY COUNCIL, AIRPORT COMMISSION, MARINA ABRAMS B NON-PROFIT CORPORATION, PRESTON PARK SUSTAINABLE COMMUNITY NON-PROFIT CORPORATION, SUCCESSOR AGENCY OF THE FORMER MARINA REDEVELOPMENT AGENCY AND MARINA GROUNDWATER SUSTAINABILITY AGENCY

Council Chambers
211 Hillcrest Avenue
Marina, California

Zoom Meeting URL: https://zoom.us/j/730251556
Zoom Meeting Telephone Only Participation: 1-669-900-9128 - Webinar ID: 730 251 556

In accordance with California Government Code §54953(e)(1)(A) and (C) and the Proclamation of a State of Emergency issued by Governor Newsom on March 4, 2020, under the provisions of Government Code §8625 related to the COVID-19 (coronavirus) pandemic, consistent with recommendations by State and local health officials regarding social distancing and in order to prevent an imminent risk to the health and safety of attendees as determined in Resolution 2022-48, public participation in City of Marina City Council public meetings shall be electronic only and without a physical location for public participation until the earlier of March 31, 2022, or such time as the City Council may adopt a resolution in accordance with Government Code §54953(e)(3). This meeting is being broadcast "live" on Access Media Productions (AMP) Community Television Cable 25 and on the City of Marina Channel and on the internet at https://accessmediaproductions.org/

PARTICIPATION

You may participate in the City Council meeting in real-time by calling Zoom Meeting via the weblink and phone number provided at the top of this agenda. Instructions on how to access, view and participate in remote meetings are provided by visiting the City's home page at https://cityofmarina.org/. Attendees can make oral comments during the meeting by using the "Raise Your Hand" feature in the webinar or by pressing *9 on your telephone keypad if joining by phone only. If you are unable to participate in real-time, you may email to marina@cityofmarina.org with the subject line "Public Comment Item#__ " (insert the item number relevant to your comment) or "Public Comment – Non Agenda Item." Comments will be reviewed and distributed before the meeting if received by 5:00 p.m. on the day of the meeting. All comments received will become part of the record. Council will have the option to modify their action on items based on comments received.

AGENDA MATERIALS

Agenda materials, staff reports and background information related to regular agenda items are available on the City of Marina's website www.cityofmarina.org. Materials related to an item on this agenda submitted to the Council after distribution of the agenda packet will be made available on the City of Marina website www.cityofmarina.org subject to City staff's ability to post the documents before the meeting

VISION STATEMENT

Marina will grow and mature from a small town bedroom community to a small city which is diversified, vibrant and through positive relationships with regional agencies, self-sufficient. The City will develop in a way that insulates it from the negative impacts of urban sprawl to become a desirable residential and business community in a natural setting. **(Resolution No. 2006-112 - May 2, 2006)**

MISSION STATEMENT

The City Council will provide the leadership in protecting Marina's natural setting while developing the City in a way that provides a balance of housing, jobs and business opportunities that will result in a community characterized by a desirable quality of life, including recreation and cultural opportunities, a safe environment and an economic viability that supports a high level of municipal services and infrastructure. **(Resolution No. 2006-112 - May 2, 2006)**

1. CALL TO ORDER 

2. ROLL CALL & ESTABLISHMENT OF QUORUM: (City Council, Airport Commissioners, Marina Abrams B Non-Profit Corporation, Preston Park Sustainable Communities Nonprofit Corporation, Successor Agency of the Former Redevelopment Agency Members and Marina Groundwater Sustainability Agency)

   Cristina Medina Dirksen, David Burnett, Lisa Berkley, Mayor Pro-Tem/Vice Chair Kathy Biala, Mayor/Chair Bruce C. Delgado

3. CLOSED SESSION: *As permitted by Government Code Section 54956 et seq., the (City Council, Airport Commissioners, Marina Abrams B Non-Profit Corporation, Preston Park Sustainable Communities Nonprofit Corporation, Successor Agency of the Former Redevelopment Agency Members and Marina Groundwater Sustainability Agency) may adjourn to a Closed or Executive Session to consider specific matters dealing with litigation, certain personnel matters, property negotiations or to confer with the City's Meyers-Milias-Brown Act representative.* - NONE

4. MOMENT OF SILENCE & PLEDGE OF ALLEGIANCE (Please stand)

5. SPECIAL PRESENTATIONS:
   a Poppy Month Proclamation
   b Public Works Week Proclamation

6. SPECIAL ANNOUNCEMENTS AND COMMUNICATIONS FROM THE FLOOR**:** *Any member of the Public or the City Council may make an announcement of special events or meetings of interest as information to Council and Public. Any member of the public may comment on any matter within the City Council's jurisdiction which is not on the agenda. Please state your name for the record. Action will not be taken on an item that is not on the agenda. If it requires action, it will be referred to staff and/or placed on a future agenda. City Council members or City staff may briefly respond to statements made or questions posed as permitted by Government Code Section 54954.2. In order that all interested parties have an opportunity to speak, please limit comments to a maximum of four (4) minutes. Any member of the public may comment on any matter listed on this agenda at the time the matter is being considered by the City Council.*

7. CONSENT AGENDA FOR THE SUCCESSOR AGENCY TO THE FORMER MARINA REDEVELOPMENT AGENCY: *Background information has been provided to the Successor Agency of the former Redevelopment Agency on all matters listed under the Consent Agenda, and these items are considered to be routine. All items under the Consent Agenda are normally approved by one motion. Prior to such a motion being made, any member of the public or the City Council may ask a question or make a comment about an agenda item and staff will provide a response. If discussion or a lengthy explanation is required, that item will be removed from the Consent Agenda for Successor Agency to the former Marina Redevelopment Agency and placed at the end of Other Action Items Successor Agency to the former Marina Redevelopment Agency.*

8. CONSENT AGENDA: *Background information has been provided to the City Council, Airport Commission, Marina Abrams B Non-Profit Corporation, and Redevelopment Agency on all matters listed under the Consent Agenda, and these items are considered to be routine. All items under the Consent Agenda are normally approved by one motion. Prior to such a motion being made, any member of the public or the City Council may ask a question or make a comment about an agenda item and staff will provide a response. If discussion or a lengthy explanation is required, that item will be removed from the Consent Agenda and placed at the end of Other Action Items.*

   a. ACCOUNTS PAYABLE:

      (1) Accounts Payable Check Numbers 99875-99972, totaling $246,145.90
      Accounts Payable for Successor Agency Check Numbers 85-87, totaling $12,423.70

   b. MINUTES: None

   c. CLAIMS AGAINST THE CITY: None

   d. AWARD OF BID: None

   e. CALL FOR BIDS: None

   f. ADOPTION OF RESOLUTIONS:

      (1) City Council consider adopting Resolution No. 2022-, regarding the Ralph M. Brown Act (California Government Code §§54950-54963, making certain findings; and authorizing the city to continue to implement remote teleconferenced public meetings of the City Council and its constituent bodies for the period May 1, 2022, through May31, 2022.

      (2) City Council consider adopting Resolution No. 2022-, authorizing release of a Request for Proposals for Consultant Services to prepare objective design standards for single-family, multiple-family, and mixed-use developments; and authorizing the Finance Director to make necessary budget and accounting entries; and, authorizing the City Manager to execute agreement on behalf of the City subject to final review and approval by the City Attorney.

      (3) City Council consider adopting Resolution No. 2022-, accepting the Housing Element Annual Progress Report for calendar year 2021 and authorizing staff to submit the report to the Governor's Office of Planning and Research and the California Department of Housing and Community Development; and, find that the action is exempt from CEQA pursuant to CEQA Guidelines Sections 15061(b)(3) and 15378(b).

      (4) City Council consider adopting Resolution No. 2022-, fixing and levying a special tax for principal and interest payments and administrative costs on the city's 2015 General Obligation Refunding Library Bonds for Fiscal Year 2022-2023: and Resolution No. 2022-, certifying compliance with state law (Proposition 218) with respect to special taxes for the 2015 General Obligation Refunding Library Bonds tax levy for Fiscal Year 2022-2023.

   g. APPROVAL OF AGREEMENTS:

      (1) City Council consider adopting Resolution No. 2022-, calling for a general municipal election in the City of Marina on Tuesday, November 8, 2022, for the election of certain city officers; and requesting the Count of Monterey agree to the consolidation of the election with the statewide general election and requesting the County Elections Department to render any and all services required to conduct the election; and authorizing the Finance Director to

appropriate funds and the City Manager to execute a service agreement for the provision of election services between the City of Marina and Monterey County Elections Department/Registrar of Voters subject to final review and approval by City Attorney.

(2) City Council consider adopting Resolution No. 2022-, approving consulting services agreement between HF&H Consultants, LLC (HF&H) and the City of Marina to perform an analysis of an equitable method of crediting surplus solid waste collection fees back to rate payers for a fee not to exceed $29,910, and; authorizing the City Manager to execute the agreement on behalf of the City subject to final review and approval by the City Attorney, and; authorizing the Finance Director to make the necessary budgetary and accounting entries.

h. ACCEPTANCE OF PUBLIC IMPROVEMENTS: None

i. MAPS: None

j. REPORTS: (RECEIVE AND FILE):

k. FUNDING & BUDGET MATTERS: None

l. APPROVE ORDINANCES (WAIVE SECOND READING):

m. APPROVE APPOINTMENTS:

9. PUBLIC HEARINGS:

10. OTHER ACTIONS ITEMS OF THE SUCCESSOR AGENCY TO THE FORMER MARINA REDEVELOPMENT AGENCY: *Action listed for each Agenda item is that which is requested by staff. The Successor Agency may, at its discretion, take action on any items. The public is invited to approach the podium to provide up to four (4) minutes of public comment.*

11. OTHER ACTION ITEMS: *Action listed for each Agenda item is that which is requested by staff. The City Council may, at its discretion, take action on any items. The public is invited to approach the podium to provide up to four (4) minutes of public comment.*

Note: No additional major projects or programs should be undertaken without review of the impacts on existing priorities (Resolution No. 2006-79 – April 4, 2006).

a. City Council consider adopting Resolution No. 2022-, receiving a report on the Hilltop Park recommendations from the ad-hoc committee and City Council appointed liaisons and providing direction for the final design of the Hilltop Park at The Dunes. ***Continued from May 3, 2022***

b. City Council consider adopting Resolution No. 2022-, approving agreement between City of Marina and Fairbank, Maslin, Maullin, Metz & Associates (FM3) for public opinion research services, authorize subsequent minor changes if necessary, with City Attorney approval, and; authorize City Manager to execute agreement amendment on behalf of City, and; authorize the Finance Director to make the necessary accounting and budgetary entries.

c. City Council consider adopting Resolution No. 2022-, approving the form and authorizing the execution of certain lease financing documents in connection with the offering and sale of certificates of participation relating thereto to finance the cost of Measure X infrastructure improvements within the geographic boundaries of the City and authorizing and directing certain actions with respect thereto.

d. City Council consider adopting Resolution No. 2022-, amending the rate adjustment calculation of the franchise agreement with Green Waste Recovery utilizing a sector specific uniform percentage adjustment and approving maximum rates to be charged by Green Waste Recovery effective July 1, 2022, for collection of franchised solid waste, recycling, and organics.

12. COUNCIL & STAFF INFORMATIONAL REPORTS:

a. Monterey County Mayor's Association [Mayor Bruce Delgado]

b. Council and staff opportunity to ask a question for clarification or make a brief report on his or her own activities as permitted by Government Code Section 54954.2.

13. ADJOURNMENT:

CERTIFICATION

I, Anita Sharp, Deputy City Clerk, of the City of Marina, do hereby certify that a copy of the foregoing agenda was posted at City Hall and Council Chambers Bulletin Board at 211 Hillcrest Avenue, Monterey County Library Marina Branch at 190 Seaside Circle, City Bulletin Board at the corner of Reservation Road and Del Monte Boulevard on or before 6:30 p.m., Friday, May 13, 2022.

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ANITA SHARP, DEPUTY CITY CLERK

City Council, Airport Commission and Redevelopment Agency meetings are recorded on tape and available for public review and listening at the Office of the City Clerk and kept for a period of 90 days after the formal approval of MINUTES.

City Council meetings may be viewed live on the meeting night and at 12:30 p.m. and 3:00 p.m. on Cable Channel 25 on the Sunday following the Regular City Council meeting date. In addition, Council meetings can be viewed at 6:30 p.m. every Monday, Tuesday and Wednesday. For more information about viewing the Council Meetings on Channel 25, you may contact Access Monterey Peninsula directly at 831-333-1267.

Agenda items and staff reports are public record and are available for public review on the City's website (www.ciytofmarina.org), at the Monterey County Marina Library Branch at 190 Seaside Circle and at the Office of the City Clerk at 211 Hillcrest Avenue, Marina between the hours of 10:00 a.m. 5:00 p.m., on the Monday preceding the meeting.

Supplemental materials received after the close of the final agenda and through noon on the day of the scheduled meeting will be available for public review at the City Clerk's Office during regular office hours and in a 'Supplemental Binder' at the meeting.

Members of the public may receive the City Council, Airport Commission and Successor Agency of the Former Redevelopment Agency Agenda at a cost of $55 per year or by providing a self-addressed, stamped envelope to the City Clerk. The Agenda is also available at no cost via email by notifying the City Clerk at marina@cityofmarina.org

*ALL MEETINGS ARE OPEN TO THE PUBLIC. THE CITY OF MARINA DOES NOT DISCRIMINATE AGAINST PERSONS WITH DISABILITIES. Council Chambers are wheelchair accessible. meetings are broadcast on cable channel 25 and recordings of meetings can be provided upon request. to request assistive listening devices, sign language interpreters, readers, large print agendas or other accommodations, please call (831) 884-1278 or e-mail: marina@cityofmarina.org. requests must be made at least **48 hours** in advance of the meeting.*

Upcoming 2022 Meetings of the City Council, Airport Commission, Marina Abrams B Non-Profit Corporation, Preston Park Sustainable Community Nonprofit Corporation, Successor Agency of the Former Redevelopment Agency and Marina Groundwater Sustainability Agency
Regular Meetings: 5:00 p.m. Closed Session;
6:30 p.m. Regular Open Sessions

Tuesday, June 7, 2022
Tuesday, June 21, 2022

***Wednesday, July 6, 2022**
Tuesday, July 19, 2022

Tuesday, August 2, 2022
Tuesday, August 16, 2022

***Wednesday, September 7, 2022**
Tuesday, September 20, 2022

****Thursday, October 6, 2022**
Tuesday, October 18, 2022

Tuesday, November 1, 2022
Tuesday, November 15, 2022

Tuesday, December 6, 2022
Tuesday, December 20, 2022

* Regular Meeting rescheduled due to Monday Holiday

** Regular Meeting rescheduled due to Religious Holiday

NOTE: Regular Meeting dates may be rescheduled by City Council only.

C I T Y H A L L 2 0 2 2 H O L I D A Y S
(City Hall Closed)

Memorial Day ----------Monday, May 30, 2022
Independence Day (City Offices Closed) ----------Monday, July 4, 2022
Labor Day----------Monday, September 5, 2022
Veterans Day ----------Friday, November 11, 2022
Thanksgiving Day ---------- Thursday, November 24, 2022
Thanksgiving Break ----------Friday, November 25, 2022
Winter Break ----------Friday, December 23, 2022-Friday, December 30, 2022

2022 COMMISSION DATES

Upcoming 2022 Meetings of Design Review Board
3rd Wednesday of every month. Meetings are held at the Council Chambers at 6:30 P.M.
** = Change in location due to conflict with Council meeting

May 18, 2022	August 17, 2022	October 19, 2022
June 15, 2022	September 21, 2022	November 16, 2022
July 20, 2022		December 21, 2022

Upcoming 2022 Meetings of Economic Development Commission
3rd Thursday of every month. Meetings are held at the Council Chambers at 4:00 P.M.

May 19, 2022	August 18, 2022	November 17, 2022
June 16, 2022	September 15, 2022	December 15, 2022 (Cancelled)
July 21, 2022	October 20, 2022	

Upcoming 2022 Meetings of Planning Commission
2nd and 4th Thursday of every month. Meetings are held at the Council Chambers at 6:30 P.M.

May 26, 2022	July14, 2022	September 8, 2022
June 9, 2022	July 28, 2022	September 22, 2022
June 23, 2022	August 8, 2022	October 13, 2022
	August 22, 2022	October 27, 2022
		November 10, 2022
		December 18, 2022

Upcoming 2022 Meetings of Public Works Commission
3rd Thursday of every month. Meetings are held at the Council Chambers at 6:30 P.M.

May 19, 2022	August 18, 2022	November 17, 2022
June 16, 2022	September 15, 2022	December 15, 2022
July 21, 2022	October 20, 2022	

Upcoming 2022 Meetings of Recreation & Cultural Services Commission
1st Wednesday of every quarter month. Meetings are held at the Council Chambers at 6:30 P.M.

September 1, 2022 December 1, 2022

Upcoming 2022 Meetings of Marina Tree Committee
2nd Wednesday of every quarter month as needed. Meetings are held at the Council Chambers at 6:30 P.M.

July 13, 2022 October 12, 2022

Proclamation

Relative to Poppy Month

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***WHEREAS**, America is the land of freedom preserved and protected willingly and freely by citizen soldiers; and*

***WHEREAS**, Millions who have answered the call to arms have died on the field of battle; and*

***WHEREAS**, the nation at peace must be reminded of the price of war and the debt owed to those who have died in war; and*

***WHEREAS**, the red poppy has been designated as a symbol of sacrifice of lives in all wars; and*

***WHEREAS**, The American Legion Auxiliary has pledged to remind Americans annually of this debt through the distribution of the memorial flower.*

***NOW, THEREFORE BE IT RESOLVED,** that I, Mayor Bruce C. Delgado and the City Council of the City of Marina hereby proclaim **May** as **POPPY MONTH** and ask that all citizens pay tribute to those who made the ultimate sacrifice in the name of by wearing the Memorial Poppy.*

Dated this 17th day of May 2022

CITY OF MARINA INCORPORATED NOVEMBER 13, 1975 CALIFORNIA

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Bruce C. Delgado, Mayor

Proclamation

Recognizing May 15 through 21, 2022
as National Public Works Week

WHEREAS, public works professionals focus on infrastructure, facilities and services that are of vital importance to sustainable and resilient communities and to the public health, high quality of life and well-being of the people of City of Marina; and,

WHEREAS, these infrastructure, facilities and services could not be provided without the dedicated efforts of public works professionals, who are engineers, managers, and employees at all levels of government and the private sector, who are responsible for rebuilding, improving, and protecting our nation's transportation, water supply, water treatment and solid waste systems, public buildings, and other structures and facilities essential for our citizens; and,

WHEREAS, it is in the public interest for the citizens, civic leaders and children in City of Marina to gain knowledge of and to maintain an ongoing interest and understanding of the importance of public works and public works programs in their respective communities; and,

WHEREAS, the year 2022 marks the 62nd annual National Public Works Week sponsored by the American Public Works Association be it now,

RESOLVED, I, Mayor Bruce Delgado, do hereby designate the week May 15 – 21, 2022 as National Public Works Week; I urge all citizens to join with representatives of the American Public Works Association and government agencies in activities, events, and ceremonies designed to pay tribute to our public works professionals, engineers, managers, and employees and to recognize the substantial contributions they make to protecting our national health, safety, and quality of life.

DONE at the City of Marina, California this 17th day of May 2022.

CITY OF MARINA INCORPORATED NOVEMBER 13, 1975 CALIFORNIA

Bruce Delgado, Mayor

Marina, CA LIVE

AP Check Register 05-06-22

Bank Account: 905 - Chase - Checking

Batch Date: 05/06/2022

Type	Date	Number Source	Payee Name	EFT Bank/Account	Transaction Amount
Bank Account: 905 - Chase - Checking					
Check	05/06/2022	99874 Accounts Payable	Ace Hardware		74.18

Invoice	Date	Description	Amount
081852	04/28/2022	Cleaning supplies for Station 2	74.18

Type	Date	Number Source	Payee Name	EFT Bank/Account	Transaction Amount
Check	05/06/2022	99875 Accounts Payable	Ace Hardware		82.87

Invoice	Date	Description	Amount
081810	04/25/2022	Stud Finder Magnetic	18.55
081820	04/26/2022	Barrel Bolt 2"	8.72
081827	04/26/2022	Sign 10x14	3.27
081837	04/27/2022	Key Schlage SC1	8.70
081865	04/29/2022	Tomcat Rat Snap Trap	17.46
081866	04/29/2022	Concrete Mix	26.17

Type	Date	Number Source	Payee Name	EFT Bank/Account	Transaction Amount
Check	05/06/2022	99876 Accounts Payable	Advantage Gear		1,055.52

Invoice	Date	Description	Amount
52791-1	04/14/2022	Long Sleeve Shirt for C. Vega, patch and embroider	216.21
52792-1	04/14/2022	(2) Uniform pants for McCoy	312.66
52890-1	04/18/2022	Uniform pants for Suich	187.85
52886-1	04/16/2022	(2) Uniform shirts for Abraham	338.80

Type	Date	Number Source	Payee Name	EFT Bank/Account	Transaction Amount
Check	05/06/2022	99877 Accounts Payable	Andersen's Lock & Safe, Inc.		403.07

Invoice	Date	Description	Amount
41995	04/26/2022	B520_Replace Entry Door Handle & Lock.	403.07

Type	Date	Number Source	Payee Name	EFT Bank/Account	Transaction Amount
Check	05/06/2022	99878 Accounts Payable	Aramark Uniform Service		301.87

Invoice	Date	Description	Amount
511000262302	04/27/2022	PW Uniforms	213.55
511000262304	04/27/2022	Building and Grounds	70.51
511000262301	04/27/2022	Building and Grounds	17.81

Type	Date	Number Source	Payee Name	EFT Bank/Account	Transaction Amount
Check	05/06/2022	99879 Accounts Payable	AT & T		245.66

Invoice	Date	Description	Amount
000018104664	04/27/2022	CALNET3-9391023477 (582-9803)	22.38
000018104658	04/27/2022	CALNET3-9391023471 (582-0100)	47.42
000018109334	04/28/2022	CALNET3-9391023441 (384-0888)	22.37

AP Check Register 05-06-22

Bank Account: 905 - Chase - Checking
Batch Date: 05/06/2022

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
	000018109333		04/28/2022	CALNET3-9391023440 (384-0860)		22.37
	000018109363		04/28/2022	CALNET3-9391023468 (384-9148)		22.37
	000018109358		04/28/2022	CALNET3-9391023463 (384-7854)		22.37
	000018109330		04/28/2022	CALNET3-9391023437 (384-0425)		43.32
	000018109361		04/28/2022	CALNET3-9391023466 (384-8477)		43.06
Check	05/06/2022	99880	Accounts Payable	California Police Chiefs Association		145.00
	Invoice		Date	Description		Amount
	21943		05/01/2022	Membership Renewal - Associates (through June 30, 2023)		145.00
Check	05/06/2022	99881	Accounts Payable	Carmel Roasters, Inc.		327.75
	Invoice		Date	Description		Amount
	63794		04/27/2022	FD Coffee - 4 boxes		327.75
Check	05/06/2022	99882	Accounts Payable	Cintas Corporation		46.43
	Invoice		Date	Description		Amount
	4117330176		04/22/2022	FD shop towels		46.43
Check	05/06/2022	99883	Accounts Payable	Commercial Environment Landscape		2,900.00
	Invoice		Date	Description		Amount
	2796-0422		04/25/2022	Weekly Landscape Services for the Month of April 2022		2,900.00
Check	05/06/2022	99884	Accounts Payable	Emergency Vehicle Specialists		150.00
	Invoice		Date	Description		Amount
	13822		05/02/2022	Installed push bumper and connected all associated wires.		150.00
Check	05/06/2022	99885	Accounts Payable	Gavilan Pest Control		1,225.00
	Invoice		Date	Description		Amount
	0145045		04/30/2022	Airport Pest Control Services		1,150.00
	0145046		04/30/2022	Airport Pest Control Services_B504		75.00
Check	05/06/2022	99886	Accounts Payable	Harris & Associates		4,374.56
	Invoice		Date	Description		Amount
	51431		02/07/2022	Imjin Parkway improvement Plan		4,374.56
Check	05/06/2022	99887	Accounts Payable	Marina Coast Water District		8,180.88
	Invoice		Date	Description		Amount

AP Check Register 05-06-22

Bank Account: 905 - Chase - Checking
Batch Date: 05/06/2022

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
	012016000 042222		04/22/2022	199 A Paddon Place		36.77
	000056045 042222		04/22/2022	3100 Preston Drive		4,601.85
	000056046 042222		04/22/2022	3100 Preston Drive		150.82
	000056094 042222		04/22/2022	2660 5th Ave		426.66
	000056061 042222		04/22/2022	Reservation/Locke Paddon Park		86.07
	000056040 042222		04/22/2022	Hilo Ave		27.26
	000056006 042222		04/22/2022	188 Seaside Circle		58.67
	000056090 042222		04/22/2022	Locke Paddon Park		60.52
	000056028 042222		04/22/2022	California at Jerry Court		36.77
	000056042 042222		04/22/2022	3040 Lake Drive		89.02
	000057000 033122		03/31/2022	3220 Imjin Road/Airport		225.82
	000056044 033122		03/31/2022	781 Neeson Road/Airport		150.82
	000056051 033122		03/31/2022	721 Neeson Road/Airport		207.21
	000056097 033122		03/31/2022	3200 Imjin Road/Airport		521.44
	000056096 033122		03/31/2022	3271 Imjin Road/Airport		152.88
	000056092 033122		03/31/2022	741 Neeson Road/Airport		1,183.32
	000056043 033122		03/31/2022	761 Neeson Road/Airport		164.98
Check	05/06/2022	99888	Accounts Payable	Monterey County Convention & Visitors Bureau		12,093.84
	Invoice		Date	Description		Amount
	Feb 2022		04/28/2022	Feb 2022 TID		12,093.84
Check	05/06/2022	99889	Accounts Payable	Monterey County Petroleum-Sturdy Oil Co.		6,419.31
	Invoice		Date	Description		Amount
	27892A-IN		04/22/2022	Regular Ethanol		6,419.31
Check	05/06/2022	99890	Accounts Payable	Monterey County Sheriff's Department		30,057.25
	Invoice		Date	Description		Amount
	2220		04/18/2022	CJIS Jan 1-March 31, 2022		30,057.25
Check	05/06/2022	99891	Accounts Payable	Monterey Tire Service		115.39
	Invoice		Date	Description		Amount
	1-105917		04/25/2022	20 Dodge Durango SSV PD		115.39
Check	05/06/2022	99892	Accounts Payable	My Chevrolet		526.85
	Invoice		Date	Description		Amount

AP Check Register 05-06-22

Bank Account: 905 - Chase - Checking
Batch Date: 05/06/2022

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
	CVCS246500	04/15/2022		17 Chevy Caprice PD		173.28
	CVCS246677	04/19/2022		17 Chevy Caprice PD		353.57
Check	05/06/2022	99893	Accounts Payable	My Jeep Chrysler Dodge		667.98
	Invoice	Date		Description		Amount
	JECS319986	04/18/2022		20 Dodge Durango UT PD		667.98
Check	05/06/2022	99894	Accounts Payable	Office Depot		604.71
	Invoice	Date		Description		Amount
	240869451-1	04/25/2022		Airport Office Supplies		45.61
	240869447-1	04/25/2022		Airport Office Supplies		129.50
	236584624001	03/30/2022		Office Supplies-Finance		429.60
Check	05/06/2022	99895	Accounts Payable	Pacific Gas & Electric		72.59
	Invoice	Date		Description		Amount
	533-8.APR22	04/19/2022		PG&E - 2253666533-8		72.59
Check	05/06/2022	99896	Accounts Payable	Regional Government Services		8,852.25
	Invoice	Date		Description		Amount
	13116	01/31/2022		Quick Quack - January 2022		888.00
	13117	01/31/2022		Dunes Contract Services - Jan 2022		5,101.50
	13118	01/31/2022		Contract Service - Quick Quack Jan 2022		2,709.75
	13119	01/31/2022		Contract Service - Joby Aviation Jan 2022		153.00
Check	05/06/2022	99897	Accounts Payable	Rincon Consultants, Inc.		1,595.00
	Invoice	Date		Description		Amount
	37752	03/11/2022		DVSP		492.50
	35479	12/09/2021		DVSP		1,102.50
Check	05/06/2022	99898	Accounts Payable	Robert R. Wellington		189.00
	Invoice	Date		Description		Amount
	28559	04/14/2022		Wellington Law Offices-February 2022		189.00
Check	05/06/2022	99899	Accounts Payable	Sierra Springs & Alhambra		102.33
	Invoice	Date		Description		Amount
	9696351 040922	04/09/2022		Corp Yard Water		102.33

AP Check Register 05-06-22

Bank Account: 905 - Chase - Checking
Batch Date: 05/06/2022

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Check	05/06/2022	99900	Accounts Payable	South Coast Emergency Vehicle Service		5,255.74
	Invoice		Date	Description		Amount
	507868		04/22/2022	FD Annual Pump Service		5,255.74
Check	05/06/2022	99901	Accounts Payable	Taygeta Scientific, Inc.		2,000.00
	Invoice		Date	Description		Amount
	000423-R-0041		05/01/2022	Network Defense/May22		2,000.00
Check	05/06/2022	99902	Accounts Payable	TechRx Technology Services		6,748.45
	Invoice		Date	Description		Amount
	9914		04/28/2022	GPS USB module for MDT		32.78
	9997		04/28/2022	GPS USB module for MDT		65.55
	9785		12/09/2021	GIS Machine replacement of power supply and hard drive		596.06
	10057		04/30/2022	Work Station set up for Alyson Hunter		2,254.28
	10106		05/01/2022	Swapped 2 Zoom monitors		255.00
	9849		01/01/2022	City of Marina CDD Daniel P. Computer		3,544.78
Check	05/06/2022	99903	Accounts Payable	Verizon Wireless		762.60
	Invoice		Date	Description		Amount
	9904495574		04/18/2022	Public Works Cell Phone Bill		762.60
Check	05/06/2022	99904	Accounts Payable	Xerox Financial Services		275.42
	Invoice		Date	Description		Amount
	3217159		04/27/2022	FD Monthly Copier Charges - 04/17/22 - 05/16/22		275.42
Check	05/06/2022	99905	Accounts Payable	Marina Employees Association		140.00
	Invoice		Date	Description		Amount
	04-29-22		04/29/2022	24 - MEA Dues		140.00
Check	05/06/2022	99906	Accounts Payable	Marina Professional Fire Fighters Association		300.00
	Invoice		Date	Description		Amount
	04-29-22		04/29/2022	35 - MPFFA Dues		300.00
EFT	05/06/2022	2248	Accounts Payable	Marina Police Association-MPOA	322271627 / 901587928	250.00
	Invoice		Date	Description		Amount
	04-29-22		04/29/2022	23 - MPOA Dues		250.00

Marina, CA LIVE

AP Check Register 05-06-22

Bank Account: 905 - Chase - Checking
Batch Date: 05/06/2022

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
EFT	05/06/2022	2249	Accounts Payable	Police Officers Association - POA	322271627 / 901589106	1,350.00

Invoice	Date	Description	Amount
04-29-22	04/29/2022	25 - POA Dues	1,350.00

905 Chase - Checking Totals: Transactions: 35 $97,891.50

Checks:	33	$96,291.50
EFTs:	2	$1,600.00

Marina, CA LIVE

AP Check Register 05-13-22

Bank Account: 905 - Chase - Checking

Batch Date: 05/13/2022

Type	Date	Number Source	Payee Name	EFT Bank/Account	Transaction Amount
Bank Account: 905 - Chase - Checking					
Check	05/13/2022	99907 Accounts Payable	Ace Hardware		257.55
	Invoice	Date	Description		Amount
	081821	04/26/2022	Battery, Floor wax stripper, tools and markers		257.55
Check	05/13/2022	99908 Accounts Payable	Ace Hardware		53.68
	Invoice	Date	Description		Amount
	081675	04/07/2022	batteries		9.82
	081796	04/22/2022	cleaning supplies		43.86
Check	05/13/2022	99909 Accounts Payable	Ace Hardware		106.62
	Invoice	Date	Description		Amount
	081462	03/13/2022	Tools		32.75
	081374	03/02/2022	Fasteners		17.09
	081422	03/08/2022	Heat Gun		29.49
	081568	03/24/2022	Extension Cord		10.91
	081591	03/28/2022	Cable Ties		16.38
Check	05/13/2022	99910 Accounts Payable	Ace Hardware		148.34
	Invoice	Date	Description		Amount
	081887	05/03/2022	Smart Straw/Lube Triflow		33.83
	081890	05/03/2022	Weld Stl Flat		17.46
	081908	05/05/2022	Disc ML Fins22-18G250		32.75
	081923	05/06/2022	Air Plug and Socket Tray		17.45
	081767	04/19/2022	Fasteners		2.40
	081542	03/22/2022	Battery 12 Volt		4.36
	081671	04/07/2022	Ace Btr 2 PK		10.03
	081673	04/07/2022	Keykrafter		3.05
	081693	04/11/2022	Keykrafter Brass Hardware		9.55
	081710	04/13/2022	Spray Paint Pro		17.46
Check	05/13/2022	99911 Accounts Payable	Advantage Gear		704.66
	Invoice	Date	Description		Amount
	53479-1	05/05/2022	Uniform pants for Suich		171.21
	53382-1	05/03/2022	Uniform for B. Bredeson		533.45

AP Check Register 05-13-22

Bank Account: 905 - Chase - Checking
Batch Date: 05/13/2022

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Check	05/13/2022	99912	Accounts Payable	Allegretto Vineyard Resort		12,262.08
	Invoice		Date	Description		Amount
	145430		05/04/2022	Team Building Workshop		12,262.08
Check	05/13/2022	99913	Accounts Payable	Alliant Insurance Services		179.00
	Invoice		Date	Description		Amount
	1942878		04/25/2022	Physical Damage Program (3rd Quarter Endorsement)		179.00
Check	05/13/2022	99914	Accounts Payable	Altius Medical		99.00
	Invoice		Date	Description		Amount
	17675		05/03/2022	Tri-Annual Medical Waste		99.00
Check	05/13/2022	99915	Accounts Payable	American Supply Co.		755.14
	Invoice		Date	Description		Amount
	2965551		04/27/2022	Janitorial		755.14
Check	05/13/2022	99916	Accounts Payable	AT & T		179.08
	Invoice		Date	Description		Amount
	04-27-22		04/27/2022	Internet 04/7/2022		160.57
	05-01-22		05/01/2022	Phone Service 05/01/2022		18.51
Check	05/13/2022	99917	Accounts Payable	AT & T		110.60
	Invoice		Date	Description		Amount
	000018109337		04/28/2022	Fire Alarm Hgr 524/533		43.06
	000018109342		04/28/2022	Awos		24.48
	000018109336		04/28/2022	Fire Alarm Hgr 524/533		43.06
Check	05/13/2022	99918	Accounts Payable	Avaya, Inc.		12.49
	Invoice		Date	Description		Amount
	2734564454		05/04/2022	Hardware Services 05/04/2022		12.49
Check	05/13/2022	99919	Accounts Payable	Branch's Janitorial		2,059.47
	Invoice		Date	Description		Amount
	228384		04/25/2022	April 2022 Custodial Services		2,059.47
Check	05/13/2022	99920	Accounts Payable	Capitol Barricade, Inc.		174.00
	Invoice		Date	Description		Amount

AP Check Register 05-13-22

Bank Account: 905 - Chase - Checking
Batch Date: 05/13/2022

Type	Date	Number Source	Payee Name	EFT Bank/Account	Transaction Amount
	143566	04/25/2022	Custom Sign Reservation Rd		174.00
Check	05/13/2022	99921 Accounts Payable	Carmel Fire Protection Associates		200.00
	Invoice	Date	Description		Amount
	122152	04/23/2022	Plan review and inspection at 235 Carmel Avenue		200.00
Check	05/13/2022	99922 Accounts Payable	Cintas Corporation		50.94
	Invoice	Date	Description		Amount
	4117991939	04/29/2022	Mat Service City Hall		50.94
Check	05/13/2022	99923 Accounts Payable	Coast Counties Glass, Inc		610.00
	Invoice	Date	Description		Amount
	05132	03/18/2022	Park Signs		610.00
Check	05/13/2022	99924 Accounts Payable	Comcast		246.19
	Invoice	Date	Description		Amount
	04-14-22	04/14/2022	Teen Center Cable Fees		176.49
	04-27-22	04/27/2022	Cable Service Police & Fire 05/04/22 to 06/03/22		69.70
Check	05/13/2022	99925 Accounts Payable	Della Mora Heating, Inc.		1,101.77
	Invoice	Date	Description		Amount
	14901	04/27/2022	781 Neeson Road/Hydronic Heating System		1,101.77
Check	05/13/2022	99926 Accounts Payable	Emergency Vehicle Specialists		508.00
	Invoice	Date	Description		Amount
	13699	03/31/2022	UNIT 812 Removed partition to allow dealership to perform mainte		508.00
Check	05/13/2022	99927 Accounts Payable	Enterprise Rent-A-Car - EAN Services, LLC		234.36
	Invoice	Date	Description		Amount
	29735313	04/30/2022	CAPE Training 04/30/2022		234.36
Check	05/13/2022	99928 Accounts Payable	Fastenal Company		64.45
	Invoice	Date	Description		Amount
	CASAL 151092	03/29/2022	16 Pc Phlps&Slot Set		64.45
Check	05/13/2022	99929 Accounts Payable	Gavilan Pest Control		90.00
	Invoice	Date	Description		Amount

AP Check Register 05-13-22

Bank Account: 905 - Chase - Checking
Batch Date: 05/13/2022

Type	Date	Number Source	Payee Name	EFT Bank/Account	Transaction Amount
	0145947	05/03/2022	Pest Control at Station 2		90.00
Check	05/13/2022	99930 Accounts Payable	George T. Powell		1,200.00
	Invoice	Date	Description		Amount
	05012022	05/01/2022	Parking Rental Fees		1,200.00
Check	05/13/2022	99931 Accounts Payable	GPS Vehicle Tracking Solutions - Tacti Track GPS		998.00
	Invoice	Date	Description		Amount
	13634	05/05/2022	GPS Tracker x2 05/05/2022		998.00
Check	05/13/2022	99932 Accounts Payable	Harris & Associates		664.72
	Invoice	Date	Description		Amount
	52468	05/05/2022	Preconstruction Imjin Parkway Improvement Plan		664.72
Check	05/13/2022	99933 Accounts Payable	Home Depot Credit Service		124.06
	Invoice	Date	Description		Amount
	04-07-22	04/07/2022	327 Reindollar Ave		33.97
	04-18-22	04/18/2022	Quikrete		90.09
Check	05/13/2022	99934 Accounts Payable	Iteris		3,591.91
	Invoice	Date	Description		Amount
	142986	03/21/2022	Traffic Signals (Cardoza)		3,591.91
Check	05/13/2022	99935 Accounts Payable	Jeff Katz Architectural Corp.		7,780.00
	Invoice	Date	Description		Amount
	21019	04/30/2022	Marina Aquatic and Sports Center Design Phase		7,780.00
Check	05/13/2022	99936 Accounts Payable	Language Line, LLC		322.29
	Invoice	Date	Description		Amount
	10504805	04/30/2022	Transcription - Patrol 04/30/2022		322.29
Check	05/13/2022	99937 Accounts Payable	Marina Backflow Co.		975.00
	Invoice	Date	Description		Amount
	2086	04/26/2022	Test on Backflow Devices at Equestrian Center		715.00
	2025	03/14/2022	Test on Backflow Devices at Imjin and Reservation Rd		130.00
	1979	02/17/2022	Test on Backflow Devices at Cypress, Hilo & Robin		130.00

AP Check Register 05-13-22

Bank Account: 905 - Chase - Checking
Batch Date: 05/13/2022

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Check	05/13/2022	99938	Accounts Payable	Marina Coast Water District		2,522.49

Invoice	Date	Description	Amount
000056091 033122	03/31/2022	751 Neeson Road 03/31/2022	150.82
014874000 042822	04/28/2022	289 12th Street 04/28/2022	135.57
000056100 042822	04/28/2022	9th Street Irrigation Parcels L&M	558.25
000056036 042822	04/28/2022	2nd Ave/Divarty & Intergarrison	171.02
000056037 042822	04/28/2022	2nd Ave	171.02
000056095 042822	04/28/2022	2nd Ave	171.02
000056099 042822	04/28/2022	9th Street West of 2nd Ave	1,164.79

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Check	05/13/2022	99939	Accounts Payable	Maynard Group Inc.		655.17

Invoice	Date	Description	Amount
IN2026618	05/01/2022	Monthly Recurring Charges 05/01/2022	655.17

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Check	05/13/2022	99940	Accounts Payable	Cristina Medina Dirksen		1,181.64

Invoice	Date	Description	Amount
03-16-22	03/16/2022	2022 Yosemite Policy Maker Conference	1,181.64

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Check	05/13/2022	99941	Accounts Payable	Monterey Bay Systems		175.00

Invoice	Date	Description	Amount
423462	04/20/2022	HP 3015 Printer Maintenance	175.00

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Check	05/13/2022	99942	Accounts Payable	Monterey County Department of Health		1,321.00

Invoice	Date	Description	Amount
IN102617	05/02/2022	781 Neeson Rd	1,321.00

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Check	05/13/2022	99943	Accounts Payable	Monterey County Weekly		258.75

Invoice	Date	Description	Amount
207-090198-00002	03/24/2022	Racks & Cypress Knolls Building Blight Removal	258.75

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Check	05/13/2022	99944	Accounts Payable	My Chevrolet		1,348.94

Invoice	Date	Description	Amount
CVCS247225	04/29/2022	15 Chevrolet/Caprise Police 4 DR sdn	1,348.94

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Check	05/13/2022	99945	Accounts Payable	MyFleetCenter - Wisconsin Quick Lube		18.84

Invoice	Date	Description	Amount

AP Check Register 05-13-22

Bank Account: 905 - Chase - Checking
Batch Date: 05/13/2022

Type	Date	Number Source	Payee Name	EFT Bank/Account	Transaction Amount
	36759817	05/06/2022	Bulb Service and Lamp		18.84
Check	05/13/2022	99946 Accounts Payable	NAPA Auto Parts		266.37
	Invoice	Date	Description		Amount
	899418	03/31/2022	28 In Exactfitblade		20.43
	4006-903077	04/19/2022	Synthetic Motor 5W20		122.97
	4006-903341	04/20/2022	Synthetic Motor 5W20		122.97
Check	05/13/2022	99947 Accounts Payable	New Image Landscape Co.		2,140.00
	Invoice	Date	Description		Amount
	137806	04/30/2022	Landscape Maintenance for April 2022		2,140.00
Check	05/13/2022	99948 Accounts Payable	Nextel Communications - Sprint		380.66
	Invoice	Date	Description		Amount
	866147022-236	04/22/2022	Rec Dept Cell Phone Bills		380.66
Check	05/13/2022	99949 Accounts Payable	Office Depot		251.59
	Invoice	Date	Description		Amount
	238215859001	04/28/2022	Office Depot Building Supplies		8.43
	238215902001	04/28/2022	Office Depot Building Supplies		20.53
	238215907001	04/28/2022	Office Depot Building Supplies		222.63
Check	05/13/2022	99950 Accounts Payable	Office Depot		16.68
	Invoice	Date	Description		Amount
	240869455001	04/22/2022	Airport Office Supplies		16.68
Check	05/13/2022	99951 Accounts Payable	Pacific Crest Engineering		1,930.24
	Invoice	Date	Description		Amount
	10735	04/30/2022	Professional Services Cypress Knolls Building Removal Project		1,930.24
Check	05/13/2022	99952 Accounts Payable	Pacific Gas & Electric		9,118.77
	Invoice	Date	Description		Amount
	313-6.APR22	04/27/2022	PG&E 6793435313-6		9,118.77
Check	05/13/2022	99953 Accounts Payable	Pure H2O		202.08
	Invoice	Date	Description		Amount
	17017	05/01/2022	Water Cooler Service Police & Fire 05/01/22		202.08

AP Check Register 05-13-22

Bank Account: 905 - Chase - Checking
Batch Date: 05/13/2022

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Check	05/13/2022	99954	Accounts Payable	Quill Corporation		273.46
	Invoice		Date	Description		Amount
	24835028		04/29/2022	Office Supplies - Records 04/29/2022		273.46
Check	05/13/2022	99955	Accounts Payable	Regional Government Services		2,658.00
	Invoice		Date	Description		Amount
	13373		03/31/2022	RGS Joby Aviation-March 2022		306.00
	13375		03/31/2022	RGS-QuickQuack Car Wash- March 2022		2,352.00
Check	05/13/2022	99956	Accounts Payable	Rincon Consultants, Inc.		596.25
	Invoice		Date	Description		Amount
	36246		01/12/2022	DVSP		596.25
Check	05/13/2022	99957	Accounts Payable	Ryan Ranch Printers		1,607.95
	Invoice		Date	Description		Amount
	22999		04/27/2022	Cite Amendments 04/27/2022		883.94
	22948		04/19/2022	#10 Envelopes		724.01
Check	05/13/2022	99958	Accounts Payable	Slakey Brothers		34.99
	Invoice		Date	Description		Amount
	854057389		04/05/2022	Equipment for Maint & Repairs		34.99
Check	05/13/2022	99959	Accounts Payable	South Coast Emergency Vehicle Service		443.70
	Invoice		Date	Description		Amount
	508048		05/05/2022	Service Rear Diff		443.70
Check	05/13/2022	99960	Accounts Payable	SpeakWrite		695.80
	Invoice		Date	Description		Amount
	06b18d10		05/01/2022	Transcription 05/01/2022		695.80
Check	05/13/2022	99961	Accounts Payable	Taygeta Scientific, Inc.		475.80
	Invoice		Date	Description		Amount
	000708-R-0014		05/01/2022	Barracuda Spam Firewall - May 2022		475.80
Check	05/13/2022	99962	Accounts Payable	TechRx Technology Services		9,761.75
	Invoice		Date	Description		Amount
	10075		05/01/2022	Ninite monthly Subscription - May 2022		112.50

AP Check Register 05-13-22

Bank Account: 905 - Chase - Checking
Batch Date: 05/13/2022

Type	Date	Number	Source	Payee Name / Invoice	EFT Bank/Account / Date	Description	Transaction Amount
	10090		05/01/2022	Veeam Virtual Backup Monthly Subscription - May 2022			380.00
	10070		05/01/2022	Amazon Glacier Terabyte Storage - March-May 2022			1,109.25
	10104		05/01/2022	IT Support - April 2022			8,160.00
Check	05/13/2022	99963	Accounts Payable	U.S. Bank Equipment Finance			1,243.07
	Invoice		Date	Description			Amount
	470919580		04/25/2022	Xerox Printers Contract 05/20/2022			1,243.07
Check	05/13/2022	99964	Accounts Payable	United Parcel Service			20.81
	Invoice		Date	Description			Amount
	00008Y4481172		04/23/2022	Mailed FD Patches for Uniforms			20.81
Check	05/13/2022	99965	Accounts Payable	United Site Services			969.49
	Invoice		Date	Description			Amount
	114-13073546		05/05/2022	Sanitation Pickup and Delivery			969.49
Check	05/13/2022	99966	Accounts Payable	Valley Saw & Garden Equipment			2,401.32
	Invoice		Date	Description			Amount
	301479		04/27/2022	Saws for new Fire Engine			2,401.32
Check	05/13/2022	99967	Accounts Payable	Verde Design, Inc.			2,797.50
	Invoice		Date	Description			Amount
	17-2012501		05/02/2022	Glorya Jean-Tate Park Pump Track and Restroom Improvements			2,797.50
Check	05/13/2022	99968	Accounts Payable	Verizon Wireless			2,406.05
	Invoice		Date	Description			Amount
	9904390398		04/17/2022	Rec Dept Cell Phone Bills			490.56
	9904418734		04/18/2022	Patrol Operations Cellular Phones			1,547.05
	9905013447		04/25/2022	FD Mobile Charges - March 26 - April 25, 2022			368.44
Check	05/13/2022	99969	Accounts Payable	Wallace Group, Inc.			288.00
	Invoice		Date	Description			Amount
	55969		05/09/2022	Hayes Circle Two Lot Transfer			288.00
Check	05/13/2022	99970	Accounts Payable	William A. Thayer Construction, Inc			45,749.86
	Invoice		Date	Description			Amount
	2022-10-01		04/25/2022	Fire Station 3 Reroof			29,536.88

AP Check Register 05-13-22

Bank Account: 905 - Chase - Checking
Batch Date: 05/13/2022

Type	Date	Number Source	Payee Name	EFT Bank/Account	Transaction Amount
	2021-09-01	04/27/2022	Airport Building 533 Improvements		16,212.98
Check	05/13/2022	99971 Accounts Payable	Zoom Imaging Solutions		757.40
	Invoice	Date	Description		Amount
	IN2626318	04/24/2022	Copier Meter 04/24/2022		757.40
Check	05/13/2022	99972 Accounts Payable	Premier Access Insurance		4,783.10
	Invoice	Date	Description		Amount
	05-01-22	05/01/2022	101 - Dental EE+1*		5,596.88
	05-01-22.	05/01/2022	Dental Claim (05.2022)		(813.78)
EFT	05/13/2022	2271 Accounts Payable	Enterprise FM Trust	101000019 / 208022067	8,431.98
	Invoice	Date	Description		Amount
	FBN4464714	05/04/2022	Enterprise Fleet Management		8,431.98
EFT	05/13/2022	2272 Accounts Payable	Richard B. Standridge	121042882 / 8312012522	3,847.50
	Invoice	Date	Description		Amount
	22-09	05/06/2022	Services 04-25/05-05-22		3,847.50
EFT	05/13/2022	2273 Accounts Payable	Wex Bank	071000288 / 4539508	359.00
	Invoice	Date	Description		Amount
	80310811	04/23/2022	Patrol Gas Cards		359.00
905 Chase - Checking Totals:			Transactions: 69		$148,254.40

Checks:	66	$135,615.92
EFTs:	3	$12,638.48

Marina, CA LIVE

SA Check Register 05-06-22

Bank Account: 921 - Chase - Successor Agency

Batch Date: 05/06/2022

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Bank Account: 921 - Chase - Successor Agency						
Check	05/06/2022	85	Accounts Payable	Keyser Marston Associates		7,968.75

Invoice	Date	Description	Amount
0036727	04/18/2022	Successor Agency Fiscal Services_Mar. 2022	7,968.75

921 Chase - Successor Agency Totals:			Transactions: 1	$7,968.75
Checks:	1	$7,968.75		

Marina, CA LIVE

SA Check Register 05-13-22

Bank Account: 921 - Chase - Successor Agency

Batch Date: 05/13/2022

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Bank Account: 921 - Chase - Successor Agency						
Check	05/13/2022	86	Accounts Payable	Keyser Marston Associates		3,242.50

Invoice	Date	Description	Amount
0036796	05/05/2022	Professional Services Amended Successor Agency	3,242.50

Type	Date	Number	Source	Payee Name	EFT Bank/Account	Transaction Amount
Check	05/13/2022	87	Accounts Payable	Monterey County Department of Health		1,212.45

Invoice	Date	Description	Amount
LUCMOAFY21/22-8	05/06/2022	Direct Cost per MOA for Services	1,212.45

921 Chase - Successor Agency Totals:		Transactions: 2	$4,454.95
Checks:	2	$4,454.95	

April 29, 2022 Item No. **8f(1)**

Honorable Mayor and Members of the Marina City Council

City Council Meeting of May 17, 2022

CITY COUNCIL CONSIDER ADOPTING RESOLUTION 2022-, RECOGNIZING A LOCAL EMERGENCY PERSISTS, RE-RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY BY GOVERNOR NEWSOM ON MARCH 4, 2020, AND RE-AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE CITY COUNCIL OF THE CITY OF MARINA AND ITS CONSTITUENT BODIES FOR THE PERIOD MAY 20, 2022, THROUGH JUNE 21, 2022, PURSUANT TO BROWN ACT PROVISIONS.

REQUEST:

It is requested that the City Council consider:

1. Adopting Resolution No. 2022-, regarding the Ralph M. Brown Act (California Government Code §§54950-54963, hereinafter the "Brown Act") making certain findings; and authorizing the City to continue to implement remote teleconferenced public meetings of the City Council and its constituent bodies for the period May 20, 2022, through June 21, 2022.

BACKGROUND:

Government Code §54953(e) allows cities to continue to meet remotely during states of emergency proclaimed by the Governor under modified Brown Act requirements that are similar to but not identical to the rules and procedures established by the prior Executive Orders of Governor Newsom relating to the relaxation of certain Brown Act requirements during the COVID-19 pandemic.

Government Code §54953(e) authorizes local agencies to use teleconferencing without complying with teleconferencing requirement imposed by the Brown Act during a declared state of emergency when state or local health officials have imposed or recommended measures to promote social distancing during the proclaimed state of emergency or when the legislative body had determined by majority vote that meeting in person would present imminent risks to the health or safety of attendees.

At a special meeting held on October 5, 2021, the City Council adopted Resolution 2021-104 regarding the Brown Act making certain findings, and authorizing the City to implement remote teleconferenced public meetings of the City Council and its constituent bodies might be held without compliance with Government Code §54953(b)(3) for the period October 5, 2021 through November 4, 2021; subsequently on November 2, 2021, the Council adopted Resolution 2021-113 extending that period until December 2, 2021; on November 16, 2021, the Council adopted Resolution 2021-118 extending that period until December 16, 2021; on December 14, 2021, the Council adopted Resolution 2021-134 extending that period until January 13, 2022; and on January 11, 2022, the Council adopted Resolution 2022-02 extending that period to February 10, 2022; and on February 1, 2022, the Council adopted Resolution No. 2022-13, extending that period until March 3, 2022; on March 1, 2022 Council adopted Resolution No. 2022-32, extending that period to March 31, 2022, on March 15, 2022 Resolution 2022-34; and on April 19, 2022 Resolution No. 2022-48, extending the period during which remote teleconferenced public meetings of the City Council and its constituent bodies might be held without compliance with Government Code §54953(b)(3) to May 19, 2022.

ANALYSIS:

On June 11, 2021, Governor Newsom issued Executive Order N-08-21 which among other things rescinded his prior Executive Order N-29-20 and set the date of October 1, 2021, for public agencies to transition back to public meetings held in full compliance with the Brown Act.

As the Delta variants surged in California, the legislature took action to extend the COVID-19 exemptions to the Brown Act's teleconference requirements, subject to some additional requirements. California and Monterey County are presently continuing to experience cases of the rapidly-spreading Omicron variant. Assembly Bill 361 amended Government Code §54953 and allowed a local agency to use teleconferencing in any of the following circumstances without complying with certain Brown Act provisions:

1. The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.

2. The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

3. The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote taken at a meeting held for the purpose described in 2 above, that as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

A local agency that holds a meeting under any of these circumstances would be required to follow certain requirements listed in the attached Resolution, in addition to giving notice of the meeting and posting agendas as required under the Brown Act. These additional requirements are intended to protect the public's right to participate in the meetings of local agency legislative bodies. The City of Marina adheres to the listed requirements.

Government Code §54953(e)(3) provides that if the state of emergency remains active for more than 30 days, a local agency must make the following findings by majority vote every 30 days to continue using the exemption to the Brown Act teleconferencing requirements:

- The legislative body has reconsidered the circumstances of the emergency; and

- Either of the following circumstances exist: the state of emergency continue to directly impact the ability of members to meet safely in person or State or local officials continue to impose or recommend social distancing measures.

The goal of Government Code §54953 as revised by AB 361 is to improve and enhance public access to local agency meetings during the COVID-19 pandemic and future applicable emergencies by allowing broader access through teleconferencing options. The current version of Government Code §54953 became effective on September 16, 2021, with a sunset of the present version on January 1, 2024.

FISCAL IMPACT:

None identified.

CONCLUSION:

This request is submitted for City Council consideration and possible adoption of a resolution proclaiming a local emergency persists, re-ratifying the proclamation of a state of emergency by Governor Newsom on March 4, 2020, and re-authorizing remote teleconference meetings of the City Council of the City of Marina and its constituent bodies for the period April 19, 2022, through May 19, 2022, pursuant to Brown Act provisions.

Respectfully submitted,

_____

Layne Long
City Manager
City of Marina

RESOLUTION NO. 2022-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA RECOGNIZING A LOCAL EMERGENCY PERSISTS, RE-RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY BY GOVERNOR NEWSOM ON MARCH 4, 2020, AND RE-AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE CITY COUNCIL OF THE CITY OF MARINA AND ITS CONSTITUENT BODIES FOR THE PERIOD MAY 20, 2022, THROUGH JUNE 21, 2022, PURSUANT TO BROWN ACT PROVISIONS.

WHEREAS, the City of Marina is committed to preserving and nurturing public access and participation in meetings of the City Council and its constituent bodies; and

WHEREAS, all meetings of City of Marina's legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend, participate, and watch the City's legislative bodies conduct their business; and

WHEREAS, the Brown Act, Government Code section 54953(e), makes provision for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the City's boundaries, caused by natural, technological or human-caused disasters; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, the City Council previously adopted Resolution No. 2021- 104 on October 5, 2021, Resolution 2021-113 on November 2, 2021, Resolution 2021-118 on November 16, 2021, Resolution 2021-134 on December 14, 2021, Resolution 2022-02 on January 11, 2022, Resolution 2022-13 on February 1, 2022, Resolution No. 2022-13 on March 1, 2022, Resolution 2022-32, on March 15, 2022 Resolution 2022-34; and on April 19, 2022 Resolution No. 2022-48, extending the period during which remote teleconferenced public meetings of the City Council and its constituent bodies might be held without compliance with Government Code §54953(b)(3) to May 19, 2022; and

WHEREAS, as a condition of extending the use of the provisions found in section 54953(e), the City Council must reconsider the circumstances of the state of emergency that exists in the City, and the City Council has done so; and

WHEREAS, emergency conditions persist in the City, specifically, the March 4, 2020, proclamation by the Governor of a state of emergency in the State of California due to COVID-19 and the March 13, 2020, proclamation of a state of emergency in the City of Marina by the City Manager, as the City's Director of Emergency Services, due to COVID-19 which was subsequently ratified by the City Council on March 17, 2020, and after having been supplemented twice, and both proclamations of states of emergency remain in effect; and

WHEREAS, on September 22, 2021, the County of Monterey Health Department issued a Recommendation Regarding Social Distancing Including Remote Meetings of Legislative Bodies, attached hereto as **Attachment 1**; and

WHEREAS, the City Council does hereby find that California and Monterey County are presently continuing to experience cases of the rapidly-spreading COVID-19 Omicron variant and as of April 15, 2022, the federal Centers for Disease Control and Prevention rated the risk level for community transmission of COVID-19 in Monterey County as low with a case rate of 19.35 individuals per 100,000 persons, as of April 14, 2022, a total of 735 persons have died of COVID-19 and 210 persons are reported as currently suffering from COVID-19 with 9 persons reported hospitalized and 210 new cases having been reported in Monterey County by the County Health Department; this situation has and will continue to cause, conditions of peril to the safety of persons within the City that are likely to be beyond the control of services, personnel, equipment, and facilities of the City, and desires to recognize and affirm a local emergency exists and re-ratify the proclamation of state of emergency by the Governor of the State of California and to recognize the County of Monterey Health Department's recommendation regarding social distancing; and

WHEREAS, as a consequence of the local emergency persisting, the City Council does hereby find that the City Council and its constituent bodies shall continue to conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that such legislative bodies shall continue to comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953; and

WHEREAS, the City of Marina will continue to implement the following measures for meetings of its City Council and its constituent bodies:

- Allow the public to access the meeting and require that the agenda provide an opportunity for the public to directly address the legislative body pursuant to the Brown Act's other teleconferencing provisions.

- In each instance when the local agency provides notice of the teleconferenced meeting or posts its agenda, give notice for how the public can access the meeting and provide public comment.

- Identify and include in the agenda an opportunity for all persons to attend via a call-in or an internet-based service option; the legislative body need not provide a physical location for the public to attend or provide comments.

- Conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the public.

- Stop the meeting until public access is restored in the event of a service disruption that either prevents the local agency from broadcasting the meeting to the public using the call-in or internet-based service option or is within the local agency's control and prevents the public from submitting public comments (any action taken during such a service disruption could be challenged under the Brown Act's existing challenger provisions).

- Not require comments be submitted in advance (though the legislative body may provide that as an option) and provide the opportunity to comment in real time.

- Provide adequate time for public comment, either by establishing a timed public comment period or by allowing a reasonable amount of time to comment.

- If the legislative body uses a third-party website or platform to host the teleconference, and the third-party service requires users to register to participate, the legislative body must provide adequate time during the comment period for users to register and may not close the registration comment period until the comment period has elapsed.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MARINA DOES HEREBY RESOLVE AS FOLLOWS:

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

Section 2. Affirmation that Local Emergency Persists. The City Council hereby reconsiders the conditions of the state of emergency in the City and proclaims that a local emergency persists throughout the City, and:

(a) On September 22, 2021, the County of Monterey Health Department issued a Recommendation Regarding Social Distancing Including Remote Meetings of Legislative Bodies; and

(b) California and Monterey County are presently continuing to experience cases of the rapidly-spreading COVID-19 Omicron variant and as of April 15, 2022, the federal Centers for Disease Control and Prevention rated the risk level for community transmission of COVID-19 in Monterey County as low with a case rate of 19.35 individuals per 100,000 persons, as of April 14, 2022, a total of 735 persons have died of COVID-19 and 210 persons are reported as currently suffering from COVID-19 with 9 persons reported hospitalized and 210 new cases having been reported in Monterey County by the County Health Department; and this has caused, and will continue to cause, conditions of peril to the safety of persons within the City that are likely to be beyond the control of services, personnel, equipment, and facilities of the City.

Section 3. Re-ratification of Governor's Proclamation of a State of Emergency. The City Council hereby reconsiders and re-ratifies the Governor of the State of California's Proclamation of State of Emergency, effective as of its issuance date of March 4, 2020.

Section 4. Remote Teleconference Meetings. The City Manager and legislative bodies of the City of Marina, the City Council and its constituent bodies, are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, continuing to conduct open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 5. Effective Date of Resolution. This Resolution shall take effect on immediately upon its adoption and shall be effective until the earlier of (i) June 21, 2022, or such time the City Council adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the City Council of the City of Marina and its constituent bodies may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

PASSED AND ADOPTED by the City Council of the City of Marina at a regular meeting held this 17th day of May 2022, by the following vote:

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

_____
Bruce C. Delgado, Mayor

ATTEST:

_____
Anita Sharp, Deputy City Clerk

COUNTY OF MONTEREY
HEALTH DEPARTMENT
Elsa Mendoza Jimenez, Director of Health
Administration | Animal Services | Behavioral Health | Clinic Services
Emergency Medical Services | Environmental Health | Public Administrator/Public Guardian | Public Health

Recommendation Regarding Social Distancing Including Remote Meetings of Legislative Bodies

Issued: September 22, 2021

The Monterey County Health Department continues to recommend that physical and social distancing strategies be practiced in Monterey County, which includes remote meetings of legislative bodies of local agencies, to the extent possible.

Monterey County continues to experience transmission of COVID-19 locally. Physical and social distancing is still an effective measure to reduce the spread of COVID-19, especially when combined with use of face coverings, frequent hand washing, staying home when ill, testing, and vaccination with U.S. Food and Drug Administration approved or authorized COVID-19 vaccines.

Remote meetings of legislative bodies allow for the virtual participation of agency staff, presenters, and community members in safer environments, with less risk of exposure to SARS-CoV-2, the virus that causes COVID-19.

The Monterey County Health Officer will continue to monitor local metrics and the necessity of this recommendation.

April 28, 2022 Item No: **8f(2)**

Honorable Mayor and Members of the Marina City Council

City Council Meeting of May 17, 2022

CITY COUNCIL CONSIDER ADOPTING RESOLUTION NO. 2022- AUTHORIZING RELEASE OF A REQUEST FOR PROPOSALS FOR CONSULTANT SERVICES TO PREPARE OBJECTIVE DESIGN STANDARDS FOR SINGLE-FAMILY, MULTIPLE-FAMILY AND MIXED-USE DEVELOPMENTS; AUTHORIZING THE FINANCE DIRECTOR TO MAKE NECESSARY ACCOUNTING AND BUDGETARY ENTRIES; AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT ON BEHALF OF THE CITY SUBJECT TO FINAL REVIEW AND APPROVAL BY THE CITY ATTORNEY

REQUEST:

It is requested that City Council consider

1. Adopting Resolution No. 2022-, authorizing release of a Request for Proposals for Consultant Services to prepare objective design standards for single-family, multiple-family, and mixed-use developments; and authorizing the Finance Director to make necessary budget and accounting entries; and,

2. Authorizing the City Manager to execute agreement on behalf of the City subject to final review and approval by the City Attorney.

BACKGROUND:

Recent changes to State law require that cities adopt and act on residential development applications based on whether the project complies with objective design and development standards. Objective standards require no interpretation or personal judgment, as opposed to subjective standards that are subject to interpretation. Objective design standards are intended to be measurable and verifiable (i.e., no "gray" area for interpretation). Adoption of clear and understandable guidelines to follow to develop residential and mixed-use development will provide predictability to the community and developers in the development process and ensure that the City of Marina is compliance with State Law.

Although State laws apply to projects with more than one residential unit (2+), this scope of work and final deliverable will apply to all residential projects, including single-family, multi-family and mixed-use residential projects. It is critically important that the City update current regulations to clearly lay out objective standards that reflect the community's standards, so that the City will have the ability to shape the design of new residential developments. The City currently relies on a combination of objective and subjective design standards, implemented through a design review process with the City's Site and Architectural Design Review Board and Planning Commission, to regulate the design of most housing projects. This includes meeting largely subjective design review criteria as part of the findings to grant project approval. The City is interested in creating a thorough set of objective design standards to govern the development of single-family, multi-family, and mixed-use residential development proposals. The City expects this project to provide standards that will be consistent with the requirements for objective standards in compliance with Senate Bill (SB) 35 (Government Code Section 65913.4) and the Housing Accountability Act, as amended in 2019 by SB 330, and the requirements of Senate Bill (SB) 9.

Regional Early Action Planning (REAP) and Local Early Action Planning Grants (LEAP)
The City was awarded a $165,000 REAP grant from the Association of Monterey Bay Area Governments and a $150,000 LEAP grant from the California Department of Housing and Community Development for the preparation and adoption of planning documents, process improvements that accelerate housing development, and to facilitate compliance in implementing the sixth cycle of the regional housing need allocation (RHNA). These grant funds will be utilized for this project.

ANALYSIS:

In order to complete the project, the City will hire a qualified consultant to develop objective design standards for three housing types: single-family residential, multi-family residential and mixed-use. With the input of residents, stakeholders, and staff, the City desires to produce objective design standards that reflect the goals and priorities of the City while satisfying the requirements of State law.

The consultant will be responsible for undertaking all necessary steps for this analysis and resulting modifications to the Zoning Ordinance, as directed by staff, and meet all timeline benchmarks. Modifications must be integrated into the City's regulatory framework established within the existing Zoning Ordinance in a manner that ensures overall quality and structure of the current Code, procedural consistency, aligns with state and local legal requirements, provides clarity as to applicability of existing regulations, and maximizes effectiveness of the code.

Staff recommends that the City Council authorize staff to release a Request for Proposals to hire a qualified consultant to prepare the Objective Design Standards.

FISCAL IMPACT:

It is estimated that the total cost for the preparation of the Objective Design Standards will be funded by the awarded LEAP and REAP grants.

ENVIRONMENTAL DETERMINATION

The City of Marina determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CCR, Title 14, Chapter 3 ("CEQA Guidelines), Article 20, Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or any reasonably foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

CONCLUSION:

This request is submitted for City Council discussion and possible action.

Respectfully submitted,

_____

Christy Hopper
Planning Services Manager
Community Development Department
City of Marina

REVIEWED/CONCUR:

_____
Guido F. Persicone AICP
Community Development Director
Community Development Department
City of Marina

_____
Layne P. Long
City Manager
City of Marina

RESOLUTION NO. 2017-

AUTHORIZING RELEASE OF A REQUEST FOR PROPOSALS FOR CONSULTANT SERVICES TO PREPARE OBJECTIVE DESIGN STANDARDS FOR SINGLE-FAMILY, MULTIPLE-FAMILY AND MIXED-USE DEVELOPMENTS; AUTHORIZING THE FINANCE DIRECTOR TO MAKE NECESSARY ACCOUNTING AND BUDGETARY ENTRIES; AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT ON BEHALF OF THE CITY SUBJECT TO FINAL REVIEW AND APPROVAL BY THE CITY ATTORNEY

WHEREAS, recent changes to State law require that cities adopt and act on residential development applications based on whether the project complies with objective design and development standards; and,

WHEREAS, objective standards require no interpretation or personal judgment, as opposed to subjective standards that are subject to interpretation; and,

WHEREAS, objective design standards are intended to be measurable and verifiable (i.e., no "gray" area for interpretation) and adoption of clear and understandable guidelines to follow to develop residential and mixed-use development will provide predictability to the community and developers in the development process and ensure that the City of Marina is compliance with State Law; and,

WHEREAS, the City expects this project to provide standards that will be consistent with the requirements for objective standards in compliance with Senate Bill (SB) 35 (Government Code Section 65913.4) and the Housing Accountability Act, as amended in 2019 by SB 330, and the requirements of Senate Bill (SB) 9 ; and,

WHEREAS, the City was awarded a $165,000 REAP grant from the Association of Monterey Bay Area Governments and a $150,000 LEAP grant from the California Department of Housing and Community Development for the preparation and adoption of planning documents, process improvements that accelerate housing development, and to facilitate compliance in implementing the sixth cycle of the regional housing need allocation (RHNA) and these grant funds will be utilized for this project; and,

WHEREAS, in order to complete the project, the City will hire a qualified consultant to develop objective design standards for three housing types: single-family residential, multi-family residential and mixed-use; and,

WHEREAS, it is estimated that the total cost for the preparation of the Objective Design Standards will be funded by the awarded LEAP and REAP grants; and,

WHEREAS, the City of Marina determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CCR, Title 14, Chapter 3 ("CEQA Guidelines), Article 20, Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or any reasonably foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

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

1. Authorizes release of a Request for Proposals for Consultant Services to prepare objective design standards for single-family, multiple-family, and mixed-use developments; and authorizing the Finance Director to make necessary budget and accounting entries; and,

2. Authorizing the City Manager to execute agreement on behalf of the City subject to final review and approval by the City Attorney.

PASSED AND ADOPTED by the City Council of the City of Marina at a regular meeting duly held on the 17th day of May 2022, by the following vote:

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

_____
Bruce C. Delgado, Mayor

ATTEST:

_____
Anita Sharp, Deputy City Clerk

April 26, 2022 Item No. **8f(3)**

Honorable Mayor and Members of the Marina City Council

City Council Meeting of May 17, 2022

THE CITY COUNCIL CONSIDER ADOPTING RESOLUTION NO. 2022-, ACCEPTING THE HOUSING ELEMENT ANNUAL PROGRESS REPORT FOR CALENDAR YEAR 2021 AND AUTHORIZING STAFF TO SUBMIT THE REPORT TO THE GOVERNOR'S OFFICE OF PLANNING AND RESEARCH AND THE CALFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

RECOMMENDATION: City Council consider

1. Adopting Resolution No. 2022-, accepting the Housing Element Annual Progress Report for calendar year 2021 and authorizing staff to submit the report to the Governor's Office of Planning and Research and the California Department of Housing and Community Development; and,
2. Find that the action is exempt from CEQA pursuant to CEQA Guidelines Sections 15061(b)(3) and 15378(b).

SUMMARY:

- Provides a Status Update on the Adopted Programs of the Housing Element; and,
- Gives the Public an opportunity to provide oral testimony and written comment.

BACKGROUND:

Pursuant to Government Code Section 65400, each city and county is required to prepare a Housing Element Annual Progress Report (APR) on the status of implementation of the jurisdiction's housing element. The APR must be prepared using forms and definitions adopted by the California Department of Housing and Community Development (HCD). The APR is meant to serve as a tool for implementing a jurisdiction's Housing Element. Marina's Midterm Review of the 2015-2023 Housing Element was adopted by City Council in December 2019 and submitted to HCD. Final approval of the Housing Element is pending adoption of the Downtown Vitalization Specific Plan which will up zone properties to meet HCD's requirements.

Throughout the past several years, City staff have been actively involved with the Association of Monterey Bay Area Governments (AMBAG) through the Planning Director's Forum and individual meetings with AMBAG staff to work on fair and accurate 6th Cycle Regional Housing Needs Allocation numbers for the city. According to the AMBAG schedule, final RHNA numbers are set to be adopted by the AMBAG board in fall of 2022.

Highlights of the City's progress in meeting current RHNA include the award of a $165,000 Regional Early Action Planning (REAP) grant from AMBAG and a $150,000 Local Early Action Planning (LEAP) grant from the California Department of Housing and Community Development for the preparation and adoption of planning documents, process improvements that accelerate housing development, and to facilitate compliance in implementing the 6th Cycle of the RHNA. In addition, the city issued building permits for 210 housing units (199 Above Moderate Housing Units, and 11 Accessory Dwelling Units) that are credited to the 5th Cycle of the RHNA.

DISCUSSION:

The City of Marina 2021 APR is attached. To ensure accountability with respect to housing production, each site is identified by assessor's parcel number, and all milestones occurring in 2021 are indicated by

date including submittal for planning entitlements, approval of planning entitlements, issuance of building permits, and issuance of certificates of occupancy/final inspections. The report also tracks affordability and if units are deed restricted to specified affordability levels. The report acknowledges if sites are considered to be infill or not and also tracks applications seeking new streamlining requirements. Progress on Housing Element program implementation is summarized toward the end of the APR (Table D). Housing element programs are listed with a brief explanation regarding progress made in the reporting year. Note that many programs continue to be addressed on an ongoing basis, while other are complete.

FISCAL IMPACT:
None.

ENVIRONMENTAL REVIEW:
This action is exempt from environmental review pursuant to CEQA Guidelines Section 15061(b)(3) because there is no possibility that receiving an update on the Housing Element's Programs status will have a significant effect on the environment. As a separate and independent basis, this report is also exempt under CEQA Guidelines Section 15378(b).

CONCLUSION:
This request is submitted for City Council consideration and comment.

Respectfully submitted,

_____
Christy Hopper
Planning Services Manager
City of Marina

REVIEWED/CONCUR:

_____
Guido F. Persicone, AICP
Community Development Director
City of Marina

_____
Layne Long
City Manager
City of Marina

RESOLUTION NO. 2022-

THE CITY COUNCIL OF THE CITY OF MARINA ACCEPTING THE HOUSING ELEMENT ANNUAL PROGRESS REPORT FOR CALENDAR YEAR 2021 AND AUTHORIZING STAFF TO SUBMIT THE REPORT TO THE GOVERNOR'S OFFICE OF PLANNING AND RESEARCH AND THE CALFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

WHEREAS, California Government Code Section 65400(2) requires the planning agency to provide an annual report to the City Council, the Governor' s Office of Planning and Research and the State Department of Housing and Community Development (HCD) regarding progress toward implementation of the Housing Element of the General Plan; and

WHEREAS, Planning Staff has prepared an Annual Progress Report for the calendar year 2021 (**EXHIBIT A**), utilizing the prescribed forms and instructions provided by the State Department of Housing and Community Development; and

WHEREAS, Senate Bill 743, codified in Public Resources Code section 21099, required changes to the CEQA Guidelines requiring the criteria for determining the significance of transportation impacts of projects; and

WHEREAS, the City Council of the City of Marina held a duly noticed public meeting on May 17, 2022; and

WHEREAS, this action is exempt from environmental review pursuant to CEQA Guidelines Section 15061(b)(3) because there is no possibility that receiving an update on the Housing Element's Programs status will have a significant effect on the environment. As a separate and independent basis, this report is also exempt under CEQA Guidelines Section 15378(b).

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

1. Accept the Housing Element Annual Progress Report for calendar year 2021 and authorizing staff to submit the report to the Governor's Office of Planning and Research and the California Department of Housing and Community Development; and
2. Find that the action is exempt from CEQA pursuant to Sections 15061(b)(3) and 15378(b). 15308 of the CEQA Guidelines.

PASSED AND ADOPTED by the City Council of the City of Marina at a regular meeting duly held on the 17th day of May, by the following vote:

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

_____
Bruce C. Delgado, Mayor

ATTEST:

_____
Anita Sharp, Deputy City Clerk

EXHIBIT A

Please Start Here

General Information	
Jurisidiction Name	Marina
Reporting Calendar Year	2021
Contact Information	
First Name	Christine
Last Name	Hopper
Title	Planning Services Manager
Email	chopper@cityofmarina.org
Phone	8318841238
Mailing Address	
Street Address	211 Hillcrest Ave
City	Marina
Zipcode	93933

Optional: Click here to import last year's data. This is best used when the workbook is new and empty. You will be prompted to pick an old workbook to import from. Project and program data will be copied exactly how it was entered in last year's form and must be updated. If a project is no longer has any reportable activity, you may delete the project by selecting a cell in the row and typing ctrl + d.

v 4_7_2022

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

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

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

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

Submittal Instructions

Please save your file as Jurisdictionname2021 (no spaces). Example: the city of San Luis Obispo would save their file as SanLuisObispo2021

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

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

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

Jurisdiction	Marina	
Reporting Year	2021	(Jan. 1 - Dec. 31)
Planning Period	5th Cycle	12/31/2015 - 12/31/2023

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation

(CCR Title 25 §6202)

Note: "+" indicates an optional field

Cells in grey contain auto-calculation formulas

Table A
Housing Development Applications Submitted

Project Identifier					Unit Types		Date Application Submitted	Proposed Units - Affordability by Household Incomes								Total Approved Units by Project	Total Disapproved Units by Project	Streamlining	Density Bonus
1					2	3	4	5							6	7	8	9	10
Prior APN+	Current APN	Street Address	Project Name+	Local Jurisdiction Tracking ID+	Unit Category (SFA,SFD,2 to 4,5+,ADU,MH)	Tenure R=Renter O=Owner	Date Application Submitted+ (see instructions)	Very Low-Income Deed Restricted	Very Low-Income Non Deed Restricted	Low-Income Deed Restricted	Low-Income Non Deed Restricted	Moderate-Income Deed Restricted	Moderate-Income Non Deed Restricted	Above Moderate-Income	Total PROPOSED Units by Project	Total APPROVED Units by project	Total DISAPPROVED Units by Project	Was APPLICATION SUBMITTED Pursuant to GC 65913.4(b)? (SB 35 Streamlining)	Was a Density Bonus requested for this housing development?
Summary Row: Start Data Entry Below								0	0	0	0	0	0	14	14	14	0		
	033-011-006-000	3320 Abdy Way	Abdy Subdivision		5+	O	1/5/2021							9	9	9		No	No
	032-121-025-000	327-329 Reservation	ADU		ADU	R	11/8/2021							3	3	3		No	No
	032-303-012-000	215 Hillcrest Ave	ADU		ADU	R	11/8/2021							1	1	1		No	No
	033-061-043-000	124 Reams Ct	ADU		ADU	R	12/9/2021							1	1	1		No	No
															0				
															0				
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EXHIBIT A

Jurisdiction	Marina
Reporting Year	2021 (Jan. 1 - Dec. 31)
Planning Period	5th Cycle (previous / upcoming)

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

Note: "+" indicates an optional field

Cells in grey contain auto-calculation formulas

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

Project Identifier					Unit Types		Affordability by Household Incomes - Completed Entitlement								Affordability by Household Incomes - Building Permits								Affordability by Household Incomes - Certificates of Occupancy										Streamlining	Infill	Housing with Financial Assistance and/or Deed Restrictions		Housing without Financial Assistance or Deed Restrictions	Term of Affordability or Deed Restriction	Demolished/Destroyed Units			Density Bonus				Notes
1					2	3	4							5	6	7							8	9	10							11	12	13	14	15	16	17	18	19	20			21	22	23	24	25
Prior APN*	Current APN	Street Address	Project Name*	Local Jurisdiction Tracking ID*	Unit Category (SF,A,SFD,2 to 4,5+,ADU,MH)	Tenure R=Renter O=Owner	Very Low-Income Deed Restricted	Very Low-Income Non-Deed Restricted	Low- Income Deed Restricted	Low- Income Non-Deed Restricted	Moderate-Income Deed Restricted	Moderate-Income Non-Deed Restricted	Above Moderate-Income	Entitlement Date Approved	# of Units issued Entitlements	Very Low-Income Deed Restricted	Very Low-Income Non-Deed Restricted	Low- Income Deed Restricted	Low- Income Non-Deed Restricted	Moderate-Income Deed Restricted	Moderate-Income Non-Deed Restricted	Above Moderate-Income	Building Permits Date Issued	# of Units issued Building Permits	Very Low-Income Deed Restricted	Very Low-Income Non-Deed Restricted	Low- Income Deed Restricted	Low- Income Non-Deed Restricted	Moderate-Income Deed Restricted	Moderate-Income Non-Deed Restricted	Above Moderate-Income	Certificates of Occupancy or other forms of readiness (see instructions) Date Issued	# of Units issued Certificates of Occupancy or other forms of readiness	How many of the units were Extremely Low Income?^	Was Project APPROVED using GC 65913.4(b)? (SB 35 Streamlining) Y/N	Infill Units? Y/N^	Assistance Programs for Each Development (may select multiple - see instructions)	Deed Restriction Type (may select multiple see instructions)	For units affordable without financial assistance or deed restrictions, explain how the locality determined the units were affordable (see instructions)	Term of Affordability or Deed Restriction (years) (if affordable in perpetuity, enter 1000)^	Number of Demolished/Destroyed Units	Demolished or Destroyed Units	Demolished/Destroyed Units Owner or Renter	Total Density Bonus Applied to the Project (Percentage Increase in Total Allowable Units or Total Maximum Allowable Residential Gross Floor Area)	Number of Other Incentives, Concessions, Waivers, or Other Modifications Given to the Project (Excluding Parking Waivers or Parking Reductions)	List the incentives, concessions, waivers, and modifications (Excluding Parking Waivers or Parking Modifications)	Did the project receive a reduction or waiver of parking standards? (Y/N)	Notes*
Summary Row: Start Data Entry Below							0	0	0	0	0	0	14		14	0	0	0	0	0	0	210		210	0	0	0	0	0	0	0	8		8					8							
	033-011-009-000	1320 Abdy Way	Abdy Subdivision		5+	O							9	9/21/2021	9									210	0							0		N	Y											
	032-121-025-000	327-329 Reservation Rd	ADU		ADU	R							3	12/8/2021	3										0							0		N	Y											
	032-303-012-000	215 Hillcrest Ave	ADU		ADU	R							1	11/9/2021	1										0							0		N	Y											
	033-061-043-000	134 Reata Ct	ADU		ADU	R							1	12/31/2021	1										0							0		N	Y											
	031-361-017	3305 Ellen Court	ACN I	B20-000557	ACN I	R							1		0										0							0		N	Y											
	032-251-011	234 Walker Drive	ACN I	B20-000558	ACN I	R							1		0										0							0		N	Y											
	032-311-025	3 Seaside Avenue	ADU	B21-000052	ADU	R							1		0										0							0		N	Y											
	032-412-021	271 Harris Court	ACN I	B21-000515	ACN I	R							1		0										0							0		N	Y											
	033-141-019	195 Debbie Drive	ACN I	B21-000479	ACN I	R							1		0										0							0		N	Y											
	032-211-011	3115 Flower Circle	ADU	B21-000642	ADU	R							1		0										0							0		N	Y											
	032-101-002	289 Park Circle	ACN I	B21-000503	ACN I	R							1		0										0							0		N	Y											
	031-276-064	2473 Hayden Way	Watham Castanos Peterson Inc	B20-000054	SFD	O							1	1/4/2021	1										0							0		N	Y											
	031-276-063	2475 Hayden Way	Watham Castanos Peterson Inc	B20-000055	SFD	O							1		0									1	0							0		N	Y											
	031-277-082	2307 Tyndall Way	Watham Castanos Peterson Inc	B21-000063	SFD	O							1		0									1	0							0		N	Y											
	031-277-044	3065 Ardis Way	Watham Castanos Peterson Inc	B20-000755	SFD	O							1		0									1	0							0		N	Y											
	031-277-032	2983 Ardis Way	Watham Castanos Peterson Inc	B20-000723	SFD	O							1		0									1	0							0		N	Y											
	031-273-039	2351 Garnet Way	Watham Castanos Peterson Inc	B20-000764	SFD	O							1		0									1	0							0		N	Y											
	031-277-043	2998 Ardis Way	Watham Castanos Peterson Inc	B20-000768	SFD	O							1		0									1	0							0		N	Y											
	031-277-083	2309 Tyndall Way	Watham Castanos Peterson Inc	B21-000008	SFD	O							1		0									1	0							0		N	Y											
	031-273-040	2363 Garnet Way	Watham Castanos Peterson Homes Inc	B21-000029	SFD	O							1		0									1	0							0		N	Y											
	031-277-059	3303 Tyndall Way	Watham Castanos Peterson Homes Inc	B21-000004	SFD	O							1		0									1	0							0		N	Y											
	031-277-046	3304 Ardis Way	Watham Castanos Peterson Homes Inc	B21-000014	SFD	O							1		0									1	0							0		N	Y											
	031-277-045	3302 Ardis Way	Watham Castanos Peterson Homes Inc	B21-000015	SFD	O							1		0									1	0							0		N	Y											
	031-277-060	3301 Tyndall Way	Watham Castanos Peterson Homes Inc	B21-000007	SFD	O							1		0									1	0							0		N	Y											
	031-277-012	2391 Ardis Way	Watham Castanos Peterson Homes Inc	B21-000017	SFD	O							1		0									1	0							0		N	Y											
	031-273-077	2075 Abrams Drive	Watham Castanos Peterson Homes Inc	B21-000012	SFD	O							1		0									1	0							0		N	Y											
	031-273-076	2073 Abrams Drive	Watham Castanos Peterson Homes Inc	B21-000059	SFD	O							1		0									1	0							0		N	Y											
	031-277-011	2395 Ardis Way	Watham Castanos Peterson Homes Inc	B21-000053	SFD	O							1		0									1	0							0		N	Y											
	031-277-058	3307 Tyndall Way	Watham Castanos Peterson Homes Inc	B21-000054	SFD	O							1		0									1	0							0		N	Y											
	031-275-027	2999 Bluffs Drive	Watham Castanos Peterson Homes Inc	B21-000083	SFD	O							1		0									1	0							0		N	Y											
	031-277-048	3310 Ardis Way	Watham Castanos Peterson Homes Inc	B21-000085	SFD	O							1		0									1	0							0		N	Y											
	031-277-047	3308 Ardis Way	Watham Castanos Peterson Homes Inc	B21-000123	SFD	O							1		0									1	0							0		N	Y											
	031-277-057	3309 Tyndall Way	Watham Castanos Peterson Homes Inc	B21-000124	SFD	O							1		0									1	0							0		N	Y											
	031-275-028	3301 Bluffs Drive	Watham Castanos Peterson Homes Inc	B21-000110	SFD	O							1		0									1	0							0		N	Y											
	031-277-008	3001 Ardis Way	Watham Castanos Peterson Homes Inc	B21-000108	SFD	O							1		0									1	0							0		N	Y											
	031-277-010	2967 Ardis Way	Watham Castanos Peterson Homes Inc	B21-000109	SFD	O							1		0									1	0							0		N	Y											
	031-273-049	2360 Bluffs Drive	Watham Castanos Peterson Homes Inc	B21-000138	SFD	O							1		0									1	0							0		N	Y											
	031-277-009	2999 Ardis Way	Watham Castanos Peterson Homes Inc	B21-000189	SFD	O							1		0									1	0							0		N	Y											
	031-278-013	453 Weldon Way	Watham Castanos Peterson Homes	B21-000137	SFD	O							1		0									1	0							0		N	Y											
	031-274-014	461 Weldon Way	Watham Castanos Peterson Homes	B21-000187	SFD	O							1		0									1	0							0		N	Y											
	031-277-007	3303 Ardis Way	Watham Castanos Peterson Homes	B21-000190	SFD	O							1		0									1	0							0		N	Y											
	031-278-035	457 Weldon Way	Watham Castanos Peterson Homes	B21-000134	SFD	O							1		0									1	0							0		N	Y											
	031-277-005	3099 Ardis Way	Watham Castanos Peterson Homes	B21-000234	SFD	O							1		0									1	0							0		N	Y											
	031-277-004	3011 Ardis Way	Watham Castanos Peterson Homes	B21-000248	SFD	O							1		0									1	0							0		N	Y											
	031-277-006	3005 Ardis Way	Watham Castanos Peterson Homes	B21-000237	SFD	O							1		0									1	0							0		N	Y											
	031-277-031	2395 Bonbi Drive	Watham Castanos Peterson Homes	B21-000144	SFD	O							1		0									1	0							0		N	Y											
	031-277-030	2393 Bonbi Drive	Watham Castanos Peterson Homes	B21-000142	SFD	O							1		0									1	0							0		N	Y											
	031-277-029	2389 Bonbi Drive	Watham Castanos Peterson Homes	B21-000143	SFD	O							1		0									1	0							0		N	Y											
	031-277-056	3011 Tyndall Way	Watham Castanos Peterson Homes	B21-000174	SFD	O							1		0									1	0							0		N	Y											
	031-277-055	3013 Tyndall Way	Watham Castanos Peterson Homes	B21-000249	SFD	O							1		0									1	0							0		N	Y											
	031-277-051	3016 Ardis Way	Watham Castanos Peterson Homes	B21-000236	SFD	O							1		0									1	0							0		N	Y											
	031-277-050	3014 Ardis Way	Watham Castanos Peterson Homes	B21-000238	SFD	O							1		0									1	0							0		N	Y											
	031-277-032	2397 Bonbi Drive	Watham Castanos Peterson Homes	B21-000141	SFD	O							1		0									1	0							0		N	Y											
	031-277-049	3012 Ardis Way	Watham Castanos Peterson Homes	B21-000235	SFD	O							1		0									1	0							0		N	Y											
	031-278-023	2382 Bonbi Drive	Watham Castanos Peterson Homes	B21-000194	SFD	O							1		0									1	0							0		N	Y											
Lot 334		250 9th Street	Shea Homes limited Partnership	B21-000307	SFD	O							1		0									1	0							0		N	Y											
Lot 333		248 9th Street	Shea Homes limited Partnership	B21-000206	SFD	O							1		0									1	0							0		N	Y											
Lot 335		252 9th Street	Shea Homes limited Partnership	B21-000208	SFD	O							1		0									1	0							0		N	Y											
Lot 336		254 9th Street	Shea Homes limited Partnership	B21-000269	SFD	O							1		0									1	0							0		N	Y											
	031-278-016	455 Weldon Way	Watham Castanos Peterson Homes	B21-000175	SFD	O							1		0									1	0							0		N	Y											
	031-275-032	3099 Bluffs Drive	Watham Castanos Peterson Homes	B21-000250	SFD	O							1		0									1	0							0		N	Y											
	031-278-025	2988 Bonbi Drive	Watham Castanos Peterson Homes	B21-000191	SFD	O							1		0									1	0							0		N	Y											
	031-278-019	3000 Bonbi Drive	Watham Castanos Peterson Homes	B21-000192	SFD	O							1		0									1	0							0		N	Y											
	031-278-022	2994 Bonbi Drive	Watham Castanos Peterson Homes	B21-000193	SFD	O							1		0									1	0							0		N	Y											
	031-277-054	3015 Tyndall Way	Watham Castanos Peterson Homes	B21-000326	SFD	O							1		0									1	0							0		N	Y											
	031-275-031	3007 Bluffs Drive	Watham Castanos Peterson Homes	B21-000344	SFD	O							1		0									1	0							0		N	Y											
	031-257-016	236 Bungalow Court	Shea Homes limited Partnership	B21-000253	SFD	O							1		0									1	0							0		N	Y											
	031-257-017	238 Bungalow Court	Shea Homes limited Partnership	B21-000254	SFD	O							1		0									1	0							0		N	Y											
	031-257-018	240 Bungalow Court	Shea Homes limited Partnership	B21-000255	SFD	O							1		0									1	0							0		N	Y											
	031-278-028	463 Marina Heights	Watham Castanos Peterson Homes	B21-000195	SFD	O							1		0									1	0							0		N	Y											
	031-278-027	2984 Bonbi Drive	Watham Castanos Peterson Homes	B21-000196	SFD	O							1		0									1	0							0		N	Y											
	031-277-025	461 Marina Heights	Watham Castanos Peterson Homes	B21-000197	SFD	O							1		0									1	0							0		N	Y											
	031-277-026	2985 Bonbi Drive	Watham Castanos Peterson Homes	B21-000199	SFD	O							1		0									1	0							0		N	Y											
	031-275-030	3005 Bluffs Drive	Watham Castanos Peterson Homes	B21-000325	SFD	O							1		0									1	0							0		N	Y											
	031-277-080	3018 Tyndall Way	Watham Castanos Peterson Homes	B21-000351	SFD	O							1		0									1	0							0		N	Y											
	031-277-002	3015 Ardis Way	Watham Castanos Peterson Homes	B21-000363	SFD	O							1		0									1	0							0		N	Y											
	031-277-003	3013 Ardis Way	Watham Castanos Peterson Homes	B21-000413	SFD	O							1		0									1	0							0		N	Y											
	031-257-012	231 Bungalow Court	Shea Homes limited Partnership	B21-000269	SFD	O							1		0									1	0							0		N	Y											
	031-257-011	233 Bungalow Court	Shea Homes limited Partnership	B21-000268	SFD	O							1		0									1	0							0		N	Y											
	031-257-010	235 Bungalow Court	Shea Homes limited Partnership	B21-000267	SFD	O							1		0									1	0							0		N	Y											
	031-273-031	2969 Garnet Way	Watham Castanos Peterson Homes	B21-000321	SFD	O							1		0									1	0							0		N	Y											
	031-277-001	3017 Ardis Way	Watham Castanos Peterson Homes	B21-000432	SFD	O							1		0									1	0							0		N	Y											
	031-278-045	477 Russell Way	Watham Castanos Peterson Homes	B21-000476	SFD	O							1		0									1	0							0		N	Y											
	031-278-047	433 Russell Way	Watham Castanos Peterson Homes	B21-000412	SFD	O							1		0									1	0							0		N	Y											
	031-277-052	3018 Ardis Way	Watham Castanos Peterson Homes	B21-000431	SFD	O							1		0									1	0							0		N	Y											
	031-277-053	3017 Tyndall Way	Watham Castanos Peterson Homes	B21-000419	SFD	O							1		0									1	0							0		N	Y											
Lot 424		2716 Parkview Way	Shea Homes Limited Partnership	B21-000442	SFD	O							1		0									1	0							0		N	Y											
Lot 425		2714 Parkview Way	Shea Homes Limited Partnership	B21-000443	SFD	O							1		0									1	0							0		N	Y											
Lot 421		2722 Parkview Way	Shea Homes Limited Partnership	B21-000439	SFD	O							1		0									1	0							0		N	Y											
Lot 426		2712 Parkview Way	Shea Homes Limited Partnership	B21-000444	SFD	O							1		0									1	0							0		N	Y											
Lot 422		2720 Parkview Way	Shea Homes Limited Partnership	B21-000440	SFD	O							1		0									1	0							0		N	Y											
Lot 423		2718 Parkview Way	Shea Homes Limited Partnership	B21-000441	SFD	O							1		0									1	0							0		N	Y											
	031-277-081	3017 Peos Way	Watham Castanos Peterson Homes	B21-000531	SFD	O							1		0									1	0							0		N	Y											
	031-277-079	3016 Tyndall Way	Watham Castanos Peterson Homes	B21-000532	SFD	O							1		0									1	0							0		N	Y											
	031-278-066	435 Russell Way	Watham Castanos Peterson Homes	B21-000464	SFD	O							1		0									1	0							0		N	Y											
	031-277-083	3013 Peos Way	Watham Castanos Peterson Homes	B21-000475	SFD	O							1		0									1	0							0		N	Y											

EXHIBIT A

Jurisdiction	Marina	
Reporting Year	2021	(Jan. 1 - Dec. 31)
Planning Period	5th Cycle	(previous / projected)

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

Note: "+" indicates an optional field

Cells in grey contain auto-calculation formulas

| | | |

EXHIBIT A

Jurisdiction	Marina	
Reporting Year	2021	(Jan. 1 - Dec. 31)
Planning Period	5th Cycle	(previous / projected)

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

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

| | | |

Jurisdiction	Marina	
Reporting Year	2021	(Jan. 1 - Dec. 31)
Planning Period	5th Cycle	12/31/2015 - 12/31/2023

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

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

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

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

		1	2									3	4
Income Level		**RHNA Allocation by Income Level**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**Total Units to Date (all years)**	**Total Remaining RHNA by Income Level**
Very Low	Deed Restricted	315	-	-	1	-	-	-	-	-	-	42	273
	Non-Deed Restricted		-	-	41	-	-	-	-	-	-		
Low	Deed Restricted	206	-	-	1	-	-	-	-	-	-	6	200
	Non-Deed Restricted		-	-	5	-	-	-	-	-	-		
Moderate	Deed Restricted	239	-	-	-	-	-	-	-	-	-	147	92
	Non-Deed Restricted		-	-	147	-	-	-	-	-	-		
Above Moderate		548	61	74	22	121	76	75	210	-	-	639	-
Total RHNA		**1,308**											
Total Units			**61**	**74**	**217**	**121**	**76**	**75**	**210**	**-**	**-**	**834**	**565**

Note: units serving extremely low-income households are included in the very low-income permitted units totals and must be reported as very low-income units.

Please note: For the last year of the 5th cycle, Table B will only include units that were permitted during the portion of the year that was in the 5th cycle. For the first year of the 6th cycle, Table B will include units that were permitted since the start of the planning period.

Please note: The APR form can only display data for one planning period. To view progress for a different planning period, you may login to HCD's online APR system, or contact HCD staff at apr@hcd.ca.gov.

Jurisdiction	Marina	
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Planning Period	5th Cycle	12/31/2015 - 12/31/2023

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

Table C
Sites Identified or Rezoned to Accommodate Shortfall Housing Need and No Net-Loss Law

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

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Jurisdiction	Marina	
Reporting Year	2021	(Jan. 1 - Dec. 31)

Table D

Program Implementation Status pursuant to GC Section 65583

Housing Programs Progress Report

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

1	2	3	4
Name of Program	**Objective**	**Timeframe in H.E**	**Status of Program Implementation**

Program 1.1: Provide Adequate Sites for RHNA	**For the 2015-2023 Housing Element planning period, the City of Marina has been assigned a Regional Housing Needs Allocation (RHNA) of 1,308 units, with the following income distribution: 315 very low income units; 205 low income units; 238 moderate income units; and 550 above moderate income units. The City's land use policies, as guided by its General Plan, Zoning Ordinance, and Specific Plans, offer adequate capacity to accommodate the RHNA. The City will continue to monitor the progress in implementing the various specific plans and development within the Central and Downtown Marina areas to ensure adequate capacity is available throughout the planning period.**	**2023**	**Total units toward RHNA since 2015 – 600 units:Very Low – 42 units** **Low – 6 units** **Moderate – 147 units** **Above Moderate – 639 units** **Total Remaining RHNA – 565 units:** **Very Low – 273 units** **Low – 200 units** **Moderate – 92 units** **Above Moderate – 0 units** **The City is actively pursuing the adoption of the Downtown Vitalization Specific Plan that would provide increased capacity for high-density development in the Downtown Area. The City anticipates plan adoption by Spring 2023.**
Program 1.2: Mixed Use/Increased Density - MST Site	**A minimum of 55 units to be constructed as part of the mixed-use component of the Monterey-Salinas Transit (MST) property adjacent to the Marina Transit Exchange. A minimum of 30 percent of the first 30 units shall be affordable to low income households earning no more than 80 percent of the current County median household income, plus 20 percent of the units above 30 shall be affordable at the levels specified in the City's inclusionary housing ordinance.**	**N/A**	**A developer has expressed interest in developing on the site, but no development plan for this site has been received.**

Program 1.3: Mixed Use/Increased Density - Monitoring Housing Production	**Develop a monitoring program to track the development of mixed use residential units in relation to the RHNA: for example in the Specific Plan areas of The Dunes, Marina Station, and Downtown.**	**2020**	**Monitoring program is not yet scheduled - Anticipated in 2020**
Program 1.4: Encourage Lot Consolidation to Facilitate Housing Development	**Develop a formal application process for parcel mergers to encourage and facilitate parcel consolidation to accommodate the development of housing opportunities. Consolidation will be promoted through incentives, as appropriate, such as direct financial assistance through the Redevelopment Agency (e.g. the use of RDA 20% housing set-aside funds).**	**2023**	**The City continues to encourage lot consolidation to facilitate housing development on an ongoing basis. The Draft Downtown Vitalization Specific Plan includes mechanisms to encourage lot consolidation.**
Program 2.1: Density Bonus	**Continue to provide density bonuses for projects providing affordable units in accordance with state law. Where a housing project seeks a higher density pursuant to the State Density Bonus Law, the affordable housing requirements of Government Code Section 65915 as well as the City's inclusionary housing requirement shall apply.**	**Ongoing**	**The City continues to offer density bonus incentives consistent with State law. Furthermore, the City will need to amend the Density Bonus Ordinance to comply with recent changes in State law regarding length of affordability control and replacement requirements. The City anticipates updating the density bonus provisions in 2020.** **Most of the recently approved projects in Downtown and Central Marina include a density bonus, increasing the project densities to over 40 units per acre.**

Program 2.2: Affordable Housing Development	**Facilitate the development of affordable housing for lower and moderate income households by working with interested developers to identify appropriate sites for affordable housing; working with or assisting nonprofit developers to pursue affordable housing funds available at local, state , and federal levels to implement the goals and policies of this Housing Element; consider reduced, deferred, or waived City planning and processing fees for affordable housing, especially projects that include housing for extremely low income households, seniors, and the disabled; and provide priority processing for affordable housing projects and offer pre-application consultation.**	**Annually**	**This is an ongoing program. Most of the recently approved projects in Downtown and Central Marina include affordable units as a result of the City's inclusionary housing policy and the use of density bonus provisions. Of the 168 units approved, 84 units will be affordable to lower income households.**

Program 2.3: Inclusionary Housing Requirements	**All new development or redevelopment of 20 or more units and all existing occupied housing in Marina's former Fort Ord (as of July 1, 2003) is required to provide at minimum a specified number of housing units affordable to specific income groups according to the affordability distribution specified in Section 17.45 of the Marina Municipal Code and General Plan. Amend the General Plan and Zoning Ordinance to change the total affordable requirement in existing housing in Marina's former Fort Ord, occupied as of July 1, 2003, to twenty (20) percent**	**Ongoing**	**The Housing Element of the Marina General Plan requires a 20% inclusionary requirement on the former Fort Ord. Specific Plans (Dunes on Monterey Bay Specific Plan and the Marina Heights Specific Plan) and the Cypress Knolls Tentative Map on the former Fort Ord require 20% affordable housing. Marina Municipal Code (MMC) Section 17.05.030 C (2) requires a 40% total affordable requirement on the former Fort Ord. The Housing Element and Specific Plans supersede the Municipal Code and thus this is a technicality. City staff will be pursuing revisions to the Code to be consistent with the General Plan. Within Downtown Marina, a Specific Plan is required for each development proposal allowing for flexibility in site design through development standards and design guidelines. With the adoption of the proposed Downtown Vitalization Specific Plan, the need for project level specific plan would be eliminated.**
Program 2.4: Rezone Additional Land for Mobile Home Park	**Consider re-zoning additional land for use and development of a new mobile home park.**	**Every two years**	**Consideration of potential sites ongoing. Section 17.060.050.A of the Zoning Ordinance requires minimum lot area for a mobile home park of five acres.**
Program 2.5: Preferential Housing for Marina Workers and Residents	**Monitor ongoing administration of Below Market Rate housing to ensure thirty percent of units for sale or rent are made available according to the priority preference categories established in the "BMR Administrative Policies and Procedures" adopted by the City Council on January 8, 2008 and as amended..**	**2023**	**This is an ongoing program. Alliance Residential, on behalf of the City and the Fort Ord Reuse Authority, continues to monitor the waiting list administration of BMR units at the Abrams and Preston Park housing areas.**
Program 3.1: Improvement Standards Review	**Every three years, review Zoning Ordinance, site improvement standards and development procedures to ensure that standards and procedures do not unnecessarily constrain the development, conservation, and rehabilitation of affordable housing.**	**Every three years**	**The city is working on the development of a Downtown Vitalization Specific Plan that will address and improve standards and development procedures in Downtown Marina. The City amended the zoning code to allow accessory dwelling units in all residentially zoned districts.**

Program 3.2: Zoning Ordinance Amendments	**The City amended the Zoning Ordinance to address a variety of housing-related requirements. Additional efforts have been identified and include amending the zoning code for Transitional and supportive housing; employee housing; and density bonus replacement requirement and extended affordability covenants.**	**2020**	**The zoning amendments are expected to occur with the Zoning Ordinance update in 2020.**
Program 4.1: Affordable Housing Resources	**The City will actively pursue affordable housing resources available at the local, state, and federal levels to expand affordable housing opportunities in the City for a variety of activities, including but not limited to new construction, acquisition/ rehabilitation, first-time homebuyer assistance, and rehabilitation assistance.**	**Annually**	**This is an ongoing program. The City is actively pursuing Housing Element compliance so it would be eligible for State CDBG, HOME, and SB 2 funds, among others.**
Program 5.1: Property Inspection/Code Enforcement	**Continue use of the Property Inspection Program and code enforcement authority of the Building Division to identify nuisance structures upon property sale or transfer and require abatement prior to completion of the sale or transfer, contingent upon availability of adequate staff.**	**Annually**	**This is an ongoing program.**
Program 5.2 Conservation of Existing Affordable Housing	**The city will work to conserve its existing affordable housing inventory of 476 units.**	**Annually**	**Affordable units monitored by legal staff. This program is implemented as situations arise.**

Program 6.1: Energy Conservation	**Assist homeowners and renters in securing energy audits through local utility companies and programs such as those offered by the Association of Monterey Bay Area Governments by: providing informational flyers available at City offices, public buildings, and special events; making announcements at City Council meetings, links to the City's website and facilitating articles in local newspapers to advertise funding sources for making changes that include energy conservation fixtures and devices.**	**2023**	**The City continues to work with AMBAG's Energy Watch Program by distributing information flyers at City offices and the Marina Public Library and informing people verbally of AMBAG's programs. All information provided by the City is current and up to date.**
Program 7.1: Fair Housing Outreach	**The City will continue to promote equal housing opportunity by providing fair housing information on the City Website, City Library, Community Center, and other public locations. The City will refer inquiries for services and complaints to the appropriate agencies, including the Housing Authority of the County of Monterey; U.S. Department of Housing and Urban Development, Fair Housing and Equal Opportunity Office; State Department of Fair Employment and Housing; as well as other agencies such as the Monterey County Housing Resources Center.**	**Annually**	**This is an ongoing program. Information and links in regards to fair housing are updated as needed.**

Program 8.1: Special Needs Housing - Removal of Constraints	**Adopt a reasonable accommodation ordinance to assist persons with disabilities. Ongoing review of Zoning Ordinance to identify and remove any constraints and ensure that reasonable accommodations are provided in regard to ensuring housing opportunities for persons with disabilities.**	**2022**	**The City is expecting to adopt a Reasonable Accommodation Ordinance that provides exceptions to land use and zoning in 2022.**
Program 9.1: Collaboration with Water Resources Agencies	**Continue to work with the Marina Coast Water District, Fort Ord Reuse Authority and other appropriate agencies to secure sufficient water resources to meet the expected needs of projected housing developments through 2023.**	**Annually**	**Staff continues to participate with the MCWD and FORA to monitor land development entitlements in relation to the City's water allocation and available water supply. Meetings occur at least annually. The City is currently working with the Marina Coast Water District on projected housing units for the Downtown Vitalization Plan.**
Program 10.1: Greenhouse Gas Reduction	**To assist local governments, the State of California Attorney General has prepared and maintains through updates, a list of "Generally Applicable Global Warming Measures" that are known to reduce the global warming related impacts of a project. As appropriate, incorporate these measures as design features of a project, to reduce project specific greenhouse gas emissions to the maximum extent feasible.**	**Annually**	**This is an ongoing program. City staff ensures that all land development projects incorporate best management practices to achieve greenhouse gas emissions reductions, and encourage LEED or equivalent certification for all developments with the goal of reducing Marina's greenhouse gas emissions over time. These measures are, wherever feasible, incorporated into project design, through developer/staff negotiations, rather than as project mitigation.**

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Note: "+" indicates an optional field

Cells in grey contain auto-calculation formulas

Table E

Commercial Development Bonus Approved pursuant to GC Section 65915.7

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

Jurisdiction	Marina	
Reporting Period	2021	(Jan. 1 - Dec. 31)
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Cells in grey contain auto-calculation formulas

Table F

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

Please note this table is optional: The jurisdiction can use this table to report units that have been substantially rehabilitated, converted from non-affordable to affordable by acquisition, and preserved, including mobilehome park preservation, consistent with the standards set forth in Government Code section 65583.1, subdivision (c). Please note, motel, hotel, hostel rooms or other structures that are converted from non-residential to residential units pursuant to Government Code section 65583.1(c)(1)(D) are considered net-new housing units and must be reported in Table A2 and not reported in Table F.

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

Jurisdiction	Marina	
Reporting Period	2021	(Jan. 1 - Dec. 31)
Planning Period	5th Cycle	12/31/2015 - 12/31/2023

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

Note: "+" indicates an optional field

Cells in grey contain auto-calculation formulas

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

Project Identifier						
1				2	3	4
APN	**Street Address**	**Project Name+**	**Local Jurisdiction Tracking ID+**	**Realistic Capacity Identified in the Housing Element**	**Entity to whom the site transferred**	**Intended Use for Site**
Summary Row: Start Data Entry Below						

Jurisdiction	Marina	
Reporting Period	2021	(Jan. 1 - Dec. 31)

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

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For Monterey County jurisdictions, please format the APN's as follows:999-999-999-999

Table H
Locally Owned Surplus Sites

Parcel Identifier				Designation	Size	Notes
1	2	3	4	5	6	7
APN	Street Address/Intersection	Existing Use	Number of Units	Surplus Designation	Parcel Size (in acres)	Notes
Summary Row: Start Data Entry Below						
031-111-037-000	N/A	Public Facilities	0	Excess	575.78	AIRPORT PROPERTY - DEED RESTRICTED
031-112-001-000	3200 IMJIN RD	Public Facilities	0	Excess	0	AIRPORT PROPERTY - DEED RESTRICTED
031-112-002-000	3220 IMJIN RD	Public Facilities	0	Excess	0	AIRPORT PROPERTY - DEED RESTRICTED
031-112-003-000		Public Facilities	0	Excess	0	AIRPORT PROPERTY - DEED RESTRICTED
031-112-004-000	3230 IMJIN RD	Public Facilities	0	Excess	0	AIRPORT PROPERTY - DEED RESTRICTED
031-112-005-000	3240 IMJIN RD	Public Facilities	0	Excess	0	AIRPORT PROPERTY - DEED RESTRICTED
031-112-006-000	3250 IMJIN RD	Public Facilities	0	Excess	0	AIRPORT PROPERTY - DEED RESTRICTED
031-112-007-000		Public Facilities	0	Excess	0	AIRPORT PROPERTY - DEED RESTRICTED
031-112-008-000	3262 IMJIN RD	Public Facilities	0	Excess	0	AIRPORT PROPERTY - DEED RESTRICTED
031-112-009-000	3260 IMJIN RD	Public Facilities	0	Excess	0	AIRPORT PROPERTY - DEED RESTRICTED
031-112-010-000		Public Facilities	0	Excess	0	AIRPORT PROPERTY - DEED RESTRICTED
031-112-011-000		Public Facilities	0	Excess	0.177	AIRPORT PROPERTY - DEED RESTRICTED
031-112-012-000		Public Facilities	0	Excess	0	AIRPORT PROPERTY - DEED RESTRICTED
031-112-013-000		Public Facilities	0	Excess	0	AIRPORT PROPERTY - DEED RESTRICTED
031-112-014-000	3261 IMJIN RD	Public Facilities	0	Excess	0	AIRPORT PROPERTY - DEED RESTRICTED
031-112-015-000	791 NEESON RD	Public Facilities	0	Excess	0	AIRPORT PROPERTY - DEED RESTRICTED
031-112-016-000		Public Facilities	0	Excess	0	AIRPORT PROPERTY - DEED RESTRICTED
031-112-017-000	781 NEESON RD	Public Facilities	0	Excess	0	AIRPORT PROPERTY - DEED RESTRICTED
031-112-018-000	761 NEESON RD	Public Facilities	0	Excess	0	AIRPORT PROPERTY - DEED RESTRICTED
031-112-019-000		Public Facilities	0	Excess	0	AIRPORT PROPERTY - DEED RESTRICTED
031-112-020-000		Public Facilities	0	Excess	0	AIRPORT PROPERTY - DEED RESTRICTED
031-112-021-000	741 NEESON RD	Public Facilities	0	Excess	0	AIRPORT PROPERTY - DEED RESTRICTED
031-112-022-000		Public Facilities	0	Excess	0	AIRPORT PROPERTY - DEED RESTRICTED
031-112-023-000		Public Facilities	0	Excess	0	AIRPORT PROPERTY - DEED RESTRICTED
031-112-024-000	721 NEESON RD	Public Facilities	0	Excess	0	AIRPORT PROPERTY - DEED RESTRICTED
031-112-025-000	711 NEESON RD	Public Facilities	0	Excess	0	AIRPORT PROPERTY - DEED RESTRICTED
031-112-026-000		Public Facilities	0	Excess	0	AIRPORT PROPERTY - DEED RESTRICTED
031-112-027-000		Public Facilities	0	Excess	0	AIRPORT PROPERTY - DEED RESTRICTED
031-112-028-000		Public Facilities	0	Excess	0	AIRPORT PROPERTY - DEED RESTRICTED
031-112-029-000		Public Facilities	0	Excess	0	AIRPORT PROPERTY - DEED RESTRICTED
031-112-030-000		Public Facilities	0	Excess	0	AIRPORT PROPERTY - DEED RESTRICTED
031-112-035-000	3271 IMJIN RD	Public Facilities	0	Excess	0	AIRPORT PROPERTY - DEED RESTRICTED
031-112-036-000		Public Facilities	0	Excess	0	AIRPORT PROPERTY - DEED RESTRICTED

031-112-037-000		Public Facilities	0	Excess	0	AIRPORT PROPERTY - DEED RESTRICTED
031-112-038-000		Public Facilities	0	Excess	0	AIRPORT PROPERTY - DEED RESTRICTED
031-112-039-000	771 NEESON RD	Public Facilities	0	Excess	0	AIRPORT PROPERTY - DEED RESTRICTED
031-112-040-000		Public Facilities	0	Excess	0	AIRPORT PROPERTY - DEED RESTRICTED
031-112-041-000		Public Facilities	0	Excess	0	AIRPORT PROPERTY - DEED RESTRICTED
031-112-042-000		Public Facilities	0	Excess	0	AIRPORT PROPERTY - DEED RESTRICTED
031-112-043-000		Public Facilities	0	Excess	0	AIRPORT PROPERTY - DEED RESTRICTED
031-112-044-000		Public Facilities	0	Excess	0	AIRPORT PROPERTY - DEED RESTRICTED
031-112-045-000		Public Facilities	0	Excess	0	AIRPORT PROPERTY - DEED RESTRICTED
NOT AVAILABLE	n/a	Vacant	0	Excess	0	
031-271-010-000		Public Facilities	0	Excess	0	CITY FACILITY - WASTE WATER FACILITY
033-121-009-000	188 SEASIDE CIR	Public Facilities	0	Excess	2.68	CITY FACILITY - COUNTY LIBRARY
032-311-002-000	211 HILLCREST AVE	Public Facilities	0	Excess	0	CITY FACILITY - CIVIC CENTER
032-303-013-000	211 HILLCREST AVE	Public Facilities	0	Excess	0	CITY FACILITY - COMMUNITY CENTER
032-311-033-000	209 CYPRESS AVE	Public Facilities	0	Excess	0.64	CITY FACILITY - COMMUNITY DEVELOPMENT
031-101-038-000	2660 5TH AVE	Public Facilities	0	Excess	7.06	CITY FACILITY - CORPORATE YARD
031-251-031-000		Public Facilities	0	Excess	3.26	CITY FACILITY - DUNES FIRE STATION
033-171-025-000		Public Facilities	0	Excess	0	CITY FACILITY - OLD CORPORATION YARD
033-171-026-000	3040 LAKE DR	Public Facilities	0	Excess	1.49	CITY FACILITY - OLD CORPORATION YARD
031-081-021-000	N/A	Public Facilities	0	Excess	0.33	CITY FACILITY - PERCOLATION POND
031-282-017-000		Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
032-011-032-000	234 COSKY DR	Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
032-021-023-000	MICHAEL DR	Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
032-021-041-000		Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
032-021-058-000		Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
032-032-006-000	MICHAEL DR	Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
032-042-014-000		Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
032-071-060-000	DEFOREST RD	Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
032-071-084-000	MARTIN CIR	Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
032-082-024-000	3241 MARTIN CIR	Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
032-091-051-000		Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
032-091-056-000		Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
032-101-059-000	DEFOREST RD	Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
032-131-019-000	CRIVELLO RD	Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
032-151-029-000	CRESTVIEW CT	Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
032-152-044-000	EXETER PL	Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
032-211-011-000	CRESCENT AVE	Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
032-221-032-000	EVERETT CIR	Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
032-231-021-000	FLOWER CIR	Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
032-232-046-000	LYNSCOTT DR	Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
032-232-063-000		Public Facilities	0	Excess	0.077	CITY FACILITY - PERCOLATION POND
032-241-012-000	LYNSCOTT DR	Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
032-242-057-000	CARMEL AVE	Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
032-242-077-000	3101 ELLIS CT	Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
032-251-055-000	CARMEL AVE	Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
032-251-056-000	CARMEL AVE	Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND

032-261-021-000	HELENA WAY	Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
032-262-026-000	408 REDWOOD DR	Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
032-273-015-000	355 HILLCREST AVE	Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
032-283-023-000		Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
032-283-040-000		Public Facilities	0	Excess	0.61	CITY FACILITY - PERCOLATION POND
032-291-011-000	BENNETT CT	Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
032-311-023-000	227 CYPRESS AVE	Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
032-331-039-000	304 HILLCREST AVE	Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
032-351-037-000	REINDOLLAR AVE	Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
032-361-018-000	MILDRED CT	Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
032-371-015-000	JEAN ST	Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
032-371-062-000		Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
032-381-014-000	GLORIA CIR	Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
032-381-035-000	KELLI CT	Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
032-382-054-000		Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
032-383-019-000	3012 LIBERTY CT	Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
032-383-050-000	CALIFORNIA ST	Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
032-383-054-000		Public Facilities	0	Excess	0.36	CITY FACILITY - PERCOLATION POND
032-391-013-000	3003 ELLEN CT	Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
032-391-047-000	3002 KING CIR	Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
032-391-087-000	3026 KENNEDY CT	Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
032-401-033-000	3009 CRESCENT ST	Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
032-403-042-000		Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
032-411-073-000		Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
032-412-028-000		Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
032-412-029-000		Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
032-431-003-000		Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
032-481-005-000		Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
032-501-022-000	3080 CRUMPTON LN	Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
032-551-019-000	3228 DEFOREST RD	Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
033-021-011-000		Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
033-062-001-000		Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
033-062-016-000		Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
033-076-094-000		Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
033-081-036-000		Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
033-082-038-000	STARFISH CT	Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
033-172-003-000		Public Facilities	0	Excess	0.42	CITY FACILITY - PERCOLATION POND
033-221-050-000		Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
033-251-033-000		Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
033-271-023-000		Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
033-271-024-000		Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
033-281-017-000	PACIFIC CT	Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
033-281-026-000	3377 PAUL DAVIS DR	Public Facilities	0	Excess	0	CITY FACILITY - PERCOLATION POND
032-321-043-000	OWEN AVE	Public Facilities	0	Excess	0	CITY FACILITY - SKATE PARK
033-211-010-000	180 RESERVATION RD	Public Facilities	0	Excess	0	CITY FACILITY - WASTE WATER FACILITY
031-081-023-000	N/A	Vacant	0	Excess	30.71	

031-081-025-000	N/A	Vacant	0	Excess	0.23	
031-101-050-000	N/A	Vacant	0	Excess	8.27	
031-101-055-000	N/A	Vacant	0	Excess	26.89	
031-101-061-000	N/A	Vacant	0	Excess	4.71	
031-121-004-000	N/A	Vacant	0	Excess	3.21	
031-201-005-000	N/A	Vacant	0	Excess	154.56	
031-201-016-000	N/A	Vacant	0	Excess	13.39	
031-201-023-000	N/A	Vacant	0	Excess	0.53	
031-201-028-000	N/A	Vacant	0	Excess	3.8	
031-251-018-000	N/A	Vacant	0	Excess	20.16	
031-101-039-000	N/A	Vacant	0	Excess	21.22	
031-101-040-000	N/A	Vacant	0	Excess	2.7	
031-101-042-000	N/A	Vacant	0	Excess	21.55	
031-101-056-000	N/A	Other	0	Excess	85.21	HABITAT RESERVE
031-111-036-000	N/A	Other	0	Excess	130.32	HABITAT RESERVE - MARINA AIRPORT
031-111-013-000	N/A	Other	0	Excess	43.14	HABITAT RESERVE - SALINAS RIVER
031-271-009-000	N/A	Other	0	Excess	140.61	HOUSING - ABRAMS PARK
031-201-027-000	N/A	Other	0	Excess	0	HOUSING - PRESTON PARK
031-021-049-000	N/A	Other	0	Excess	14	NW CORNER/DEL MONTE EXTENSION
031-021-051-000	N/A	Other	0	Excess	46.5	NW CORNER/DEL MONTE EXTENSION
031-021-052-000	N/A	Other	0	Excess	40.6	NW CORNER/DEL MONTE EXTENSION
031-221-008-000	N/A	Other	0	Excess	15.02	PARK - DUNES CITY
031-251-014-000	N/A	Other	0	Excess	27.23	PARK - EQUESTRIAN CENTER
033-052-006-000	N/A	Other	0	Excess	0	PARK - GLORIA JEAN TATE
033-073-002-000	3254 ABDY WAY	Other	0	Excess	0	PARK - GLORIA JEAN TATE
031-221-007-000	N/A	Other	0	Excess	5.7	PARK - GYM & POOL
031-101-054-000	N/A	Other	0	Excess	25.16	PARK - HILLTOP
033-132-002-000	N/A	Other	0	Excess	0	PARK - LOCKE PADDON
033-132-003-000	N/A	Other	0	Excess	0	PARK - LOCKE PADDON
033-135-017-000	N/A	Other	0	Excess	0	PARK - LOCKE PADDON POINT
033-121-004-000	RESERVATION RD	Other	0	Excess	0	PARK - LOCKE PADDON RESTROOMS/PARKING
031-272-060-000	N/A	Other	0	Excess	0	PARK - SEA HAVEN
031-274-107-000	N/A	Other	0	Excess	0	PARK - SEA HAVEN
031-278-085-000	N/A	Other	0	Excess	0	PARK - SEA HAVEN
031-221-009-000	N/A	Other	0	Excess	3.46	PARK - SOUTH 2ND IN DUNES
032-042-001-000	3200 DEL MONTE BLVD	Other	0	Excess	0	PARK - VINCE DIMAGGIO
032-555-037-000	3240 DEFOREST RD	Other	0	Excess	0	PARK - WINDY HILL
031-101-041-000	N/A	Other	0	Excess	30.32	SEA HAVEN HABITAT MITIGATION

Jurisdiction	Marina	
Reporting Year	2021	(Jan. 1 - Dec. 31)
Planning Period	5th Cycle	12/31/2015 - 12/31/2023

Building Permits Issued by Affordability Summary		
Income Level		**Current Year**
Very Low	Deed Restricted	0
	Non-Deed Restricted	0
Low	Deed Restricted	0
	Non-Deed Restricted	0
Moderate	Deed Restricted	0
	Non-Deed Restricted	0
Above Moderate		210
Total Units		**210**

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

Units by Structure Type	Entitled	Permitted	Completed
SFA	0	0	0
SFD	0	199	0
2 to 4	0	0	0
5+	9	0	0
ADU	5	11	0
MH	0	0	0
Total	**14**	**210**	**0**

Housing Applications Summary	
Total Housing Applications Submitted:	4
Number of Proposed Units in All Applications Received:	14
Total Housing Units Approved:	14
Total Housing Units Disapproved:	0

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

Units Constructed - SB 35 Streamlining Permits			
Income	**Rental**	**Ownership**	**Total**
Very Low	0	0	0
Low	0	0	0
Moderate	0	0	0
Above Moderate	0	0	0
Total	0	0	0

Cells in grey contain auto-calculation formulas

Jurisdiction	Marina	
Reporting Year	2021	(Jan. 1 - Dec. 31)

ANNUAL ELEMENT PROGRESS REPORT
Local Early Action Planning (LEAP) Reporting
(CCR Title 25 §6202)

Please update the status of the proposed uses listed in the entity's application for funding and the corresponding impact on housing within the region or jurisdiction, as applicable, categorized based on the eligible uses specified in Section 50515.02 or 50515.03, as applicable.

Total Award Amount	$ 150,000.00	*Total award amount is auto-populated based on amounts entered in rows 15-26.*

Task	$ Amount Awarded	$ Cumulative Reimbursement Requested	Task Status	Other Funding	Notes
VMT Analysis	$40,000.00	$0.00	In Progress	REAP	
Phase 1 General Plan Update	$105,000.00	$0.00	In Progress	REAP	
Accessory Dwelling Unit Ordinance	$5,000.00	$0.00	In Progress	REAP	

Summary of entitlements, building permits, and certificates of occupancy (auto-populated from Table A2)

Completed Entitlement Issued by Affordability Summary		
Income Level		**Current Year**
Very Low	Deed Restricted	0
	Non-Deed Restricted	0
Low	Deed Restricted	0
	Non-Deed Restricted	0
Moderate	Deed Restricted	0
	Non-Deed Restricted	0
Above Moderate		14
Total Units		**14**

Building Permits Issued by Affordability Summary		
Income Level		**Current Year**
Very Low	Deed Restricted	0
	Non-Deed Restricted	0
Low	Deed Restricted	0
	Non-Deed Restricted	0
Moderate	Deed Restricted	0
	Non-Deed Restricted	0
Above Moderate		210
Total Units		**210**

Certificate of Occupancy Issued by Affordability Summary		
Income Level		**Current Year**
Very Low	Deed Restricted	0
	Non-Deed Restricted	0
Low	Deed Restricted	0
	Non-Deed Restricted	0
Moderate	Deed Restricted	0
	Non-Deed Restricted	0
Above Moderate		0
Total Units		**0**

May 12, 2022

Item No. **8f(4)**

Honorable Mayor and Members
Of the Marina City Council

City Council Meeting
of May 17, 2022

CITY COUNCIL TO CONSIDER ADOPTING RESOLUTION NO. 2022-, FIXING AND LEVYING A SPECIAL TAX FOR PRINCIPAL AND INTEREST PAYMENTS AND ADMINISTRATIVE COSTS ON THE CITY'S 2015 GENERAL OBLIGATION REFUNDING LIBRARY BONDS FOR FISCAL YEAR 2022-2023; AND RESOLUTION NO. 2022-, CERTIFYING COMPLIANCE WITH STATE LAW (PROPOSITION 218) WITH RESPECT TO SPECIAL TAXES FOR THE 2015 GENERAL OBLIGATION REFUNDING LIBRARY BONDS TAX LEVY FOR FISCAL YEAR 2022-2023

RECOMMENDATION:
It is requested that the City Council:

1. Consider adopting Resolution No. 2022-, fixing and levying a special tax for principal and interest payments and administrative costs on the 2015 General Obligation Refunding Library Bonds for fiscal year 2022-2023; and
2. Consider adopting Resolution No. 2022-, certifying compliance with State Law (Proposition 218) with respect to special taxes for the 2015 General Obligation Refunding Library Bonds Levy for Fiscal Year 2022-2023.

BACKGROUND:
California Revenue and Taxation Code Section 2270 authorizes the City to levy taxes to pay principal and interest on voter-approved bonded indebtedness. On May 12, 2015, the City issued $7,640,000 general obligation bonds to refund the 2005 General Obligation Library Construction Bond Issue which was approved by the voters. No other general obligation bonds are outstanding. For 2022/23, only the 2015 general obligation bonded debt tax levy is required. The Monterey County Auditor Controller requires that the Council approve by resolution the amount of the tax levy and submit the levy no later than August 1, 2022 for inclusion on the 2022-2023 property tax bills.

Except for the Constitutionally-limited 1% ad valorem tax, the Monterey County Auditor-Controller will not place special taxes on the rolls unless the City Council certifies by resolution that the City is in compliance with Proposition 218, the 1996 '*Right to Vote on Taxes Act*' with respect to each such tax. The Certification Resolution must contain hold harmless and indemnification provisions for administrative expenses of the County associated with collection of the City's special taxes placed on the rolls. This certification, along with a copy of the resolution setting the special taxes and certain other documentation, must also be submitted to the County no later than August 1, 2022.

ANALYSIS:
The following table details the computation of the special tax rate for 2022-23:

FY 2022/23 Assessed Values (estimated)*			
Secured:			**$ 2,843,108,942**
Unsecured:			**95,657,532**
	total assessed value		**$ 2,938,766,474**
Debt Service From 22/23 levy:			
(per $100 assessed value):	**Bond Principal**	**$ 315,000**	
	Bond Interest	**224,581**	
	Trustee & admin fees	**17,855**	
	Total Debt Service	**$ 557,436**	
	Less: *Estimated Cash Available*	**- 45,410**	
	total required for debt service		**$ 512,026**
	TAX RATE (per $100 assessed value,rounded)		**$ 0.01742**

* 2022-23 assessed valuations were not available from the County of Monterey at the time of this report. FY 21-22 assessed values, on which the 22-23 levy is based, were significantly higher than the previous year. Given the projected modest growth in housing prices, it is assumed that FY 2022-23 assessed values will be approximately 3% higher than last year. This conservative assumption is consistent with changes in the prior year's actual assessed values and tax revenues, which exceeded projections and are included in the carryforward *Estimated Cash Available* shown above.

Estimated Assessed Values produce a tax rate of $17.42 per $100,000 assessed value for the 2015 refunding bond issue, which is slightly higher than the $16.74 levy for FY 21/22, due to larger bond principal payments due for fiscal year 2022-23.

Note: tax rates must be rounded to the nearest even number for placement on the tax roll.

FISCAL IMPACT:
Revenue collected will be credited to the 2015 GO Library Refunding Bonds Debt Service Fund 312.

CONCLUSION:
This request is submitted for City Council consideration and possible action.

Respectfully submitted,

_____
Juan Lopez
Finance Director
City of Marina

REVIEWED/CONCUR:

_____
Layne P. Long
City Manager
City of Marina

RESOLUTION NO. 2022__

A RESOLUTION OF THE CITY OF MARINA FIXING AND LEVYING A TAX TO PAY PRINCIPAL, INTEREST AND ADMINISTRATIVE COSTS ON THE 2015 GENERAL OBLIGATION REFUNDING BONDS FOR FISCAL YEAR 2022-2023

WHEREAS, Section 2270 of the Revenue and taxation Code authorizes the City to levy taxes to pay principal, interest and administrative costs on voter-approved bonded indebtedness of the City.

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

1. The City has determined the 2022-2023 general obligation bonded indebtedness cost to be $557,436 for the 2015 General Obligation Refunding Bonds.

2. There is hereby fixed, assessed and levied a tax at the rate of $.0.01742 per One Hundred Dollars of assessed valuation for the 2015 General Obligation Refunding Bonds (0.0001742 per $1 assessed value; $17.42 per $100,000 assessed value) on all of the property within the City of Marina subject to repayment of bonded indebtedness of the City.

3. The City shall transmit to the County Auditor a statement of the rate of taxation so fixed by the City Council and the tax computation worksheet. Transmission of a certified copy of this resolution to the Monterey County Auditor Controller constitutes compliance with this directive.

4. The Tax Collector of the County of Monterey shall collect the aforementioned tax in accordance with Section 2270 of the Revenue and Taxation Code.

5. The net amount of said tax, when collected, shall be paid to the Treasurer of the County of Monterey to be held by him/her as depository of the City of Marina, under the general requirements and penalties provided by law for the settlement of other taxes.

PASSED AND ADOPTED by the Marina City Council at a regular meeting duly held on the 17th day of May 2022 by the following vote:

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

_____
Bruce C. Delgado, Mayor

ATTEST:

_____
Anita Sharp, Acting Deputy City Clerk

RESOLUTION NO. 2022-

A RESOLUTION OF THE CITY OF MARINA CERTIFYING
COMPLIANCE WITH STATE LAW WITH RESPECT TO
LEVYING OF SPECIAL TAXES FOR FISCAL YEAR 2022-2023

WHEREAS, The City of Marina requests that the Monterey County Auditor-Controller enter the special tax identified in Exhibit "A" on the property tax roll for collection and distribution by the Monterey County Treasurer-Tax Collector commencing with the property tax bills for fiscal year 2022-2023 (**"EXHIBIT A"**).

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

1. The City hereby certifies that it has, without limitation, complied with all legal procedures and requirements necessary for the levying and imposition of the special taxes identified in **EXHIBIT A** regardless of whether those procedures and requirements are set forth in the Constitution of the State of California, in State statutes, or in the applicable decisional law of the State of California.

2. The City further certifies that, except for the sole negligence or misconduct of the County of Monterey, its officers, employees and agents, the City shall be solely liable and responsible for defending, at its sole expense, cost and risk, each and every action, suit or other proceeding brought against the County of Monterey, its officers, employees and agents for every claim, demand or challenge to the levying or imposition of the special tax identified in **EXHIBIT A** and that the City shall pay or satisfy any judgment rendered against the County of Monterey, its officers, employees and agents on every such action, suit, or other proceeding, including all claims for refunds and interest thereon, legal fees, court costs and administrative expenses of the County of Monterey to correct the tax rolls.

PASSED AND ADOPTED by the City of Marina City Council at a regular meeting duly held on the 17th day of May 2022, by the following vote:

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

_____
Bruce C. Delgado, Mayor

ATTEST:

_____
Anita Sharp, Acting Deputy City Clerk

EXHIBIT A

ATTACHMENT TO RESOLUTION NO. 2022-___ OF THE CITY OF MARINA, COUNTY OF MONTEREY, CALIFORNIA, CERTIFYING COMPLIANCE WITH STATE LAW WITH RESPECT TO THE LEVYING OF SPECIAL TAX LEVIED AS AN INCIDENT OF PROPERTY OWNERSHIP FISCAL YEAR 2022-2023

SPECIAL TAX RATE (per $100 assessed value)

:	2015 General Obligation Refunding Bonds	$.01742

May 1, 2020 Item No. **8g(1)**

Honorable Mayor and Members
of the Marina City Council

City Council Meeting
of May 17, 2022

CITY COUNCIL CONSIDER ADOPTING RESOLUTION NO. 2022-, CALLING A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 8, 2022, FOR THE ELECTION OF CERTAIN CITY OFFICERS FROM COUNCIL DISTRICTS 1 AND 4 AND REQUESTING THAT THE COUNTY OF MONTEREY AGREE TO CONSOLIDATION OF SAID ELECTION WITH THE STATEWIDE GENERAL ELECTION TO BE HELD ON SAID DATE, AND REQUESTING THE COUNTY TO RENDER ANY AND ALL SERVICES IN CONNECTION WITH SAID CONSOLIDATED ELECTION; AUTHORIZING THE FINANCE DIRECTOR TO APPROPRIATE FUNDS AND THE CITY MANAGER TO EXECUTE AN AGREEMENT, SUBSTANTIALLY IN THE FORM ATTACHED HERETO, FOR THE PROVISION OF ELECTION SERVICES WITH MONTEREY COUNTY, SUBJECT TO FINAL REVIEW AND APPROVAL BY CITY ATTORNEY.

RECOMMENDATION:

It is recommended that the City Council:

1. Consider adopting Resolution No. 2022-, calling for a general municipal election in the City of Marina on Tuesday, November 8, 2022, for the election of certain city officers; and

2. Requesting the Count of Monterey agree to the consolidation of the election with the statewide general election and requesting the County Elections Department to render any and all services required to conduct the election; and

3. Authorizing the Finance Director to appropriate funds and the City Manager to execute a service agreement for the provision of election services between the City of Marina and Monterey County Elections Department/Registrar of Voters subject to final review and approval by City Attorney.

BACKGROUND:

The terms of Councilmember Berkley and Councilmember Burnett will expire as of November 2022. On December 17, 2019, the City Council adopted Ordinance 2019-04 amending Chapter 2.06 of the Marina Municipal Code entitled "Municipal Elections" to add Section 2.06.020 establishing a by-district electoral system for four City Council members, with the office of Mayor to continue to be separately elected. The November 8, 2022, general municipal election will be the first election held under the by-district electoral system for Council Districts 1 and 4.

ANALYSIS:

Pursuant to Elections Code (EC) Section 10002, the City may, by resolution, request the Board of Supervisors of the County to permit the County Elections Official to render specified services to the city or district relating to the conduct of an election.

Pursuant to EC §§12101 the first day for the City Council to call for an election and for the City Clerk to publish notice of the election, is July 4, 2022.

Pursuant to EC Section, 10403 the last day for the City Council to file with the Elections Department a resolution requesting consolidation of an election for candidates or measures is August 12, 2022.

Pursuant to Elections Code Section 10400, whenever two or more elections, including bond elections, of any legislative or congressional district, public district, city, county, or other political subdivision are called to be held on the same day, in the same territory, or in territory that is in part the same, they may be consolidated upon the order of the governing body or bodies or officer or officers calling the elections.

Consistent with past practice, when the City's election is consolidated and the County be requested to render specified services in connection with said consolidated election, the County requires a contract for any and all services. The form of a contract for the November 8, 2022 General Municipal Election is attached as **EXHIBIT A**.

FISCAL IMPACT:
Should the City Council approve this request, adequate funding is included in the FY 2022-23 and FY 23-24 Budgets, and will be charged to General Fund, City Administration, Elections, Account No. 11.112.65895. The County Elections Department has estimated the cost to the City for the consolidation of the November 8, 2022 election to be between $60,426 and $80,568.

CONCLUSION:
This request is submitted for the City Council consideration and possible action.

Respectfully submitted,

_____
Anita Sharp
Deputy City Clerk
City of Marina

REVIEWED/CONCUR:

_____
Layne Long
City Manager
City of Marina

SOURCE OF FUNDING:
Should the City Council approve this request, adequate funding is included in the FY 2022-23 and FY 2023-2024 Budgets and will be charged to General Fund, City Administration, Elections, Account No. 11.112.65895.

Resolution No. 2022- ____

RESOLUTION ORDERING A GENERAL MUNICIPAL ELECTION IN THE CITY OF MARINA, REQUESTING THE COUNTY ELECTIONS DEPARTMENT TO CONDUCT THE ELECTION, AND REQUESTING CONSOLIDATION OF THE ELECTION

City of Marina

WHEREAS, pursuant to Elections Code Section 10002, the governing body of any city or district may by resolution request the Board of Supervisors of the county to permit the county elections official to render specified services to the city or district relating to the conduct of an election; and

WHEREAS, the resolution of the governing body of the city or district shall specify the services requested; and

WHEREAS, pursuant to Elections Code Section 10002, the city or district shall reimburse the county in full for the services performed upon presentation of a bill to the city or district; and

WHEREAS, pursuant to Elections Code Section 10400, whenever two or more elections, including bond elections, of any legislative or congressional district, public district, city, county or other political subdivision are called to be held on the same day, in the same territory, or in territory that is in part the same, they may be consolidated upon the order of the governing body or bodies or officer or officers calling the elections; and

WHEREAS, pursuant to Elections Code Section 10400, such election for cities and special districts may be either completely or partially consolidated; and

WHEREAS, the provisions of Section 2.06.010 of the Marina Municipal Code provide that the City of Marina's General Municipal Election shall be held on the same day as the Statewide General Election on the first Tuesday following the first Monday of November in every even-numbered year and the City Council may submit to the voters at the election such questions and or propositions as may be timely submitted; and

WHEREAS, on December 17, 2019, the City Council adopted Ordinance 2019-04 amending Chapter 2.06 of the Marina Municipal Code entitled "Municipal Elections" to add Section 2.06.020 establishing a by-district electoral system for four City Council members, with the office of Mayor to continue to be separately elected; and

WHEREAS, the November 8, 2022, general municipal election will be the first election held under a by-district electoral system for Council Districts 1 and 4; and

WHEREAS, pursuant to Elections Code Section 10403, whenever an election called by a district, city or other political subdivision for the submission of any question, proposition, or office to be filled is to be consolidated with a statewide election, and the question, proposition, or office to be filled is to appear upon the same ballot as that provided for that statewide election, the district, city or other political subdivision shall, at least 88 days prior to the date of the election, file with the board of supervisors, and a copy with the elections official, a resolution of its governing board requesting the consolidation, and setting forth the exact form of any question, proposition, or office to be voted upon at the election, as it is to appear on the ballot. Upon such request, the Board of Supervisors may order the consolidation; and

WHEREAS, pursuant to Elections Code Section 13307, whenever an election called by a district, city, or other political subdivision has offices to be filled, it is required to fix and determine the number of words that a candidate may submit on the candidate's statement to be either 200 or 400 words and to determine if the candidate and or the political subdivision will pay the cost of the statement; and

WHEREAS, Elections Code Section 15651 requires the city or district to determine the means and manner in which a tie vote is to be resolved in the event that two or more persons receive an equal number of votes and the highest number of votes ("tie votes") for an office to be voted upon; and

WHEREAS, the resolution requesting the consolidation shall be adopted and filed at the same time as the adoption of the ordinance, resolution, or order calling the election; and

WHEREAS, various district, county, state and other political subdivision elections may be or have been called to be held on a November 8, 2022.

NOW THEREFORE, BE IT RESOLVED AND ORDERED that the governing body of the City of Marina hereby orders an election be called and consolidated with any and all elections also called to be held on November 8, 2022, insofar as said elections are to be held in the same territory or in territory that is in part the same as the territory of the City of Marina, and the City of Marina requests the Board of Supervisors of the County of Monterey to order such consolidation under Elections Code Section 10401 and 10403.

BE IT FURTHER RESOLVED AND ORDERED that said governing body hereby requests the Board of Supervisors to permit the Monterey County Elections Department to provide any and all services necessary for conducting the election and agrees to pay for said services, and

BE IT FURTHER RESOLVED AND ORDERED that the Monterey County Elections Department conduct the election for the purpose of electing two Members to this Governing Board on the November 8, 2022, ballot:

SEATS OPEN	OFFICE	TERM
Bruce C. Delgado	Mayor – At-Large	Full Term of Four Years
David Burnett	Councilmember - District 1	Full Term of Four Years
Lisa Berkley	Councilmember - District 4	Full Term of Four Years

BE IT FURTHER RESOLVED AND ORDERED that pursuant to Election Code Section 13307 the City of Marina has resolved that all costs of the Candidate's statement be paid by the Candidate and that no candidate may submit a statement of over 200 words.

BE IT FURTHER RESOLVED AND ORDERED that pursuant to Elections Code Section 15651(a), a tie vote shall be resolved by drawing lots**.**

BE IT FURTHER RESOLVED AND ORDERED that tie votes shall be determined by the City Council acting as the Election Board.

BE IT FURTHER RESOLVED AND ORDERED that the Deputy City Clerk is hereby designated as the Elections Officials and is directed to submit forthwith a certified copy of this resolution to the Board of Supervisors, to the Registrar of Voters and to the County Clerk of the County of Monterey. The Deputy City Clerk shall certify as to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

BE IT FURTHER RESOLVED AND ORDERED that the Finance Director is authorized and directed to appropriate the necessary funds to pay for the cost of the election and the City Manager is authorized to execute an agreement for the provision of election services between the City of Marina and Monterey County, subject to review and approval by the City Attorney.

PASSED AND ADOPTED by the City Council of the City of Marina on this 17th day of May 2022, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTENTIONS: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

SIGNED: _____
Bruce C. Delgado, Mayor

ATTEST: _____
Anita Shepherd-Sharp, Deputy City Clerk

SERVICE AGREEMENT FOR THE PROVISION OF ELECTION

SERVICES BETWEEN **CITY OF MARINA** AND

MONTEREY COUNTY REGISTRAR OF VOTERS

NOVEMBER 8, 2022

This Agreement, entered into this _____ day of _____ 2022, by and between **City of Marina** and Monterey County Registrar of Voters (hereinafter referred to as Registrar of Voters);

WHEREAS, it is necessary and desirable that the Registrar of Voters be retained for the purpose of conducting an election hereinafter described for the **City of Marina** (hereinafter referred to as the City);

NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO AS FOLLOWS:

SERVICES TO BE PERFORMED BY THE CITY:

1) No later than the 88th day prior to the election the City shall submit a resolution requesting the Registrar of Voters for Monterey County to conduct an election for the City on **NOVEMBER 8, 2022** and requesting election related services of the Registrar of Voters.

2) The City shall publish the Notice of Election and the Notice to File Declarations of Candidacy for the offices to be voted on, and/or the Notice to File Arguments for or against any measure.

3) The City shall submit to the Registrar of Voters in writing the exact number of offices to be voted on and the names and ballot designations of the candidates for those offices, and/or the exact ballot wording to be voted by no later than the 88th day prior to the election, or by the 83rd day prior to the election if Elections Code §§ 10225, 10229, and 10407 are applicable.

4) The City shall prepare and deliver to the Registrar of Voters the Voter Guide information containing, as applicable, candidates' statements of qualifications, ballot

measure, tax rate statements impartial analysis, arguments for or against and rebuttals thereto. The last day for the submission of primary arguments (300 words) and impartial analysis shall be no later than **AUGUST 18, 2022.** The last day for the submission of rebuttal arguments (250 words) is **AUGUST 25, 2022.**

5) The City shall be responsible for reviewing and approving the language of the sample ballot and official ballot wording for candidates and measures.

SERVICES TO BE PERFORMED BY REGISTRAR OF VOTERS:

1) The Registrar of Voters shall select and contract with the sample and official ballot printer(s) on behalf of the City.

2) The Registrar of Voters shall prepare and deliver to the printer the official ballot information.

3) The Registrar of Voters shall issue, receive and process all ballots on behalf of the City matters.

4) The Registrar of Voters shall procure all necessary and appropriate polling place locations, hire polling place workers, and conduct the election in accordance with all applicable state, federal and local laws.

5) The Registrar of Voters shall prepare a Canvass of Votes Cast and submit a Certificate of Registrar of Voters to the City regarding the City matters.

6) The Registrar of Voters shall conduct other various and miscellaneous election activities as required including but not limited to all those required as the City's Election Official other than those described under "Services to be Performed by the City".

TERMS:

This Agreement shall be in effect for the performance of all services incident to the preparation and conduct of the election to be held on **NOVEMBER 8, 2022.**

The parties will use best efforts to perform services herein. However, in the event the Registrar of Voters is unable to perform services required under this Agreement that are beyond her control, including an employee strike, vendor conditions, natural disasters, war, or other similar conditions, the Registrar of Voters will be relieved of all obligations under this Agreement. The Registrar will provide reasonable notice, if practical, of any conditions beyond her control, including notice at least 60 days prior to **NOVEMBER 8, 2022** of vendor conditions affecting the election services. In the event a vendor does not perform, the Registrar will attempt to obtain substitute services.

CONSIDERATION:

In consideration of the performance of services and supplies provided by the Registrar of Voters, the City shall pay to the Registrar of Voters a sum equal to the actual cost of such services, expenses, and supplies related to the work performed on behalf of City. In the event that this Agreement is terminated prematurely, the City shall pay to the Registrar a sum equal to the actual cost of such services performed or supplies/expenses incurred as of the effective date of the termination.

The City shall make payment within 30 days of receipt of invoice from Registrar of Voters.

CITY:

Signature: _____ Date: _____

Print Name: _____

Title: _____

COUNTY:

Signature: _____ Date: _____

Print Name: _____

Title: _____

May 12, 2022 Item No. **8g(2)**

Honorable Mayor and Members
of the Marina City Council

City Council Meeting
of May 17, 2022

CITY COUNCIL CONSIDER ADOPTING RESOLUTION NO. 2022-, APPROVING A CONSULTING SERVICES AGREEMENT BETWEEN HF&H CONSULTANTS, LLC AND THE CITY OF MARINA TO PERFORM AN ANALYSIS OF AN EQUITABLE METHOD OF CREDITING SURPLUS SOLID WASTE COLLECTION FEES BACK TO RATE PAYERS FOR A FEE NOT TO EXCEED $29,910; AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT ON BEHALF OF THE CITY SUBJECT TO FINAL REVIEW AND APPROVAL BY THE CITY ATTORNEY; AND AUTHORIZING THE FINANCE DIRECTOR TO MAKE THE NECESSARY BUDGETARY AND ACCOUNTING ENTRIES.

REQUEST:
It is requested that the City Council consider:

1. Adopting Resolution No. 2022- approving a Consulting Services Agreement between HF&H Consultants, LLC (HF&H) and the City of Marina to perform an analysis of an equitable method of crediting surplus solid waste collection fees back to rate payers for a fee not to exceed $29,910, and;
2. Authorizing the City Manager to execute the agreement (**EXHIBIT A**) on behalf of the City subject to final review and approval by the City Attorney, and;
3. Authorizing the Finance Director to make the necessary budgetary and accounting entries.

BACKGROUND:
On August 19, 2014, the City Council adopted Resolution No. 2014-98, and entered into a new exclusive 15 year Franchise Agreement with Green Waste Recovery (GRW) to provide solid waste, recycling, and organics collection services for the City of Marina. The Agreement provides for automatic annual rate adjustments for GWR's services calculated following either a multi-index rate adjustment methodology or a cost-based rate adjustment methodology.

The cost-based adjustment involves an extensive and detailed review of GWR's actual cost of operations, changes in inflation, the number of customers, and the service level provided and comparing this to actual gross receipts collected to determine GWR's compensation for the current rate period and to forecast the future rates. A cost-based rate adjustment was performed for rate period 5 in 2019. Adjustments to the GWR compensation resulted in rate-payer surpluses of $540,298 in rate period 5, $258,203 in rate period 6, and $175,891 in rate period 7. As a result of the surpluses, rates for marina customers have been fixed at the rates set in 2018.

ANALYSIS:
At the September 15th, 2020 meeting, City Council asked staff to analyze an equitable method of returning the surplus from rate periods 5 and 6 to the rate-payers that paid into the surplus. Staff requested a proposal from HF&H (**EXHIBIT B**) to analyze historical customer data which has been provided by GWR. If approved, the analysis will be performed over the next few weeks and staff will return to City Council with recommendations.

FISCAL IMPACT:
The cost of performing an analysis of an equitable method of crediting surplus solid waste collection fees back to rate payers will be reimbursed by rate payers through the annual rate setting process established by the franchise agreement.

CONCLUSION:
This request is submitted for City Council consideration and possible action.

Respectfully submitted,

_____
Brian McMinn, P.E., P.L.S.
Public Works Director/City Engineer
City of Marina

REVIEWED/CONCUR:

_____
Layne Long
City Manager
City of Marina

RESOLUTION NO. 2022-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA APPROVING A CONSULTING SERVICES AGREEMENT BETWEEN HF&H CONSULTANTS, LLC AND THE CITY OF MARINA TO PERFORM AN ANALYSIS OF AN EQUITABLE METHOD OF CREDITING SURPLUS SOLID WASTE COLLECTION FEES BACK TO RATE PAYERS FOR A FEE NOT TO EXCEED $29,910; AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT ON BEHALF OF THE CITY SUBJECT TO FINAL REVIEW AND APPROVAL BY THE CITY ATTORNEY; AND AUTHORIZING THE FINANCE DIRECTOR TO MAKE THE NECESSARY BUDGETARY AND ACCOUNTING ENTRIES.

WHEREAS, the City of Marina entered into a franchise agreement with GreenWaste Recovery, Inc. (GWR) on August 19, 2014 for solid waste, recycling, and organics collection services for the period of August 1, 2015 through July 31, 2030, and;

WHEREAS, Section 8.2 of the Franchise Agreement provides for automatic annual rate adjustments for GWR's services calculated following either a multi-index rate adjustment methodology or a cost-based rate adjustment methodology, and;

WHEREAS, a cost-based rate adjustment was performed for rate period 5 in 2019. Adjustments to the GWR compensation resulted in rate-payer surpluses of $540,298 in rate period 5, $258,203 in rate period 6, and $175,891 in rate period 7, and;

WHEREAS, At the September 15th, 2020 meeting, City Council asked staff to analyze an equitable method of returning the surplus from rate periods 5 and 6 to the rate-payers that paid into the surplus. Staff requested a proposal from HF&H (**Exhibit B**) to analyze historical customer data which has been provided by GWR, and;

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

1. Approves a Consulting Services Agreement (**Exhibit A**) between HF&H Consultants, LLC and the City of Marina to perform an analysis of an equitable method of crediting surplus solid waste collection fees back to rate payers for a fee not to exceed $29,910, and;
2. Authorizes the City Manager to execute the agreement on behalf of the City subject to final review and approval by the City Attorney, and;
3. Authorizes the Finance Director to make the necessary budgetary and accounting entries.

PASSED AND ADOPTED by the City Council of the City of Marina at a regular meeting duly held on the 12th day of May 2022, by the following vote:

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

_____
Bruce C. Delgado, Mayor

ATTEST:

_____
Anita Sharp, Deputy City Clerk

CITY OF MARINA
AGREEMENT FOR PROFESSIONAL SERVICES FOR THE ANALYSIS OF AN EQUITABLE METHOD OF CREDITING SURPLUS SOLID WASTE COLLECTION FEES BACK TO RATE PAYERS

THIS AGREEMENT is made and entered into on May ____, 2022, by and between the City of Marina, a California charter city, hereinafter referred to as the "City," and HF&H Consultants, LLC, a California corporation, hereinafter referred to as the "Contractor." City and Contractor are sometimes individually referred to as "party" and collectively as "parties" in this Agreement.

Recitals

A. City desires to retain Contractor for perform an analysis of an equitable method of crediting surplus solid waste collection fees back to rate payers for rate periods 5 and 6 of the existing franchise agreement between the City of Marina and Green Waste Recovery, Inc. – Contractor shall provide services pertaining to the City study and shall perform support services for City as determined by the Public Works Director.

B. Contractor represents and warrants that it has the qualifications, experience and personnel necessary to properly perform the services as set forth herein.

C. City desires to retain Contractor to provide such services.

Terms and Conditions

For of good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and in consideration of the mutual promises contained herein, City and Contractor agree to the following terms and conditions:

1. Scope of Work.

(a) Contractor is hereby hired and retained by the City to work in a cooperative manner with the City to fully and adequately perform those services set forth in Exhibit "A" attached hereto ("Scope of Work") and by this reference made a part hereof. With prior written notice to Contractor, City may elect to delete certain tasks of the Scope of Work at its sole discretion.

(b) Contractor shall perform all such work with skill and diligence and pursuant to generally accepted standards of practice in effect at the time of performance. Contractor shall provide corrective services without charge to the City for work which fails to meet these standards and which is reported to Contractor in writing within sixty days of discovery. Should Contractor fail or refuse to perform promptly its obligations under this Agreement, the City may render or undertake the performance thereof and the Contractor shall be liable for any expenses thereby incurred.

(c) If services under this Agreement are to be performed by a design professional, as that term is defined in California Civil Code §2782.8(b)(2), design professional certifies that all design professional services shall be provided by a person or persons duly licensed by the State of California to provide the type of services described in Section 1(a). By delivery of completed

work, design professional certifies that the work conforms to the requirements of this Agreement and all applicable federal, state and local laws, and the professional standard of care in California.

(d) Contractor is responsible for making an independent evaluation and judgment of all relevant conditions affecting performance of the work, including without limitation site conditions, existing facilities, seismic, geologic, soils, hydrologic, geographic, climatic conditions, applicable federal, state and local laws and regulations and all other contingencies or considerations.

(e) City shall cooperate with Contractor and will furnish all information data, records and reports existing and available to City to enable Contractor to carry out work outlined in Exhibit "A." Contractor shall be entitled to reasonably rely on information, data, records and reports furnished by the City, however, the City makes no warranty as to the accuracy or completeness of any such information, data, records or reports available to it and provided to Contractor which were furnished to the City by a third party. Contractor shall have a duty to bring to the City's attention any deficiency or error it may discover in any information provided to the Contractor by the City or a third party.

2. Term of Agreement & Commencement of Work.

(a) Unless otherwise provided, the term of this Agreement shall begin on the date of its full execution and shall expire on December 31, 2022, unless extended by amendment or terminated earlier as provided herein. The date of full execution is defined as the date when all of the following events have occurred:

(i) This Agreement has been approved by the City's Council or by the board, officer or employee authorized to give such approval, and;

(ii) The office of the City Attorney has indicated in writing its approval of this Agreement as to form, and;

(iii) This Agreement has been signed on behalf of Contractor by the person or persons authorized to bind the Contractor hereto, and;

(iv) This Agreement has been signed on behalf of the City by the person designated to so sign by the City's Council or by the officer or employee authorized to enter into this Contract and is attested to by the Marina City Clerk.

(b) Contractor shall commence work on the Project on or by June 1, 2022. This Agreement may be extended upon written agreement of both parties. Contractor may be required to prepare a written schedule for the work to be performed, which schedule shall be approved by the City and made a part of Exhibit A, and to perform the work in accordance with the approved schedule.

3. Compensation.

(a) City liability for compensation to Contractor under this Agreement shall only be to the extent of the present appropriation to fund this Agreement. For services to be provided under this Agreement City shall compensate Contractor in an amount not to exceed twenty-nine thousand nine hundred and ten dollars ($29,910) in accordance with the provisions of this Section and the Cost Estimate attached hereto as Exhibit B and incorporated herein by this reference

(b) Invoice(s) in a format and on a schedule acceptable to the City shall be submitted to and be reviewed and verified by the Project Administrator (see Section 5(a)) and forwarded to the City's Finance Department for payment. City shall notify Contractor of exceptions or disputed items and their dollar value within fifteen days of receipt. Payment of the undisputed amount of the invoice will typically be made approximately thirty days after the invoice is submitted to the Finance Department.

(c) Contractor will maintain clearly identifiable, complete and accurate records with respect to all costs incurred under this Agreement on an industry recognized accounting basis. Contractor shall make available to the representative of City all such books and records related to this Agreement, and the right to examine, copy and audit the same during regular business hours upon 24-hour's notice for a period of four years from the date of final payment under this Agreement.

(d) Contractor shall not receive any compensation for Extra Work without the prior written authorization of City. As used herein, "Extra Work" means any work that is determined by the City to be necessary for the proper completion of the Project but which is not included within the Scope of Work and which the parties did not reasonably anticipate would be necessary at the execution of this Agreement.

(e) Expenses not otherwise addressed in the Scope of Services or the Fee Schedule incurred by Contractor in performing services under this Agreement shall be reviewed and approved in advance by the Project Administrator (Section 5(a)) and reimbursed to Contractor.

4. Termination or Suspension.

(a) This Agreement may be terminated in whole or in part in writing by either party in the event of a substantial failure by the other party to fulfill its obligations under this Agreement through no fault of the terminating party, provided that no termination may be effected unless the other party is given (1) not less than ten days written notice of intent to terminate, and (2) provided an opportunity for consultation with the terminating party prior to termination.

(b) If termination for default is effected by the City, an equitable adjustment in the price provided for in this Agreement shall be made, but (1) no amount shall be allowed for anticipated profit on unperformed services or other work, and (2) any payment due the Contractor at the time of termination may be adjusted to cover any additional costs to the City because of the Contractor's default. If after the termination for failure of Contractor to fulfill its contractual obligations, it is determined that the Contractor had not failed to fulfill contractual obligations, the termination shall be deemed to have been for the convenience of the City.

(c) The City may terminate or suspend this Agreement at any time for its convenience upon not less than thirty days prior written notice to Contractor. Not later than the effective date of such termination or suspension, Contractor shall discontinue all affected work and deliver all work product and other documents, whether completed or in progress, to the City.

(d) If termination for default is effected by the Contractor or if termination for convenience is effected by the City, the equitable adjustment shall include a reasonable profit for services or other work performed. The equitable adjustment for termination shall provide for payment to the Contractor for services rendered and expenses incurred prior to the termination, in

addition to termination settlement costs reasonably incurred by Contractor relating to written commitments that were executed prior to the termination.

5. Project Administrator, Project Manager & Key Personnel.

(a) City designates as its Project Administrator Public Works Director Mr. Brian McMinn who shall have the authority to act for the City under this Agreement. The Project Administrator or his/her authorized representative shall represent the City in all matters pertaining to the work to be performed pursuant to this Agreement.

(b) Contractor designates _____, as its Project Manager who shall coordinate all phases of the Project. The Project manager shall be available to City at all reasonable times during the Agreement term.

(c) Contractor warrants that it will continuously furnish the necessary personnel to complete the Project on a timely basis as contemplated by this Agreement. Contractor, at the sole discretion of City, shall remove from the Project any of its personnel assigned to the performance of services upon written request of City. Contractor has represented to City that certain key personnel will perform and coordinate the work under this Agreement. Should one or more of such personnel become unavailable, Contractor may substitute other personnel of at least equal competence upon written approval of the City. In the event that City and Contractor cannot agree as to the substitution of key personnel, City shall be entitled to terminate this Agreement for cause. The key personnel for performance of this Agreement are as follows: _____

6. Delegation of Work.

(a) If Contractor utilizes any subcontractors, consultants, persons, employees or firms having applicable expertise to assist Contractor in performing the services under this Agreement, Contractor shall obtain City's prior written approval to such employment. Contractor's contract with any subcontractor shall contain a provision making the subcontract subject to all provisions of this Agreement. Contractor will be fully responsible and liable for the administration, completion, presentation and quality of all work performed. City reserves its right to employ other contractors in connection with this Project.

(b) If the work hereunder is performed by a design professional, design professional shall be directly involved with performing the work or shall work through his, her or its employees. The design professional's responsibilities under this Agreement shall not be delegated. The design professional shall be responsible to the City for acts, errors or omissions of his, her or its subcontractors. Negligence of subcontractors or agents retained by the design professional is conclusively deemed to be the negligence of the design professional if not adequately corrected by the design professional. Use of the term subcontractor in any other provision of this Agreement shall not be construed to imply authorization for a design professional to use subcontractors for performance of any professional service under this Agreement.

(c) The City is an intended beneficiary of any work performed by a subcontractor for purposes of establishing a duty of care between the subcontractor and the City.

7. Skill of Employees. Contractor shall ensure that any employees or agents providing services under this Agreement possess the requisite skill, training and experience to properly perform such services.

8. **Confidential and Proprietary Information**. In the course of performing services under this Agreement Contractor may obtain, receive, and review confidential or proprietary documents, information or materials that are and shall remain the exclusive property of the City. Should Contractor undertake the work on behalf of other agencies, entities, firms or persons relating to the matters described in the Scope of Work, it is expressly agreed by Contractor that any such confidential or proprietary information or materials shall not be provided or disclosed in any manner to any of Contractor's other clients, or to any other third party, without the City's prior express written consent.

9. **Ownership of Data**. Unless otherwise provided for herein, all documents, material, data, drawings, plans, specifications, computer data files, basis for design calculations, engineering notes, and reports originated and prepared by Contractor, or any subcontractor of any tier, under this Agreement shall be and remain the property of the City for its use in any manner it deems appropriate. Contractor agrees that all copyrights which arise from creation of the work pursuant to this Agreement shall be vested in the City and waives and relinquishes all claims to copyright or intellectual property rights in favor of the City. Contractor shall provide two (2) sets of reproducible of the above-cited items, except for the computer data files which shall consist of one (1) set. Contractor shall use all reasonable efforts to ensure that any electronic files provided to the City will be compatible with the City's computer hardware and software. Contractor makes no representation as to long-term compatibility, usability or readability of the format resulting from the use of software application packages, operating systems or computer hardware differing from those in use by the City at the commencement of this Agreement. Contractor shall be permitted to maintain copies of all such data for its files. City acknowledges that its use of the work product is limited to the purposes contemplated by the Scope of Work and, should City use these products or data in connection with additions to the work required under this Agreement or for new work without consultation with and without additional compensation to Contractor, Contractor makes no representation as to the suitability of the work product for use in or application to circumstances not contemplated by the Scope of Work and shall have no liability or responsibility whatsoever in connection with such use which shall be at the City's sole risk. Any and all liability arising out of changes made by the City to Contractor's deliverables is waived against Contractor unless City has given Contractor prior written notice of the changes and has received Contractor's written consent to such changes.

10. **Conflict of Interest**.

(a) Contractor covenants that neither it, nor any officer or principal of its firm has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of the City or which would in any way hinder Contractor's performance of services under this Agreement. Contractor further covenants that in the performance of this Agreement, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor without the express written consent of the City Manager. Contractor agrees to at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of the City in the performance of this Agreement. Contractor shall represent the interest of the City in any discussion or negotiation.

(b) City understands and acknowledges that Contractor may be, as of the date of commencement of services under this Agreement, independently involved in the performance of non-related services for other governmental agencies and private parties. Contractor is unaware of any stated position of the City relative to such projects. Any future position of the City on such projects may result in a conflict of interest for purposes of this section.

(c) No official or employee of the City who is authorized in such capacity on behalf of the City to negotiate, make, accept, or approve, or take part in negotiating, making accepting or approving this Agreement, during the term of his or her tenure or service with City and for one year thereafter, shall have any interest, direct or indirect, in this Agreement or the proceeds thereof or obtain any present or anticipated material benefit arising there from.

11. Disclosure. Contractor may be subject to the appropriate disclosure requirements of the California Fair Political Practices Act, as determined by the City Manager.

12. Non-Discrimination.

(a) During the performance of this Agreement the Contractor shall comply with the applicable nondiscrimination and affirmative action provisions of the laws of the United States of America, the State of California and the City. In performing this Agreement, Contractor shall not discriminate, harass, or allow harassment, against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), medical condition (including cancer), age, marital status, denial of family and medical care leave and denial of pregnancy disability leave. Contractor shall give written notice of its obligations under this clause to labor organizations with which it has a collective bargaining or other agreement.

(b) Contractor shall include the nondiscrimination and compliance provisions of this Section in all subcontracts.

13. Indemnification & Hold Harmless.

(a) Other than in the performance of professional services by a design professional, which shall be solely as addressed by subsection (b) below, and to the full extent permitted by law, Contractor shall indemnify, defend (with independent counsel reasonably acceptable to the City) and hold harmless City, its Council, boards, commissions, employees, officials and agents ("Indemnified Parties" or in the singular "Indemnified Party") from and against any claims, losses, damages, penalties, fines and judgments, associated investigation and administrative expenses, and defense costs including but not limited to reasonable attorney's fees, court costs, expert witness fees and costs of alternate dispute resolution (collectively "Liabilities"), where same arise out of the performance of this Agreement by Contractor, its officers, employees, agents and sub-contractors. The Contractor's obligation to indemnify applies unless it is adjudicated that the liability was caused by the sole active negligence or sole willful misconduct of an indemnified party. If it is finally adjudicated that liability is caused by the comparative active negligence or willful misconduct of an indemnified party, the Contractor's indemnification obligation shall be reduced in proportion to the established comparative liability of the indemnified party.

(b) To the fullest extent permitted by law (including without limitation California Civil Code Sections 2782.8), when the services to be provided under this Agreement are design professional services to be performed by a design professional, as that term is defined under said section 2782.8, Contractor shall indemnify, protect, defend (with independent counsel reasonably acceptable to the City) and hold harmless City and any Indemnified Party for all Liabilities regardless of nature or type that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of design professional, or the acts or omissions of an officer, employee, agent or subcontractor of the design professional. The design professional's obligation to indemnify applies unless it is adjudicated that the liability was caused by the sole active

negligence or sole willful misconduct of an indemnified party. If it is finally adjudicated that liability was caused by the comparative active negligence or willful misconduct of an indemnified party the design professional's indemnification obligation shall be reduced in proportion to the established comparative liability.

(c) All obligations under this section are to be paid by Contractor as incurred by City. The provisions of this Section are not limited by the provisions of sections relating to insurance including provisions of any worker's compensation act or similar act. Contractor expressly waives its statutory immunity under such statues or laws as to City, its employees and officials. Contractor agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this section from each and every subcontractor, sub tier contractor or any other person or entity involved by, for, with or on behalf of Contractor in the performance or subject matter of this Agreement. In the event Contractor fails to obtain such indemnity obligations from others as required here, Contractor agrees to be fully responsible according to the terms of this section. Failure of City to monitor compliance with these requirements imposes no additional obligations on City and will in no way act as a waiver of any rights hereunder.

(d) If any action or proceeding is brought against any Indemnified Party by reason of any of the matters against which the Contractor has agreed to defend the Indemnified Party, as provided above, Contractor, upon notice from the City, shall defend any Indemnified Party at Contractor's expense by counsel reasonably acceptable to the City. An Indemnified Party need not have first paid for any of the matters to which it is entitled to indemnification in order to be so defended. If it is finally adjudicated that liability was caused by the sole active negligence or sole willful misconduct of an indemnified party, Contractor may submit a claim to the City for reimbursement of reasonable attorney's fees and defense costs.

(e) This obligation to indemnify and defend City, as set forth herein, is binding on the successors, assigns, or heirs of Contractor and shall survive the termination of this Agreement or this Section.

14. <u>Insurance</u>.

(a) As a condition precedent to the effectiveness of this Agreement and without limiting Contractor's indemnification of the City, Contractor agrees to obtain and maintain in full force and effect at its own expense the insurance policies set forth in Exhibit "C" "Insurance" attached hereto and made a part hereof. Contractor shall furnish the City with original certificates of insurance, manually autographed in ink by a person authorized by that insurer to bind coverage on its behalf, along with copies of all required endorsements. All certificates and endorsements must be received and approved by the City before any work commences. All insurance policies shall be subject to approval by the City Attorney and Risk Manager as to form and content. Specifically, such insurance shall: (1) protect City as an additional insured for commercial general and business auto liability; (2) provide City at least thirty days written notice of cancellation, material reduction in coverage or reduction in limits and ten days written notice for non-payment of premium; and (3) be primary with respect to City's insurance program. Contractor's insurance is not expected to respond to claims that may arise from the acts or omissions of the City.

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(b) City reserves the right at any time during the term of this Agreement to change the amounts and types of insurance required herein by giving Contractor ninety days advance written notice of such change. If such change should result in substantial additional cost of the Contractor, City agrees to negotiate additional compensation proportional to the increased benefit to City.

(c) All required insurance must be submitted and approved the City Attorney and Risk Manager prior to the inception of any operations by Contractor.

(d) The required coverage and limits are subject to availability on the open market at reasonable cost as determined by the City. Non availability or non affordability must be documented by a letter from Contractor's insurance broker or agency indicating a good faith effort to place the required insurance and showing as a minimum the names of the insurance carriers and the declinations or quotations received from each. Within the foregoing constraints, Contractor's failure to procure or maintain required insurance during the entire term of this Agreement shall constitute a material breach of this Agreement under which City may immediately suspend or terminate this Agreement or, at its discretion, procure or renew such insurance to protect City's interests and pay any and all premium in connection therewith and recover all monies so paid from Contractor.

(e) By signing this Agreement, Contractor hereby certifies that it is aware of the provisions of Section 3700 *et seq*., of the Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provision of that Code, and that it will comply with such provisions at all such times as they may apply during the performance of the work pursuant to this Contract. Unless otherwise agreed, a waiver of subrogation in favor of the City is required.

15. **Independent Contractor**. The parties agree that Contractor, its officers, employees and agents, if any, shall be independent contractors with regard to the providing of services under this Agreement, and that Contractor's employees or agents shall not be considered to be employees or agents of the City for any purpose and will not be entitled to any of the benefits City provides for its employees. City shall make no deductions for payroll taxes or Social Security from amounts due Contractor for work or services provided under this Agreement.

16. **Claims for Labor and Materials**. Contractor shall promptly pay when due all amounts payable for labor and materials furnished in the performance of this Agreement, so as to prevent any lien or other claim under any provision of law from arising against any City property (including reports, documents, and other tangible matter produced by the Contractor hereunder), against the Contractor's rights to payments hereunder, or against the City, and shall pay all amounts due under the Unemployment Insurance Act with respect to such labor.

17. **Discounts**. Contractor agrees to offer the City any discount terms that are offered to its best customers for the goods and services to be provided herein, and apply such discounts to payment made under this Agreement which meet the discount terms.

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

19. **Dispute Resolution**. If any dispute arises between the parties as to proper interpretation or application of this Agreement, the parties shall first meet and confer in a good faith attempt to resolve the matter between themselves. If the dispute is not resolved by meeting and conferring, the matter shall be submitted for formal mediation to a mediator selected mutually by the parties. The expenses of such mediation shall be shared equally between the parties. If the dispute is not or cannot be resolved by mediation, the parties may mutually agree (but only as to those issues of the matter not resolved by mediation) to submit their dispute to arbitration. Before commencement of the arbitration, the parties may elect to have the arbitration proceed on an informal basis; however, if the parties are unable so to agree, then the arbitration shall be conducted in accordance with the rules of the American Arbitration Association. The decision of the arbitrator shall be binding, unless within thirty days after issuance of the arbitrator's written decision, any party files an action in court. Venue and jurisdiction for any such action between the parties shall lie in the Superior Court for the County of Monterey.

20. **Compliance With Laws**.

(a) Each party's performance hereunder shall comply with all applicable laws of the United States of America, the State of California and the City including but not limited to laws regarding health and safety, labor and employment, wage and hours and licensing laws which affect employees. This Agreement shall be governed by, enforced and interpreted under the laws of the State of California. Contractor shall comply with new, amended or revised laws, regulations or procedures that apply to the performance of this Agreement.

(b) If the Project is a "public work," or prevailing wages are otherwise required, Contractor shall comply with all provision of California Labor Code section 1720 *et seq.*, as applicable, and laws dealing with prevailing wages, apprentices and hours of work.

(c) Contractor represents that it has obtained and presently holds all permits and licenses necessary for performance hereunder, including a Business License required by the City's Business License Ordinance. For the term covered by this Agreement, the Contractor shall maintain or obtain as necessary, such permits and licenses and shall not allow them to lapse, be revoked or suspended.

21. **Assignment or Transfer**. This Agreement or any interest herein may not be assigned, hypothecated or transferred, either directly or by operation of law, without the prior written consent of the City. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

22. **Notices**. All notices required or permitted to be given under this Agreement shall be in writing and shall be personally delivered, sent by facsimile ("fax") or certified mail, postage prepaid with return receipt requested, addressed as follows:

To City: City Manager
City of Marina City Hall
211 Hillcrest Avenue
Marina, California 93933
Fax: (831) 384-9148

To Contractor: _____
_____
_____
_____
Fax (___) ___-____

Notice shall be deemed effective on the date personally delivered or transmitted by facsimile or, if mailed, three days after deposit in the custody of the U.S. Postal Service. A copy of any notice sent as provided herein shall also be delivered to the Project Administrator and Project Manager.

23. **Amendments, Changes or Modifications**. This Agreement is not subject to amendment, change or modification except by a writing signed by the authorized representatives of City and Contractor.

24. **Force Majeure**. Notwithstanding any other provisions hereof, neither Contractor nor City shall be held responsible or liable for failure to meet their respective obligations under this Agreement if such failure shall be due to causes beyond Contractor's or the City's control. Such causes include but are not limited to: strike, fire, flood, civil disorder, act of God or of the public enemy, act of the federal government, or any unit of state of local government in either sovereign or contractual capacity, epidemic, quarantine restriction, or delay in transportation to the extent that they are not caused by the party's willful or negligent acts or omissions, and to the extent that they are beyond the party's reasonable control.

25. **Attorney's Fees**. In the event of any controversy, claim or dispute relating to this Agreement, or the breach thereof, the prevailing party shall be entitled to recover from the losing party reasonable expenses, attorney's fees and costs.

26. **Successors and Assigns**. All of the terms, conditions and provisions of this Agreement shall apply to and bind the respective heirs, executors, administrators, successors, and assigns of the parties. Nothing in this paragraph is intended to affect the limitation on assignment.

27. **Authority to Enter Agreement**. Contractor has all requisite power and authority to conduct its business and to execute, deliver and perform the Agreement. Each party warrants that the individuals who have signed this Agreement have the legal power, right and authority to make this Agreement and bind each respective party.

28. **Waiver**. A waiver of a default of any term of this Agreement shall not be construed as a waiver of any succeeding default or as a waiver of the provision itself. A party's performance after the other party's default shall not be construed as a waiver of that default.

29. **Severability**. Should any portion of this Agreement be determined to be void or unenforceable, such shall be severed from the whole and the Agreement will continue as modified.

30. **Construction, References, Captions**. Since the parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any party. Any term referencing time, days or period for performance shall be deemed calendar days and not workdays. The captions of the various sections are for convenience and ease of reference only, and do not define, limit, augment or describe the scope, content or intent of this Agreement.

31. **Advice of Counsel.** The parties agree that they are aware that they have the right to be advised by counsel with respect to the negotiations, terms and conditions of this Agreement, and that the decision of whether or not to seek the advice of counsel with respect to this Agreement is a decision which is the sole responsibility of each of the parties hereto. This Agreement shall not be construed in favor or against either party by reason of the extent to which each party participated in the drafting of this Agreement.

32. **Counterparts**. This Agreement may be signed in counterparts, each of which shall constitute an original.

33. **Time**. Time is of the essence in this contract.

34. **Entire Agreement**. This Agreement contains the entire agreement of the parties with respect to the matters as set forth in this Agreement, and no other agreement, statement or promise made by or to any party or by or to any employee, officer or agent of any party, which is not contained in this Agreement shall be binding or valid. . The exhibits attached hereto are incorporated into this Agreement. In the event of a conflict between the terms of this Agreement and any exhibit, the terms of this Agreement shall control.

IN WITNESS WHEREOF, Contractor and the City by their duly authorized representatives, have executed this Agreement, on the date first set forth above, at Marina, California.

CITY OF MARINA		**CONTRACTOR**	
By:	_____	By:	_____
Name:	Layne P. Long	Name:	
Its:	City Manager	Its:	
Date:	_____	Date:	_____

Approved as to form:

By: _____
City Attorney

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EXHIBIT A

SCOPE OF SERVICES

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Exhibit C - Insurance

Contractor agrees to provide insurance in accordance with the requirements set forth herein. If Contractor uses existing coverage to comply with these requirements and that coverage does not meet the requirements set forth herein, Contractor agrees to amend, supplement or endorse the existing coverage to do so. Contractor shall furnish the City with original certificates of insurance, manually autographed in ink by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements must be received and approved by the City before any work commences. The City reserves its right to require complete, certified copies of all required insurance policies at any time. The following coverage will be provided by Contractor and maintained on behalf of the City and in accordance with the requirements set forth herein.

Commercial General Liability (primary). Commercial general liability insurance covering Contractor's operations (and products where applicable) is required whenever the City is at risk of third party claims which may arise out of Contractor's work or presence on City premises. Contractual liability coverage is a required inclusion in this insurance.

Primary insurance shall be provided on ISO-CGL form No. CG 00 01 11 85 or 88 or on an ISO or ACORD form providing coverage at least as broad as ISO form CG 00 01 10 01 and approved in advance by the City Attorney and Risk Manager. Total limits shall be no less than one million dollars ($1,000,000) combined single limit per occurrence for all coverages. If commercial general liability insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this Project or the general aggregate limit shall be two million dollars ($2,000,000). Contractor must give written notice to the City of any pending claim, action or lawsuit which has or may diminish the aggregate. If any such claim or lawsuit exists, Contractor shall be required, prior to commencing work under this Agreement, to restore the impaired aggregate or prove it has replacement insurance protection to the satisfaction of the City Attorney and Risk Manager.

City, its Council, boards and commissions, officers, employees, agents and volunteers shall be added as additional insureds using ISO additional insured endorsement form CG 20 10 11 85 or forms CG 20 10 10 01 and CG 20 37 10 01. Coverage shall apply on a primary, non-contributing basis in relation to any other insurance or self-insurance, primary or excess, available to the City or any agent of City. Coverage is not expected to respond to the claims which may arise from the acts or omissions of the City. Coverage shall not be limited to the vicarious liability or supervisory role of any additional insured. Coverage shall contain no contractors' limitation endorsement. There shall be no endorsement or modification limiting the scope of coverage for liability arising from pollution, explosion, collapse, underground property damage or employment-related practices.

Umbrella Liability Insurance. Umbrella liability insurance (over primary) shall apply to bodily injury/property damage, personal injury/advertising injury, at a minimum, and shall include a "drop down" provision providing primary coverage above a maximum $25,000.00 self-insured retention for liability not covered by primary policies but covered by the umbrella policy. Coverage shall be following form to any underlying coverage.

Coverage shall be provided on a "pay on behalf" basis, with defense costs payable in addition to policy limits. There shall be no cross liability exclusion and no contractor's limitation endorsement. Policies limits shall be not less than one million dollars ($1,000,000) per occurrence and in the aggregate, above any limits required in the underlying policies shall have starting and ending dates concurrent with the underlying coverage.

Business Auto. Automobile liability insurance is required where vehicles are used in performing the work under this Agreement or where vehicles are driven off-road on City premises, it is not required for simple commuting unless City is paying mileage. However, compliance with California law requiring auto liability insurance is a contractual requirement.

If automobile insurance is required for work under this Agreement, primary coverage shall be written on ISO Business Auto Coverage form CA 00 01 06 92 including symbol 1 (Any Auto) or on an ISO or ACORD form providing coverage at least as broad as CA 00 01 10 01 approved by the City Attorney and Risk Manager. Coverage shall be endorsed to stated that the City, its Council, boards and commissions, officers, employees, agents and volunteers shall be added as additional insureds with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by the Contractor or for which the Contractor is responsible. Limits shall be no less than one million dollars ($1,000,000) combined single limit per accident for bodily injury and property damage. Starting and ending dates shall be concurrent. If Contractor owns no autos, a non-owned auto endorsement to the commercial general liability policy described above is acceptable.

Workers' Compensation/Employers' Liability. Workers' Compensation and Employer's Liability insurance are not required for single-person contractors. However, under California law these coverages (or a copy of the State's Consent to Self-Insure) must be provided if Contractor has any employees at any time during the period of this Agreement. Policy(s) shall be written on a policy form providing workers' compensation statutory benefits as required by law. Employers' liability limits shall be no less than one million dollars ($1,000,000) per accident or disease and shall be scheduled under any umbrella policy described above. Unless otherwise agreed, policy(s) shall be endorsed to waive any right of subrogation as respects the City, its Council, boards and commissions, officers, employees, agents and volunteers.

Property Insurance. Property insurance, in a form and amount approved by the City Attorney and Risk Manager, is required for Contractors having exclusive use of premises or equipment owned or controlled by the City. City is to be named a Loss Payee As Its Interest May Appear in property insurance in which the City has an interest, e.g., as a lien holder. Fire damage legal liability is required for persons occupying a portion of City premises.

Errors and Omissions/Professional Liability. Errors and Omissions or professional liability coverage appropriate to Contractor's profession, in a form and amount approved by the City Attorney and Risk Manager, will be specified on a project-by-project basis if Contractor is working as a licensed professional. Contractor shall maintain such insurance for a period of five years following completion of the project. Such insurance shall be in an amount of not less than one million dollars ($1,000,000) per claim and in annual aggregate. Design professionals shall maintain such insurance in place until the expiration of the warranty period of the Project.

Contractor and City further agree as follows:

a) This Exhibit supersedes all other sections and provisions of this Agreement to the extent that any other section or provision conflicts with or impairs the provisions of this Exhibit.

b) Nothing contained in this Exhibit is to be construed as affecting or altering the legal status of the parties to this Agreement. The insurance requirements set forth in this Exhibit are intended to be separate and distinct from any other provision in this Agreement and shall be interpreted as such.

c) All insurance coverage and limits provided pursuant to this Agreement shall apply to the full extent of the policies involved, available or applicable. Nothing contained in this Agreement or any other agreement relating to the City or its operations limits the application of such insurance coverage.

d) Requirements of specific coverage features or limits contained in this Exhibit are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only and is not intended by any party to be all inclusive, or to the exclusion of other coverage, or a waiver of any type.

e) For purposes of insurance coverage only, this Agreement will be deemed to have been executed immediately upon any party hereto taking any steps that can be deemed to be in furtherance of or toward performance of this Agreement.

f) All general or auto liability insurance coverage provided pursuant to this Agreement, or any other agreements pertaining to the performance of this Agreement, shall not prohibit Contractor, Contractor's employees, or agents from waiving the right of subrogation prior to a loss. Contractor hereby waives all rights of subrogation against the City.

g) Unless otherwise approved by City, Contractor's insurance shall be written by insurers authorized and admitted to do business in the State of California with a minimum "Best's" Insurance Guide Rating of "A:VII." Self-insurance will not be considered to comply with these insurance specifications.

h) In the event any policy of insurance required under this Agreement does not comply with these requirements or is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by City will be promptly reimbursed by Contractor.

i) Contractor agrees to provide evidence of the insurance required herein, satisfactory to City Attorney and Risk Manager, consisting of certificate(s) of insurance evidencing all of the coverages required and an additional endorsement to Contractor's general liability and umbrella liability policies using ISO form CG 20 10 11 85. Certificate(s) are to reflect that the insurer will provide at least thirty days written notice of cancellation, material reduction in coverage or reduction in limits and ten days written notice for non-payment of premium. Contractor agrees to require its insurer to modify such certificates to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, and to delete the word "endeavor" with regard to any notice provisions. Contractor agrees to provide complete copies of policies to City within ten days of City's request for said copies.

j) Contractor shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Such proof will be furnished at least two weeks prior to the expiration of the coverages.

k) Any actual or alleged failure on the part of the City or any other additional insured under these requirements to obtain proof of insurance required under this Agreement in no way waives any right or remedy of City or any additional insured, in this or any other regard.

l) Contractor agrees to require all subcontractors or other parties hired for this Project to provide workers' compensation insurance as required herein and general liability insurance naming as additional insureds all parties to this Agreement. Contractor agrees to obtain certificates evidencing such coverage and make reasonable efforts to ensure that such coverage is provided as required here. Contractor agrees to require that no contract used by any subcontractor, or contracts Contractor enters into on behalf of City, will reserve the right to charge back to City the cost of insurance required by this Agreement. Contractor agrees that upon request, all agreements with subcontractors or others with whom Contractor contracts with on behalf of City, will be submitted to City for review. Contractor acknowledges that such contracts or agreements may require modification if the insurance requirements do not reflect the requirements herein. Failure of City to request copies of such agreements will not impose any liability on City, its Council, boards and commissions, officers, employees, agents and volunteers.

m) If Contractor is a Limited Liability Company, general liability coverage must be amended so that the Limited Liability Company and its Managers, Affiliates, employees, agents and other persons necessary or incidental to its operation are insureds.

n) Contractor agrees to provide immediate notice to City of any claim or loss against Contractor that includes City as a defendant. City assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve the City.

o) Coverage will not be limited to the specific location or individual entity designated as the address of the Project. Contractor agrees to have its coverage endorsed so that all coverage limits required pursuant to this requirement are available separately for each and every location at which Contractor conducts operations of any type on behalf of City. Contractor warrants that these limits will not be reduced or exhausted except for losses attributable to those specific locations and not by losses attributable to any other operations of Contractor.

p) Contractor agrees not to attempt to avoid its defense and indemnity obligations to City, its Council, boards and commissions, officers, employees, agents and volunteers by using as a defense Contractor's statutory immunity under workers' compensation or similar statutes.

r) Contractor agrees to ensure that coverage provided to meet these requirements is applicable separately to each insured and that there will be no cross liability exclusions that preclude coverage for suits between Contractor and City or between City and any other insured or Named Insured under the policy, or between City and any party associated with City or its employees.

s) Contractor shall maintain commercial general liability, and if necessary, commercial umbrella liability insurance, with a limit of not less than one million dollars ($1,000,000) each occurrence for at least three years following substantial completion of the work.

DRAFT

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Managing Tomorrow's Resources Today

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Marva M. Sheehan, CPA
Robert C. Hilton

April 8, 2022

Mr. Brian McMinn, P.E., P.L.S.
Public Works Director
211 Hillcrest Ave.
Marina, CA 93933

Subject: Rate Study of GreenWaste Recovery's Rate Application for Rate Period 8

Dear Mr. McMinn,

HF&H Consultants, LLC (HF&H) is pleased to provide you with this proposal to assist the City of Marina (City) with the analysis and evaluation of potential rate scenarios to be implemented along with new collection rates effective July 1, 2022. This proposal letter provides you with our proposed scope of services and fees.

SCOPE OF SERVICES

HF&H has prepared this scope of services based on the objective of assisting the City in the review of several aspects of the established collection rates and compensation methodology between the City and GreenWaste Recovery (GWR). In particular, HF&H would perform the following tasks.

Task 1 – Review Contractor's Annual Rate Adjustment Application

Starting with the rate application due April 1, 2022 to be effective July 1, 2022, HF&H will receive, review, and report to the City on the accuracy and compliance of the rate application. This task will include verifying contract compliance with regard to: 1) the indices used in the adjustment; 2) the weighting of those indices; 3) the tonnage and tip fees reported for the disposal and processing components of the rates; 4) any changes in governmental fees on the fee component of the rates; and 5) the accurate application of the resultant percentage changes in the various rate components to the rate schedules approved by the City through the franchise agreement. HF&H was involved in negotiating the SB 1383 revisions to costs and services to the franchise agreement and will verify the rate application has included the negotiated costs for services provided by GWR. This will also include any benchmarking and verification of additional SB 1383 costs to verify eligibility of inclusion into the collection rates.

HF&H's effort on this task is reliant on the accurate and complete submittal of the rate application to the agencies. If HF&H determines that the submittal is inaccurate or incomplete, HF&H will stop work, notify GWR and the City of the deficiencies, and will not proceed with work until the deficiencies are remedied. The scope of this task is specific to the use of the index-based adjustment methodology in the agreements

and inclusion of negotiated SB 1383 costs. In the event that either the City or GWR requests a cost-based rate adjustment, that effort would be outside the scope of this task.

This task will be completed as part of the contract management services HF&H provides to the City through the MRWMD and is not included in costs within this scope. While this task is not included in the costs of this scope it will serve as the foundation for the calculations performed in Tasks 2–4 presented herein and will need to be completed before work on Tasks 2-4 can begin.

Task 2 – Analysis of Rate Impacts of Creation of New Customer Class

The City has requested that analysis be performed to understand the overall rate impacts from the potential creation of a new senior residential customer class. This new senior class would potentially offer services at a lower rate than its equivalent service offering to customers not within this class. In doing so the City's rates and rate structure would need to be reevaluated to ensure that the overall revenue requirement due to GWR would be generated, should this new customer class be established.

HF&H will develop a model that uses the City's current subscription and projected annual revenues to evaluate the baseline revenue that needs to be generated to compensate GWR for their services per the franchise agreement. This model will also allow for customers to be transitioned from the current residential class into the senior customer class to review the impact of desired new rate classes on the overall revenue requirement. This will enable HF&H and the City to asses the impact to all customers based on the desired rate at which the new customer class will be charged.

Task 3 – Gather Data and Identify Eligible Customers for Analysis of Credit Disbursement

As a result of the Cost Based Rate Adjustment performed in Rate Period 5, HF&H found that the City's customers had been generating revenue at a greater level than GWR's allowed costs to provide service. At that time the City had elected to create a reserve fund to stabilize future increases in cost as was anticipated by then pending legislation, namely SB 1383. Last year HF&H and the City concluded negotiations regarding additional costs for GWR to provide service to meet compliance with SB 1383, and found that the City still had a balance remaining in this reserve account.

At this time the City has requested analysis be performed to understand how to equitably distribute the remaining surplus that has been accrued over Rate Period 5 and Rate Period 6. In order to do so, we will need account information of GWR's customers during these time periods, along with their service levels and monthly and annual billings for the time period reviewed. This account and billing information will need to be gathered and reviewed for accuracy to ensure that all customers that would be eligible for a potential credit against future bills are accounted for and that the credit amount can be properly calculated.

The costs for this task in our fee estimate are reflected as Task 3A, if the City is able to provide this data assuming only minor review and verification will be required, or Task 3B should HF&H need to work with (GWR) to gather and verify the accuracy of this data.

Task 4 –Analysis of Credit Disbursement to Eligible Customers

Based on the information gathered in Task 3, HF&H will establish three separate classes of customers: 1) customers billed only during Rate Period 5; 2) customers billed only during Rate Period 6; and 3) customers billed in both periods. Each of these customer classes will have a different credit amount attributed to them, which will be assessed as a percentage, based on the surplus amount that was generated in Rate Periods 5 and 6. HF&H will plan to identify the amounts these customers are due based on their customer class and subscription levels in July of each Rate Period in order to assess the solid waste service level subscription by customer during each rate period. This analysis does not anticipate reviewing changes to subscription levels for each of the months during these rate periods but instead uses a year over year subscription approach to perform our analysis. Tracking each customer's total subscription service and billings over a 24-month period would require a far more substantial amount of time and cost to gain what would likely be only a minor change to the results of the approach HF&H proposes within this scope.

Task 5 –Presentation of Findings

HF&H will document the results of Tasks 2 and 4 in a report to the City. Prior to preparing the report, we will discuss and seek agreement with the City on the format, level of detail, and an overall outline for the content to be presented. HF&H will then prepare a draft report documenting the process and results of the scope listed above. The draft report will be submitted to the City for review and comment. If needed, we will meet with City staff to discuss the report and receive comments and questions. Based on the City's input, HF&H will produce a revised draft report. The revised draft will be submitted to GWR for review and comment. HF&H and the City will discuss the feedback received by GWR and agree upon any changes to the final report based on this input.

This task includes preparation of materials for a virtual presentation to City Council to discuss the results of Tasks 2 and 4. Should attendance at additional Council meetings be requested, or in person attendance be required, HF&H will provide an additional scope for that support.

LIMITATION TO SCOPE

The purpose of this study is to develop a proposed alternative rate structure and to analyze the drawdown amount of the City's collected service to be potentially distributed as customer credits. We will be using data provided by the City and GWR and will rely on this data as the basis of our analysis. The work performed in this study is different in scope than performing an audit of the GWR or City-provided data.

FEE ESTIMATE

Due to the nature of this engagement, we propose to bill the City on a time-and-materials basis at our standard billing rates provided in Attachment A. Our estimated fees for performing this project, as described above, are $24,835 if Task 3A is selected or $29,910 if Task 3B is selected. If additional fees are necessary, we will inform the City before proceeding. Also, it is possible that our level of effort may be less than anticipated. If so, we will only bill the City the lesser amount for actual hours spent on the project.

		Executive $315	PM $285	Associate $210	Assistant $145	Administrative $120	Total Hours	Proposed Cost
Task 1	Review Rate Application	2	8	12	12	2	36	No Additional
Task 2	Analysis of Rate Impacts	2	4	6	12	0	24	$ 4,770
Task 3A	Identification of Eligible Customers	1	2	6	6	0	15	$ 3,015
Task 3B	Identification of Eligible Customers	4	8	12	14	0	38	$ 8,090
Task 4	Analysis of Credit Amounts	4	16	20	12	0	52	$ 11,760
Task 5	Presentation of Findings	2	6	6	10	2	26	$ 5,290
	Total Labor - With Task 3A	**11**	**36**	**50**	**52**	**4**	**153**	**$ 24,835**
	Total Labor - With Task 3B	**14**	**42**	**56**	**60**	**4**	**176**	**$ 29,910**

* * * * *

We sincerely appreciate the continued confidence you have expressed in HF&H, and we are committed to do our best to fulfill the City's objectives. If you have any questions or concerns about this proposal, please do not hesitate to contact me directly at (925) 977-6959 or rchilton@hfh-consultants.com.

Very truly yours,
HF&H CONSULTANTS, LLC

Rob Hilton
President

Attachment A: Standard Billing Arrangements and Hourly Rates

ATTACHMENT A:
STANDARD HOURLY RATES AND BILLING ARRANGEMENTS

(Effective January 1, 2022)[1]

Professional Fees

Hourly rates for professional and administrative personnel are as follows:

Position	Rate
Executive	$300 - $315
Senior Project Manager	$285 - $295
Project Manager	$240 - $250
Senior Associate	$210 - $225
Associate Analyst	$160 - $170
Assistant Analyst	$135 - $150
Administrative Staff	$110 - $120

Direct Expenses

Standard charges for common direct expenses are as follows:

Automobile Travel	Prevailing IRS mileage rate
Airfare and Public Transit	Actual Cost

Billing Policies

Our policy is to bill for our services based on the standard hourly rates of the staff member assigned, multiplied by the time required to perform the client-related tasks, plus the direct expenses as described above. In implementing this policy we adhere to the following practices:

- It is our standard practice to e-mail invoices to our clients, although hard copies of invoices can be sent to clients on request.
- We round to the nearest one-quarter hour (e.g., if two hours and 55 minutes are spent on a task, it is recorded as three hours, if two hours and 5 minutes are spent on a task, it is recorded as two hours). A minimum charge of one-quarter hour is charged for any client work performed in a day.
- We do not markup out-of-pocket expenses, however, we may charge administrative or professional time related to the provision of the goods and services associated with these charges.
- If subcontractors are used, HF&H reserves the right to charge a 5% markup should the subcontractor's services require cumbersome administrative oversight (e.g., multiple subcontractors; engagement turns out to solely require services of subcontractor, but HF&H as the prime must prepare billings).

[1] Litigation Support and Expert Witness Services are not covered by this schedule of fees and expenses.

ATTACHMENT A:
STANDARD HOURLY RATES AND BILLING ARRANGEMENTS

- Mileage fees are based on the round-trip distance from the point of origin.
- If a client's change to a previously scheduled meeting results in penalties being assessed by a third party (e.g., airline cancellation fee), then the client will bear the cost of these penalties.

While no minimum fee for a consulting engagement has been established, it is unlikely (given the nature of our services) that we can gain an understanding of a client's particular requirement, identify alternatives, and recommend a solution in less than twenty-four consulting hours.

Insurance

We maintain the following policies of insurance with carriers doing business in California:

- Comprehensive General Liability Insurance ($2,000,000 Occurrence/$4,000,000 Aggregate)
- Workers' Compensation ($1,000,000)
- Professional Liability Insurance ($2,000,000 Occurrence/$2,000,000 Aggregate)
- Hired and Non-Owned Auto Liability[2] ($2,000,000)
- Umbrella Liability ($3,000,000 Occurrence/$3,000,000 Aggregate)

All costs incurred in complying with additional coverages or limits (excluding additional insured and waiver of subrogation endorsements) become the responsibility of the client and are not included in the fees for services or direct charges but are billed in addition to the contract at cost, plus any professional or administrative fees.

Invoices and Payment for Services

Our time reporting and billing system has certain standard formats that are designed to provide our clients with a detailed invoice of the time and charges associated with their engagement. (We typically discuss these with our clients at our kick-off meeting.) We are also pleased to provide our clients with a custom invoice format but we will have to bill the client for time spent conforming our invoices to their unique requirements.

Billings for professional services and charges are submitted every month, in order that our clients can more closely monitor our services.

[2] HF&H Consultants does not own any company automobiles.

May 4, 2022 Item No. **11a**

Honorable Mayor and Members of the Marina City Council

City Council Meeting of May 17, 2022

CITY COUNCIL TO CONSIDER ADOPTING RESOLUTION NO. 2022-, RECEIVING A REPORT ON THE HILLTOP PARK RECOMMENDATIONS FROM THE AD-HOC COMMITTEE AND CITY COUNCIL APPOINTED AD-HOC COMMITTEE LIAISONS AND PROVIDING DIRECTION FOR THE FINAL DESIGN OF THE HILLTOP PARK AT THE DUNES

REQUEST: It is requested that the City Council consider:

1. adopting Resolution No. 2022-, receiving a report on the Hilltop Park recommendations from the ad-hoc committee and City Council appointed liaisons and providing direction for the final design of the Hilltop Park at The Dunes.

BACKGROUND:

At the regular meeting of May 19, 2020, the City Council adopted Resolution No. 2020-53, approving the amendment to the University Village (now The Dunes on Monterey Bay) Phase 2 Tentative Map. The amendment included conceptual layouts of the City Park within Phase 2 known as Hilltop Park.

The Dunes Specific Plan Community Design Strategy for the Park System Design Concept of Hilltop Park is defined as follows:

> This site has significant topography which yields beautiful panoramas from the top of the plateau. This Park is proposed to be a passive park with an emphasis on native planting, dunes, sheltered overlooks and seating areas, picnic and barbecue facilities, and a dog park. Trails should follow the site contours to provide access from Eighth and Ninth streets.

City Council received a presentation and approved the conceptual plan (**EXHIBIT A**) for the Hilltop Park on April 20th, 2021, by adopting Resolution 2021-36 with the exception of vegetation for the park. As part of the resolution, City Council directed the formation of an ad hoc committee to develop recommendations specific to "trees, grasses, forbs and shrubs, which is all plant material to be incorporated in the development of the Hilltop Park at The Dunes."

The Ad Hoc Committee consisting of representatives of the City Council (Mayor Bruce Delgado), Recreation and Cultural Services Commission (Chair Darlena Ridler, Commissioner Jeff Uchida), Public Works Commission (Commissioner Mike Owen), Tree Committee (Committee Member Greg Simmons), Marina Tree and Garden Club (Juli Hoffman and Grace Silva-Santella), Citizens for Sustainable Marina (Karen Andersen), along with Dr. Fred Watson met on May 26th, 2021. The ad hoc committee received a presentation from the Dunes landscape design team deliberated and provided the following recommendations to City Council:

1) Engage consultants with experience using Fort Ord natives for restoration and incorporate their recommendations in the plans.
2) The plans should include more information about site challenges with a focus on hydroseed application and keeping existing native vegetation currently remaining.
3) Update the plan to show current (May 2021) vegetation.
4) Describe in the landscaping plan how on-site (e.g., Fort Ord) stock and which species will be used.
5) Use a native plant emphasis, but not necessarily 100% coverage of natives across the site. Planting plans should show the long-term vegetation vision of the Hilltop Park.

6) Show on the plans which type of planting (e.g., for native restoration) will go in the various areas of Hilltop Park.
7) Use I-naturalist and David Styer's Flora of Fort Ord as references to select local natives for landscaping.
8) Include a more specific plant list using local native plants.
9) Bring the next version of proposed plant list back to ad-hoc committee.
10) Enhance dog park using oaks instead of cypress trees.
11) Include approximately 17 cypress trees where wind barriers are needed such as west of dog park.
12) Consider oak placement on west face of Hilltop Park in protected areas.
13) Consider placing the 8ft wide path from 9th Street to the top of the park to retain as much existing native vegetation as possible.
14) Begin seed collections in 2021 as soon as possible for species in all seral stages (e.g. pioneers, and mid and late-seral stages).

The City Council adopted Resolution 2021-73 at the June 15th, 2021 meeting. The resolution approved the recommendations of the ad-hoc committee except for #9 "Bring back the next version of the proposed plant list back to the ad-hoc committee." In lieu of #9, City Council appointed Mayor Delgado and Dr. Fred Watson to serve as liaisons between the developer and ad-hoc committee as the plant lists were being prepared by the developer's landscape architect.

Dr. Fred Watson has prepared a web page with information on the history of Hilltop Park and recent plant surveys which can be accessed at the following link:
http://www.cccal.info/proj/usa/ca/cc/FortOrd/HilltopPark/index.htm

ANALYSIS:

The liaisons met with staff and the development team on September 24, 2021. The developer's landscape architect presented the preliminary planting list and a map identifying areas of the park for the various types of planting. The liaisons provided input to the development team.

The liaisons met with staff and the development team on December 3, 2021. The developer's landscape architect presented the revised planting list and clarified the approach for hydroseeding graded areas of the park. The liaisons provided input to the development team.

The liaisons provided a progress report to the ad-hoc committee on December 16, 2021. The planting lists and map identifying areas of the park for the various types of planting were presented. The members of the ad-hoc committee provided recommendations for changes to be incorporated into the planting lists and planting areas.

In January of 2022, Dr. Fred Watson provided a map showing the location of existing plants on hilltop park by species (**EXHIBIT B**). This map informed a recommendation to reroute the proposed trail access from 9th Street to the hilltop viewing area using switchbacks to avoid existing native plants to be preserved. This was done to fulfill City Council adopted requirement # 13 "Consider placing the 8ft wide path from 9th Street to the top of the park to retain as much existing native vegetation as possible."

The liaisons met with staff and the development team on April 4, 2022. The developer's team presented a feasible alignment of the trail from 9th Street to the hilltop viewing area using switchbacks. Planting establishment criteria to be incorporated into the project plans and specifications was presented along with revisions to planting lists.

The liaisons provided a progress report to the ad-hoc committee on April 21, 2022. The developer's landscape architect presented the revised planting lists, the realignment of trail access to the hilltop, and the revised plant establishment criteria. The ad-hoc committee provided direction on the removal of invasive species of plants, the planting lists, plant establishment criteria, locations for planting of oak trees identified as mitigation for unpermitted removal of trees, and maintenance transition from the developer to City staff.

The change to the City Council approved Hilltop Park concept plan showing the alignment of the trail from 9th Street to the hilltop viewing area using switchbacks is attached as **EXHIBIT C**. Also shown on the exhibit are the plant removal specifications, areas of different planting within the park, and the planting lists pertaining to each area. The plant establishment criteria to be incorporated in the project plans and specifications are attached as **EXHIBIT D**.

As construction documents are prepared, the developer's landscape architect will plan for the replacement of some of the trees removed from the park area and other areas of The Dunes Phase 2 East without a permit. Oak trees will be appropriately spaced on the lower west slope of the hill, west of the dog park and along the eastern finger of the park along 8th Street. Oak trees on the eastern finger will be placed to avoid the future 8th Street right-of-way and the PG&E gas line.

The developer will maintain the installed landscaping for a period of two years in accordance with the establishment criteria (**EXHIBIT D**). The Citizens for Sustainable Marina (CS4M) have been collecting native plant seeds and growing replacement plants for Area 3 shown on sheet L-1.1 of **EXHIBIT C**. This is the area of native habitat to be maintained with supplemental planting of natives. The developer will continue to work with C4SM to begin a series of plantings during appropriate seasons over the course of the establishment period.

Exhibit C and **Exhibit D** will serve as the basis for development of detailed plans and specifications which will serve as the construction documents and will serve as the conditions of approval that staff will use when reviewing the construction documents.

FISCAL IMPACT:

MCP will fully fund construction of Hilltop Park once the designs are approved by the City. Per Conditions #11 and #20 of the Tentative Map Conditions of Approval, Hilltop Park will then be owned and maintained by the City.

CONCLUSION:

This request is submitted for City Council consideration.

_____

Brian McMinn, P.E., P.L.S.
Public Works Director/City Engineer
City of Marina

REVIEWED/CONCUR:

_____

Layne P. Long
City Manager
City of Marina

RESOLUTION NO. 2022-

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF MARINA RECEIVING A REPORT ON THE HILLTOP PARK RECOMMENDATIONS FROM THE AD-HOC COMMITTEE AND CITY COUNCIL APPOINTED AD- HOC COMMITTEE LIAISONS AND PROVIDING DIRECTION FOR THE FINAL DESIGN OF THE HILLTOP PARK AT THE DUNES

WHEREAS, at the regular meeting of May 19, 2020, the City Council adopted Resolution No. 2020-53, approving the amendment to the University Village (now The Dunes on Monterey Bay) Phase 2 Tentative Map. The amendment included conceptual layouts of the City Park within Phase 2 known as Hilltop Park, and;

WHEREAS, the City Council received a presentation and approved the conceptual plan for the Hilltop Park (**Exhibit A**) on April 20th, 2021 by adopting Resolution 2021-36 with the exception of vegetation for the park. As part of the resolution, City Council directed the formation of an ad hoc committee to develop recommendations specific to "trees, grasses, forbs and shrubs, which is all plant material to be incorporated in the development of the Hilltop Park at The Dunes", and;

WHEREAS, the preliminary park plan will serve as a basis for final park design. Final design will move forward once Council input has been considered and addressed. All the improvements at this park location will be fully funded by Marina Community Partners (MCP). The basic programming and elements of the parks will remain as close as possible to what was approved by the amended tentative map and Specific Plan, and;

WHEREAS, the Ad Hoc Committee consisting of representatives of the City Council (Mayor Bruce Delgado), Recreation and Cultural Services Commission (Chair Darlena Ridler, Commissioner Jeff Uchida), Public Works Commission (Commissioner Mike Owen), Tree Committee (Committee Member Greg Simmons), Marina Tree and Garden Club (Juli Hoffman and Grace Silva-Santella), Citizens for Sustainable Marina (Karen Andersen), along with Dr. Fred Watson met on May 26th, 2021, and;

WHEREAS, the ad hoc committee received a presentation from the Dunes landscape design team deliberated and provided the following recommendations to City Council:

1) Engage consultants with experience using Fort Ord natives for restoration and incorporate their recommendations in the plans.
2) The plans should include more information about site challenges with a focus on hydroseed application and keeping existing native vegetation currently remaining.
3) Update the plan to show current (May 2021) vegetation.
4) Describe in the landscaping plan how on-site (e.g., Fort Ord) stock and which species will be used.
5) Use a native plant emphasis, but not necessarily 100% coverage of natives across the site. Planting plans should show the long-term vegetation vision of the Hilltop Park.
6) Show on the plans which type of planting (e.g., for native restoration) will go in the various areas of Hilltop Park.
7) Use I-naturalist and David Styer's Flora of Fort Ord as references to select local natives for landscaping.
8) Include a more specific plant list using local native plants.
9) Bring the next version of proposed plant list back to ad-hoc committee.
10) Enhance dog park using oaks instead of cypress trees.

11) Include approximately 17 cypress trees where wind barriers are needed such as west of dog park.
12) Consider oak placement on west face of Hilltop Park in protected areas.
13) Consider placing the 8ft wide path from 9th Street to the top of the park to retain as much existing native vegetation as possible.
14) Begin seed collections in 2021 as soon as possible for species in all seral stages (e.g. pioneers, and mid and late-seral stages).

WHEREAS, the City Council adopted Resolution 2021-73 at the June 15th, 2021 meeting. The resolution approved the recommendations of the ad-hoc committee except for #9 "Bring back the next version of the proposed plant list back to the ad-hoc committee." In lieu of #9, City Council appointed Mayor Delgado and Dr. Fred Watson to serve as liaisons between the developer and ad-hoc committee as the plant lists were being prepared by the developer's landscape architect, and;

WHEREAS, the liaisons met with staff and the development team on September 24, 2021. The developer's landscape architect presented the preliminary planting list and a map identifying areas of the park for the various types of planting. The liaisons provided input to the development team, and;

WHEREAS, the liaisons met with staff and the development team on December 3, 2021. The developer's landscape architect presented the revised planting list and clarified the approach for hydroseeding graded areas of the park. The liaisons provided input to the development team, and;

WHEREAS, the liaisons provided a progress report to the ad-hoc committee on December 16, 2021. The planting lists and map identifying areas of the park for the various types of planting were presented. The members of the ad-hoc committee provided recommendations for changes to be incorporated into the planting lists and planting areas, and;

WHEREAS, in January of 2022, Dr. Fred Watson provided a map showing the location of existing plants on hilltop park by species (**Exhibit B**). This map informed a recommendation to reroute the proposed trail access from 9th Street to the hilltop viewing area using switchbacks to avoid existing native plants to be preserved. This was done to fulfill City Council adopted requirement # 13 "Consider placing the 8ft wide path from 9th Street to the top of the park to retain as much existing native vegetation as possible," and ;

WHEREAS, the liaisons met with staff and the development team on April 4, 2022. The developer's team presented a feasible alignment of the trail from 9th Street to the hilltop viewing area using switchbacks. Planting establishment criteria to be incorporated into the project plans and specifications was presented along with revisions to planting lists, and;

WHEREAS, the liaisons provided a progress report to the ad-hoc committee on April 21, 2022. The developer's landscape architect presented the revised planting lists, the realignment of trail access to the hilltop, and the revised plant establishment criteria. The ad-hoc committee provided direction on the removal of invasive species of plants, the planting lists, plant establishment criteria, locations for planting of oak trees identified as mitigation for unpermitted removal of trees, and maintenance transition from the developer to City staff, and;

WHEREAS, the change to the City Council approved Hilltop Park concept plan showing the alignment of the trail from 9th Street to the hilltop viewing area using switchbacks is attached as **Exhibit C**. Also shown on the exhibit are the plant removal specifications, areas of different planting within the park, and the planting lists pertaining to each area. The plant establishment criteria to be incorporated in the project plans and specifications are attached as **Exhibit D**, and;

WHEREAS, the developer will maintain the installed landscaping for a period of two years in accordance with the establishment criteria (**Exhibit D**). The Citizens for Sustainable Marina (CS4M) have been collecting native plant seeds and growing replacement plants for Area 3 shown on sheet L-1.1 of **Exhibit C**. This is the area of native habitat to be maintained with supplemental planting of natives. The developer will continue to work with C4SM to begin a series of plantings during appropriate seasons over the course of the establishment period, and;

WHEREAS, MCP will fully fund construction of the Park once the designs are approved by the City. Per Conditions #11 and #20 of the Tentative Map Conditions of Approval, Hilltop Park will then be owned and maintained by the City.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Marina that does hereby receive a report on the Hilltop Park ad-hoc committee recommendations and provides direction on the final design of the Hilltop Park at The Dunes.

PASSED AND ADOPTED by the City Council of the City of Marina at a regular meeting duly held on the 17th day of May 2022, by the following vote:

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

_____
Bruce C. Delgado, Mayor

ATTEST:

_____
Anita Sharp, Deputy City Clerk

COASTAL SAGE SCRUB - SLOPE RESTORATION MIX

LBS/AC	PLANT
1.5	ACMISPON GLABER (DEERWEED) (CN)
2.0	ARTEMISIA CALIFORNICA (CALIFORNIA SAGEBRUSH) (CN)
4.0	ELYMUS GLAUCUS (COASTAL BLUE WILDRYE) (CN)
8.0	ERIOGONUM LATIFOLIUM (COAST BUCKWHEAT) (CN)
1.5	ERIOPHYLLUM CONFERTIFLORUM (GOLDEN YARROW) (CN)
2.0	ESCHSCHOLZIA CALIFORNICA VAR. MARITIMA (COAST CALIFORNIA POPPY) (CN)
6.0	FESTUCA MICROSTACHYS (SMALL FESCUE) (CN)
8.0	FESTUCA RUBRA 'MOLATE' (NATIVE RED FESCUE) (CN)
1.0	LASTHENIA CALIFORNICA (DWARF GOLDFIELDS) (CN)
3.0	LUPINUS SUCCULENTUS (ARROYO LUPINE) (CN)
4.0	MIMULUS AURANTIACUS (STICKY MONKEYFLOWER - ORANGE) (CN)
2.0	SALVIA MELLIFERA (BLACK SAGE) (CN)
2.0	SISYRINCHIUM BELLUM (BLUE-EYED GRASS) (CN)
6.0	STIPA PULCHRA (PURPLE NEEDLEGRASS) (CN)

SEEDING RATE: 51 LBS PER ACRE
HEIGHT RANGE: 12-54 INCHES
(CN) - CALIFORNIA NATIVE

COASTAL SAGE SCRUB - BLUFF AREA HYDROSEED MIX

LBS/AC	PLANT
2.5	ABRONIA LATIFOLIA (COASTAL SAND VERBENA) (CN)
1.0	ACMISPON AMERICANUS (PURSHING LOTUS) (CN)
1.0	CAMISSONIOPSIS CHEIRANTHIFOLIA (BEACH EVENING PRIMROSE) (CN)
2.0	COLLINSIA HETEROPHYLLA (CHINESE HOUSES) (CN)
4.0	DESCHAMPSIA CESPITOSA HOLCIFORMIS (COASTAL HAIRGRASS) (CN)
2.5	ESCHSCHOLZIA CALIFORNICA VAR. MARITIMA (COAST CALIFORNIA POPPY) (CN)
6.0	FESTUCA MICROSTACHYS (SMALL FESCUE) (CN)
10.0	FESTUCA RUBRA 'MOLATE' (NATIVE RED FESCUE) (CN)
1.0	LASTHENIA CALIFORNICA (DWARF GOLDFIELDS) (CN)
4.0	LUPINUS NANUS (SKY LUPINE) (CN)
6.0	KOELERIA MACRANTHA (JUNEGRASS) (CN)
2.5	MELICA IMPERFECTA (COASTAL ONION GRASS) (CN)
2.0	SISYRINCHIUM BELLUM (BLUE-EYED GRASS) (CN)
6.0	STIPA PULCHRA (PURPLE NEEDLEGRASS) (CN)

SEEDING RATE: 51 LBS PER ACRE
HEIGHT RANGE: 10-18 INCHES
(CN) - CALIFORNIA NATIVE

PROPOSED RESTORATION PLANTING

(DISTURBED AREAS)

BLUFF AREA HYDROSEED

COASTAL SAGE SCRUB MIX BY PACIFIC COAST SEED. DESIGNED AS A NON-IRRIGATED MIX. HEIGHT RANGE 10-18 INCHES. SEE BLUFF AREA HYDROSEED MIX DESCRIPTION, THIS SHEET.

SLOPE RESTORATION PLANTING

COASTAL SAGE SCRUB MIX BY PACIFIC COAST SEED: NATIVE HYDROSEEDED GRASS, FLOWER AND SHRUB RESTORATION MIX WITH MULCH TACKIFIER AND SOIL STABILIZER. DESIGNED AS A NON-IRRIGATED MIX. HEIGHT RANGE 12-54 INCHES. SEE SLOPE RESTORATION MIX DESCRIPTION, THIS SHEET.

RESTORATION SPECIFICATION AND MAINTENANCE PLAN TO BE INCLUDED WITH CONSTRUCTION DOCUMENTS


EXISTING TREE CANOPY


VIEW 1

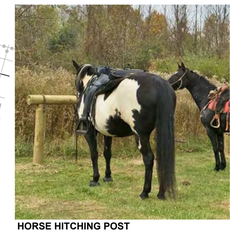

VIEW 2


VIEW 3


VIEW 4

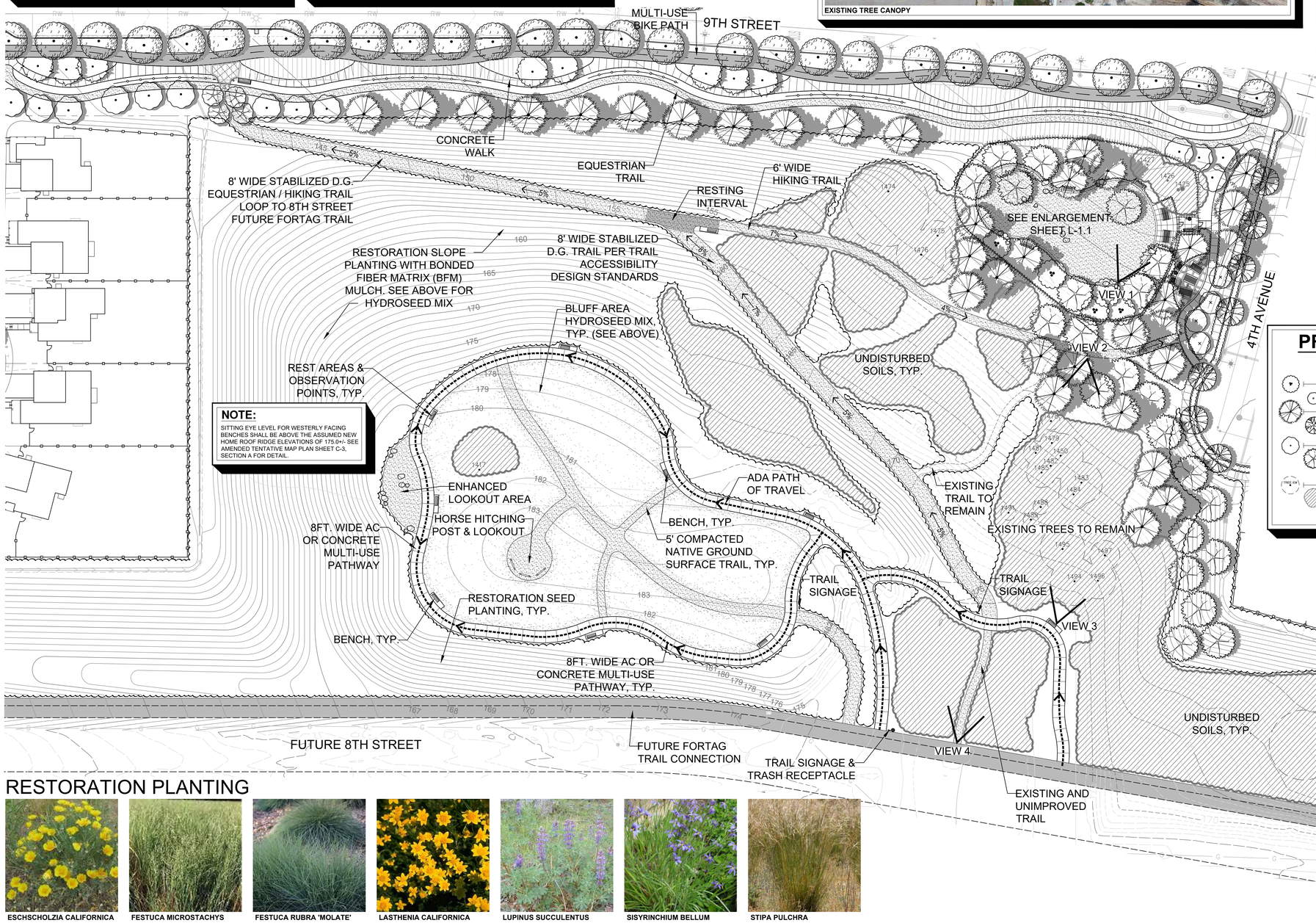

HILLTOP PARK VIEW


COMPOSITE BENCH SEATING


HORSE HITCHING POST


RESTORATION SLOPE PLANTING


BLUFF NATIVE GRASS



NOTE:
SITTING EYE LEVEL FOR WESTERLY FACING BENCHES SHALL BE ABOVE THE ASSUMED NEW HOME ROOF RIDGE ELEVATIONS OF 175.0+/- SEE AMENDED TENTATIVE MAP PLAN SHEET C-3, SECTION A FOR DETAIL.

PROPOSED TREE PALETTE

	BOTANICAL NAME	COMMON NAME	WUCOLS	MIN. SIZE
HILLTOP PARK TREES				
	AESCULUS CALIFORNICA (CN)	CALIFORNIA BUCKEYE	V. LOW	15 GAL
	CERCIS OCCIDENTALIS (CN)	WESTERN REDBUD	V. LOW	24" BOX
	CUPRESSUS MACROCARPA	MONTEREY CYPRESS	MOD.	15 GAL
	LYONOTHAMNUS FLORIBUNDUS ASPLENIIFOLIUS (CN)	CATALINA IRONWOOD	LOW	15 GAL
	PRUNUS CERASIFERA	FLOWERING PLUM	LOW	15 GAL
	QUERCUS AGRIFOLIA (CN)	COAST LIVE OAK	V. LOW	15 GAL

EXISTING TREES

EXISTING TREE CANOPY - PROTECT-IN-PLACE

EXISTING PLANT AREA - SEE PROPOSED RESTORATION PLANTING (NON-DISTURBED AREAS) NOTES

(CN) - CALIFORNIA NATIVE

EXISTING TREES

REFER TO ARBORIST REPORTS BY DENISE DUFFY & ASSOCIATES, INC DATED 3-19-20, 12-1-20 AND 12-16-20 FOR EXISTING PARK TREE IDENTIFICATION, TREES PROPOSED FOR REMOVAL & REPLACEMENT, AND THOSE TO BE PROTECTED IN PLACE.

PROPOSED RESTORATION PLANTING

(NON-DISTURBED AREAS)

A PROPOSED LONG-TERM MAINTENANCE, RESTORATION & INVASIVE SPECIES REMOVAL IS RECOMMENDED FOR THE REMAINDER OF THE PARK IN ALL UNDISTURBED AREAS.

INVASIVE SPECIES REMOVAL AND RESTORATION PLANTING SHALL BE PHASED AS TO NOT DISTURB ANY ESTABLISHED POCKETS OF IDENTIFIED RELIC NATIVE PLANT COMMUNITIES WITHIN THE PARK.

PHASED LONG TERM MAINTENANCE, EDUCATIONAL INFORMATION, PLANT IDENTIFICATION AND NATIVE PLANT RESTORATION SHALL BE PROVIDED FOR AND IMPLEMENTED BY THE PARKS DEPARTMENT.

CALIPC 'RATED' INVASIVE SPECIES OBSERVED BY FRED WATSON, PHD & RATED PER CALIPC:

ACACIA SPP. (LONGIFOLIA) - SYDNEY GOLDEN WATTLE
PARASERIANTHES LOPHANTHA - STINK BEAN
LEPTOSPERMUM LAEVIGATUM - AUSTRALIAN TEA TREE
GENISTA SPP. - BROOM
CORTADERIA SPP. - JUBATA GRASS OR PAMPAS GRASS
CARPOBROTUS SPP. - ICE PLANT

RESTORATION PLANTING

ESCHSCHOLZIA CALIFORNICA VAR. MARITIMA

FESTUCA MICROSTACHYS

FESTUCA RUBRA 'MOLATE'

LASTHENIA CALIFORNICA

LUPINUS SUCCULENTUS

SISYRINCHIUM BELLUM

STIPA PULCHRA



City of Marina
211 HILLCREST AVENUE
MARINA, CALIFORNIA 93933
(831) 884-1278

DUNES PHASE 2 EAST
Marina, California

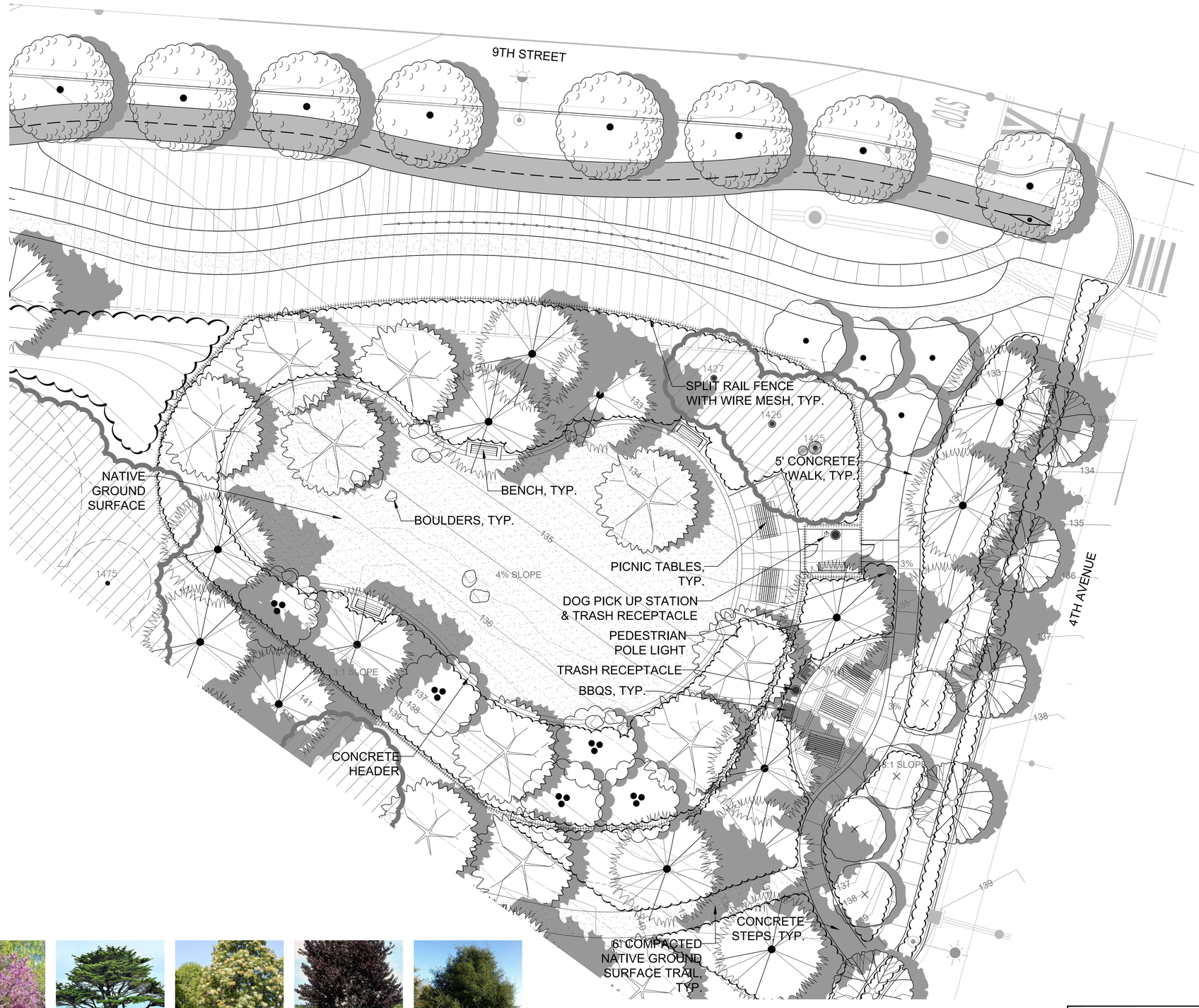
HILLTOP PARK
CONCEPTUAL LANDSCAPE PLAN
MARCH 8, 2021

vanderToolen Associates
855 Bordeaux Way
Suite 240
Napa, CA 94558
tel: 707.224.2299
www.vandertoolen.com

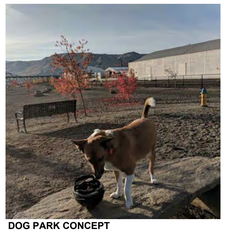
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NORTH

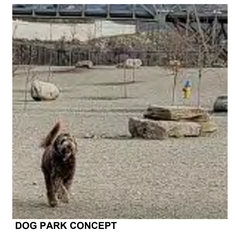
L-1.0
Project No. 02820

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DOG PARK CONCEPT


DOG PARK CONCEPT


DOG PARK CONCEPT


DOG PARK CONCEPT


SPLIT RAIL FENCE AND GATE WITH WIRE MESH


COMPOSITE PICNIC TABLES

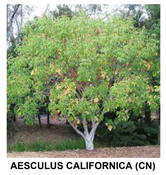

DOG PICK UP STATION


COMPOSITE BENCH SEATING

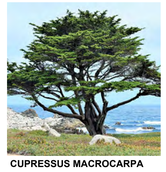
PROPOSED TREE PALETTE

BOTANICAL NAME	COMMON NAME	WUCOLS	MIN. SIZE
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QUERCUS AGRIFOLIA (CN)	COAST LIVE OAK	V. LOW	15 GAL
EXISTING TREES			
EXISTING TREE CANOPY - PROTECT-IN-PLACE			
EXISTING PLANT AREA - SEE PROPOSED RESTORATION PLANTING (NON-DISTURBED AREAS) NOTES			
(CN) - CALIFORNIA NATIVE			

TREES


AESCULUS CALIFORNICA (CN)


CERCIS OCCIDENTALIS (CN)

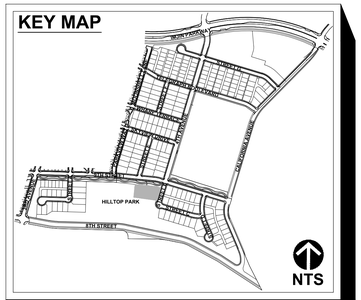

CUPRESSUS MACROCARPA


LYONOTHAMNUS FLORIBUNDUS ASPLENIIFOLIUS (CN)


PRUNUS CERASIFERA


QUERCUS AGRIFOLIA (CN)

KEY MAP



DOG PARK AREA

14,553 SF (0.33 ACRES) FENCE ENCLOSED AREA

City of Marina
211 HILLCREST AVENUE
MARINA, CALIFORNIA 93933
(831) 884-1278

DUNES PHASE 2 EAST
Marina, California

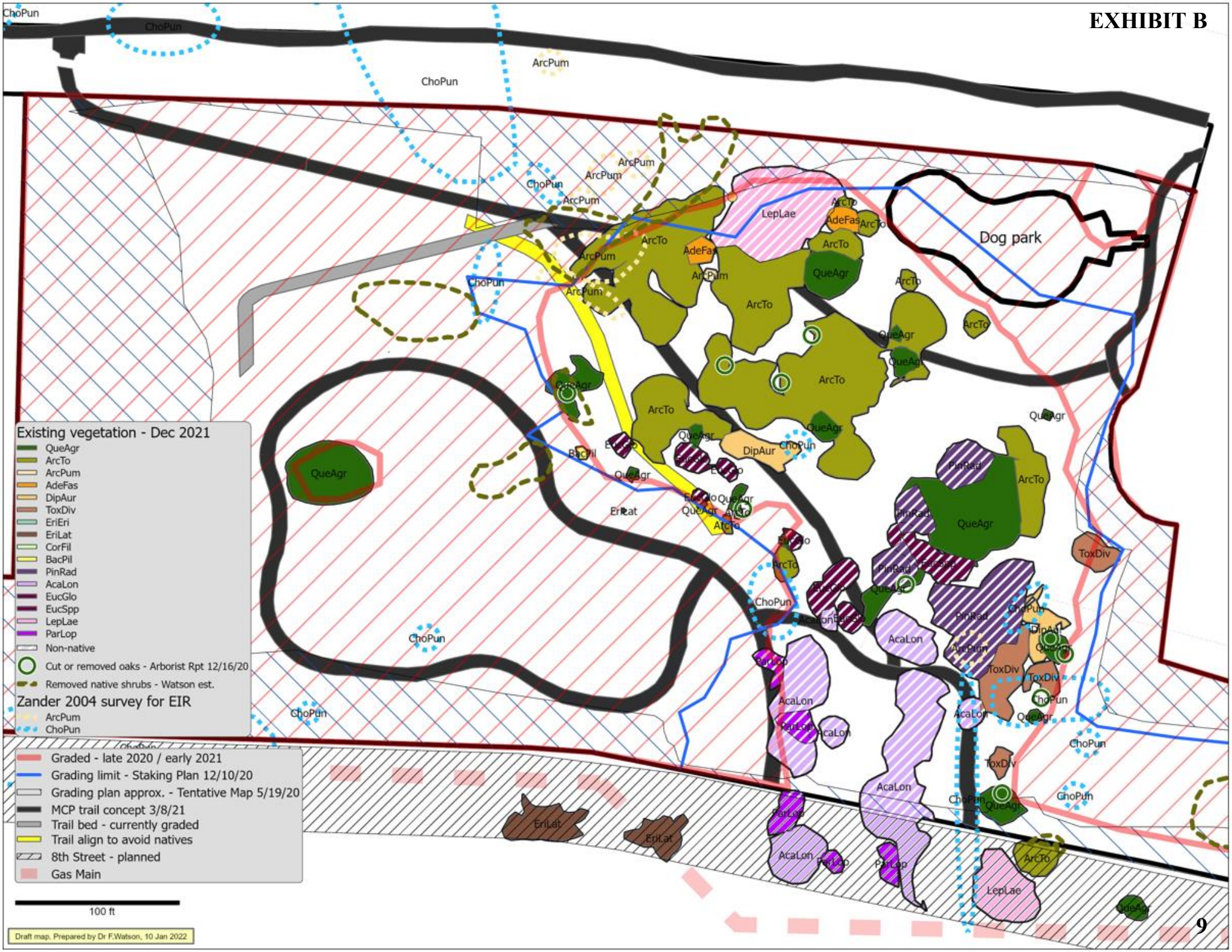
HILLTOP PARK ENLARGEMENT
CONCEPTUAL LANDSCAPE PLAN
MARCH 8, 2021

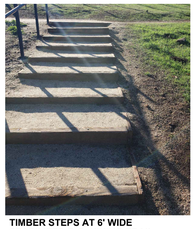
vanderToolen Associates
855 Bordeaux Way
Suite 240
Napa, CA 94558
tel: 707.224.2299
www.vandertoolen.com

SCALE: 1" = 10'-0" NORTH

L-1.1
Project No. 02820

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Dog park
Existing vegetation - Dec 2021
QueAgr
ArcTo
ArcPum
AdeFas
DipAur
ToxDiv
EriEri
EriLat
CorFil
BacPil
PinRad
AcaLon
EucGlo
EucSpp
LepLae
ParLop
Non-native
Cut or removed oaks - Arborist Rpt 12/16/20
Removed native shrubs - Watson est.
Zander 2004 survey for EIR
ArcPum
ChoPun
Graded - late 2020 / early 2021
Grading limit - Staking Plan 12/10/20
Grading plan approx. - Tentative Map 5/19/20
MCP trail concept 3/8/21
Trail bed - currently graded
Trail align to avoid natives
8th Street - planned
Gas Main
100 ft
Draft map. Prepared by Dr F.Watson, 10 Jan 2022



TIMBER STEPS AT 6' WIDE STABILIZED D.G. HIKING TRAIL



EXISTING VEGETATION - SEPTEMBER 2021



VIEW 1



VIEW 2



VIEW 3



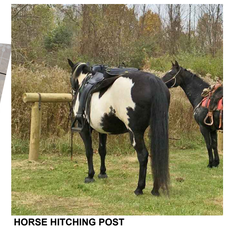
VIEW 4



HILLTOP PARK VIEW



COMPOSITE BENCH SEATING



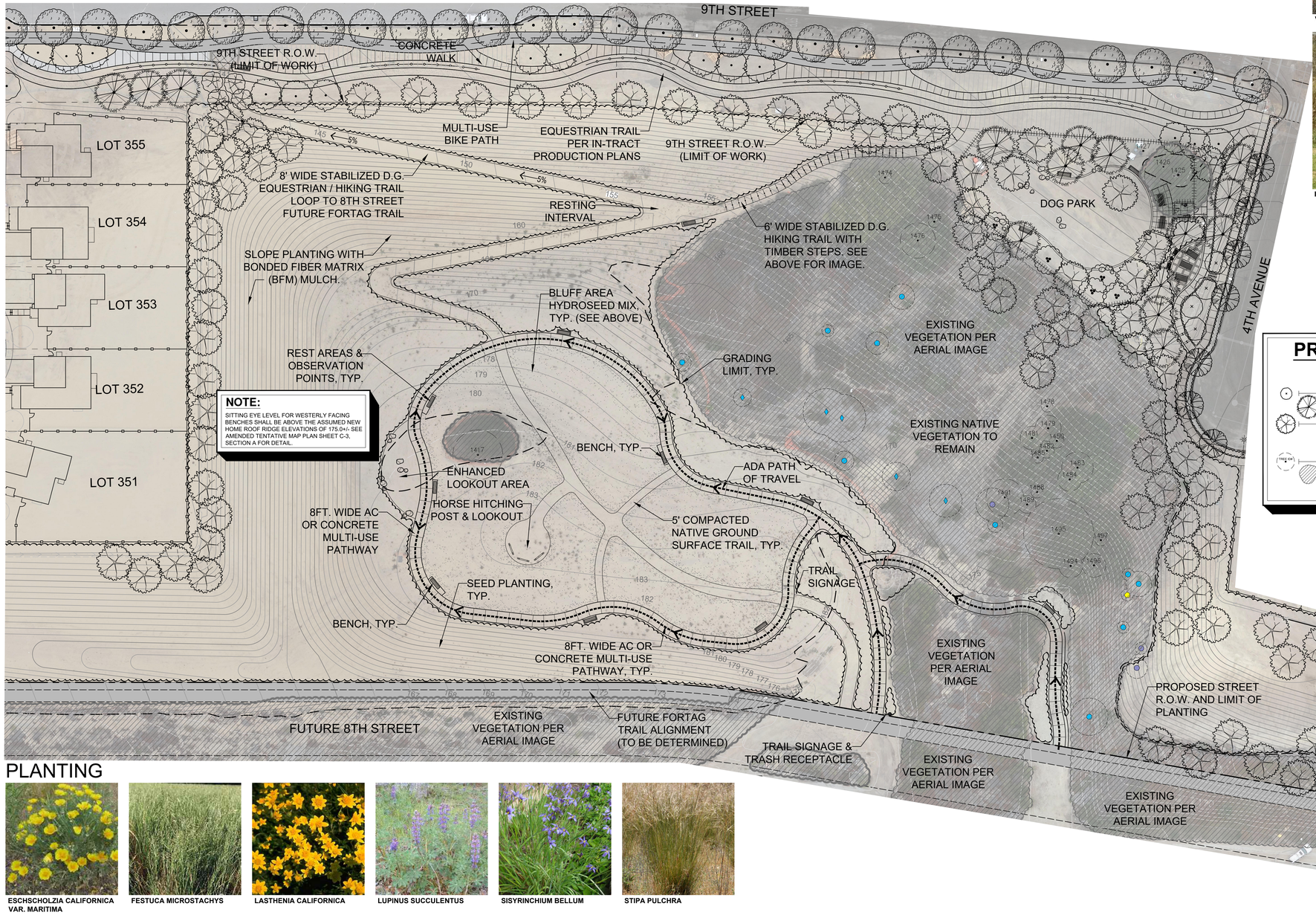
HORSE HITCHING POST



SLOPE PLANTING



BLUFF NATIVE GRASS



NOTE:
SITTING EYE LEVEL FOR WESTERLY FACING BENCHES SHALL BE ABOVE THE ASSUMED NEW HOME ROOF RIDGE ELEVATIONS OF 175.0+/- SEE AMENDED TENTATIVE MAP PLAN SHEET C-3, SECTION A FOR DETAIL.

EXISTING EUCALYPTUS TREES

ALL FIVE (5) EXISTING EUCALYPTUS TREES PREVIOUSLY CUT AND SUCKERING ARE TO BE REMOVED. STUMP GRIND ALL CUT TREES TO BELOW GRADE.

EXISTING TREES

REFER TO ARBORIST REPORTS BY DENISE DUFFY & ASSOCIATES, INC.DATED 3-19-20, 12-1-20 AND 12-16-20 FOR EXISTING PARK TREE IDENTIFICATION. TREES PROPOSED FOR REMOVAL & REPLACEMENT, AND THOSE TO BE PROTECTED IN PLACE.

PROPOSED TREE PALETTE

BOTANICAL NAME	COMMON NAME	WUCOLS	MIN. SIZE
HILLTOP PARK TREES			
CERCIS OCCIDENTALIS (CN)	WESTERN REDBUD	V. LOW	24" BOX
CUPRESSUS MACROCARPA (CN)	MONTEREY CYPRESS	MOD.	15 GAL
QUERCUS AGRIFOLIA (CN)	COAST LIVE OAK	V. LOW	15 GAL

EXISTING TREES

EXISTING TREE CANOPY - PROTECT-IN-PLACE

EXISTING PLANT AREA - SEE PROPOSED PLANTING NOTES

(CN) - CALIFORNIA NATIVE

INVASIVE SPECIES REMOVAL

A PROPOSED LONG-TERM MAINTENANCE, PLANTING & INVASIVE SPECIES REMOVAL IS RECOMMENDED FOR THE REMAINDER OF THE PARK IN ALL UNDISTURBED AREAS.

INVASIVE SPECIES REMOVAL AND PLANTING SHALL BE PHASED AS TO NOT DISTURB ANY ESTABLISHED POCKETS OF IDENTIFIED RELIC NATIVE PLANT COMMUNITIES WITHIN THE PARK.

PHASED LONG TERM MAINTENANCE, EDUCATIONAL INFORMATION, PLANT IDENTIFICATION AND NATIVE PLANTING SHALL BE PROVIDED FOR AND IMPLEMENTED BY THE PARKS DEPARTMENT.

CALIPC 'RATED' INVASIVE SPECIES OBSERVED BY FRED WATSON, PHD & RATED PER CALIPC:

ACACIA SPP. (LONGIFOLIA) - SYDNEY GOLDEN WATTLE
PARASERIANTHES LOPHANTHA - STINK BEAN
LEPTOSPERMUM LAEVIGATUM - AUSTRALIAN TEA TREE
GENISTA SPP. - BROOM
CORTADERIA SPP. - JUBATA GRASS OR PAMPAS GRASS
CARPOBROTUS SPP. - ICE PLANT

PROPOSED PLANTING

(DISTURBED AREAS)

BLUFF AREA HYDROSEED

COASTAL SAGE SCRUB MIX BY PACIFIC COAST SEED. DESIGNED AS A NON-IRRIGATED MIX. HEIGHT RANGE 10-18 INCHES. SEE BLUFF AREA HYDROSEED MIX DESCRIPTION, THIS SHEET.

SLOPE PLANTING

COASTAL SAGE SCRUB MIX BY PACIFIC COAST SEED: NATIVE HYDROSEEDED GRASS, FLOWER AND SHRUB MIX WITH MULCH TACKIFIER AND SOIL STABILIZER. DESIGNED AS A NON-IRRIGATED MIX. HEIGHT RANGE 12-54 INCHES. SEE SLOPE PLANTING MIX DESCRIPTION, THIS SHEET.

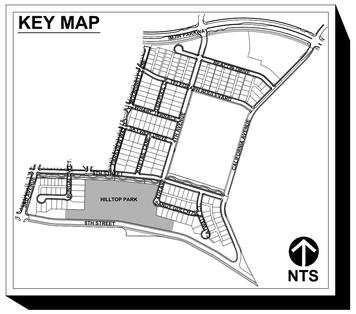
TREES REMOVED WITHOUT PRIOR APPROVAL

TREES	QUANTITY REMOVED (*)
EUCALYPTUS SPECIES	5
COAST LIVE OAK (CN)	10
MONTEREY PINE (CN)	3
TORREY PINE (CN)	1

(CN) - CALIFORNIA NATIVE
(*) IDENTIFIED TREES ARE PER ARBORIST TREE INVENTORY REPORT DATED 12/1/2020 BY DENISE DUFFY & ASSOCIATES, INC.

PLANTING SPECIFICATION AND MAINTENANCE PLAN TO BE INCLUDED WITH CONSTRUCTION DOCUMENTS

KEY MAP



PLANTING

ESCHSCHOLZIA CALIFORNICA VAR. MARITIMA

FESTUCA MICROSTACHYS

LASTHENIA CALIFORNICA

LUPINUS SUCCULENTUS

SISYRINCHIUM BELLUM

STIPA PULCHRA

City of Marina
211 HILLCREST AVENUE
MARINA, CALIFORNIA 93933
(831) 884-1278

DUNES PHASE 2 EAST
Marina, California

HILLTOP PARK
CONCEPTUAL LANDSCAPE PLAN
APRIL 26, 2022

vanderToolen Associates
855 Bordeaux Way
Suite 240
Napa, CA 94558
tel: 707.224.2299
www.vandertoolen.com

0' 15' 30' 60'
SCALE: 1" = 30'-0"
NORTH

L-1.0
Project No. 02820

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AREA 1 - PROPOSED REVEGETATION
(Steep Slope Planting Areas ~ 5.75 acres)

HYDROSEEDING — RECOMMENDED SEEDING WINDOW: FALL

NATIVE HYDROSEEDED GRASS, FLOWER AND SHRUB RESTORATION MIX WITH MULCH TACKIFIER AND SOIL STABILIZER.

IRRIGATION: SEED MIX DESIGN AS NON-IRRIGATED OPTIONAL: TEMPORARY IRRIGATION

LBS./ ACRE	SEED TOTALS	BOTANICAL (COMMON NAME)	PLANT TYPE	GROWTH SIZE (HxW)
1.5	9.0 lbs.	ACMISPON GLABER (DEERWEED) (CN) (1,2)	Forb	3' x 3'
2.0	12.0 lbs.	ARTEMISIA CALIFORNICA (CALIFORNIA SAGEBRUSH) (CN) (1)	Shrub	8' x 4'
1.5	9.0 lbs	CAMISSONIOPSIS CHEIRANTHIFOLIA (BEACH EVENING PRIMROSE) (CN) (1,2)	Forb	0.3' x 3'
5.5	33.0 lbs.	ELYMUS GLAUCUS (COASTAL BLUE WILDRYE) (CN) (1,2)	Grass	5' x 5'
4.0	24.0 lbs.	ERIOGONUM LATIFOLIUM (COAST BUCKWHEAT) (CN) (1)	Sub-shrub	1.5' x 2.5'
4.0	24.0 lbs.	ERIOGONUM FASCICULATUM (CA BUCKWHEAT) (CN)	Sub-shrub	1.5' x 2.5'
1.5	9.0 lbs.	ERIOPHYLLUM STAEDHADIFLOIUM (SEASIDE WOOLY SUNFLOWER) (CN) (1)	Sub-shrub	3.5' x 5'
4.0	24.0 lbs.	ERICAMERIA ERICOIDES (MOCK HEATHER) (CN) (1,2)	Shrub	3.0' x 3.5'
2.0	12.0 lbs.	ESCHSCHOLZIA CALIFORNICA VAR. MARITIMA (COAST CA POPPY) (CN) (1,2)	Forb	1.5' x 1.5'
2.0	12.0 lbs.	FESTUCA IDAHOENSIS (COASTAL IDAHO FESCUE) (CN) (1)	Grass	2' x 2'
4.0	24.0 lbs.	LUPINUS ARBOREUS (ARROYO LUPINE) (CN) (1,2)	Forb	3' x 3'
4.0	24.0 lbs.	DIPLACUS (*MIMULUS*) AURANTIACUS (STICKY MONKEYFLOWER - ORANGE) (CN) (1,2)	Sub-shrub	3' x 3'
2.0	12.0 lbs.	SALVIA MELLIFERA (BLACK SAGE) (CN) (1,2)	Shrub	6' x 10'
2.0	12.0 lbs.	SISYRINCHIUM BELLUM (BLUE-EYED GRASS) (CN) (1,2)	Forb	2' x 3'
5.0	30.0 lbs.	STIPA CERNUA (NODDING STIPA) (CN) (1,2)	Grass	2.5' x spreading
7.5	45.0 lbs.	STIPA PULCHRA (PURPLE NEEDLEGRASS) (CN) (1)	Grass	3' x spreading
52.5 lbs.	315.0 lbs.			

CONTAINERIZED PLANTING — PROPOSED IRRIGATION: TEMPORARY

(CN) - CALIFORNIA NATIVE

TREES	BOTANICAL (COMMON NAME)	WUCOLS	MIN. SIZE
	HESPEROCYPARIS (*CUPRESSUS*) MACROCARPA (MONTEREY CYPRESS) (CN) (1,2)	MOD.	15 GAL.
	QUERCUS AGRIFOLIA (COAST LIVE OAK) (CN) (1,2)	LOW	15 GAL.

(CN) - CALIFORNIA NATIVE
*(1) - FORT ORD IDENTIFIED PLANT SPECIES **
*(2) - FORT ORD PLANT SPECIES IDENTIFIED IN PLANT AREA DESIGNATION D03 (HILLTOP PARK AREA) **
(*) REFERENCE: 'FLORA OF FORT ORD, MONTEREY CALIFORNIA' BY DAVID STYER, 2019

REVISED: APRIL 4, 2022

AREA 2 - PROPOSED REVEGETATION
(Bluff Planting Areas ~ 0.75 acre)

HYDROSEEDING — RECOMMENDED SEEDING WINDOW: FALL

COASTAL SAGE SCRUB MIX / HEIGHT RANGE 10-18"

IRRIGATION: SEED MIX DESIGN AS NON-IRRIGATED OPTIONAL: TEMPORARY IRRIGATION

LBS./ ACRE	SEED TOTALS	BOTANICAL (COMMON NAME)	PLANT TYPE	GROWTH SIZE (HxW)
1.25	1.25 lbs.	ABRONIA LATIFOLIA (COASTAL SAND VERBENA) (CN) (1)	Forb	0.5 x 7"
1.25	1.25 lbs.	ABRONIA UMBELLATA (PINK SAND VERBENA) (CN) (1)	Forb	0.5' x 0.5'
1.5	1.5 lbs	ARMERIA MARITIMA (SEA THRIFT) (CN) (1)	Shrub	0.5' x 0.5'
1.0	1.0 lbs.	ACMISPON AMERICANUS (SPANISH CLOVER) (CN) (1,2)	Forb	3' x 3'
1.0	1.0 lbs.	CAMISSONIOPSIS CHEIRANTHIFOLIA (BEACH EVENING PRIMROSE) (CN) (1,2)	Forb	0.3' x 3'
1.5	1.5 lbs.	CROTON CALIFORNICUS (CN) (1,2)	Forb	3' x 3'
4.0	4.0 lbs.	DESCHAMPSIA CESPITOSA HOLCIFORMIS (COASTAL HAIRGRASS) (CN) (1)	Grass	1' x 1'
2.0	2.0 lbs.	ERIGERON GLAUCUS (SEASIDE DAISY) (CN) (1)	Forb	0.5' x 2'
2.5	2.5 lbs.	ESCHSCHOLZIA CALIFORNICA VAR. MARITIMA (COAST CALIFORNIA POPPY) (CN) (1,2)	Forb	1.5' x 1.5'
8.0	8.0 lbs.	FESTUCA IDAHOENSIS (COASTAL IDAHO FESCUE) (CN) (1)	Grass	2' x 2'
1.0	1.0 lbs.	HORKELIA CUNEATA (WEDGELEAF HORKELIA (CN) (1)	Forb	1.5' x 1.5'
4.0	4.0 lbs.	LUPINUS NANUS (SKY LUPINE) (CN) (1,2)	Forb	1' x 1'
6.0	6.0 lbs.	POA DOUGLASII (DOUGLAS BLUEGRASS) (CN) (1)	Grass	1' x spreading
2.5	2.5 lbs.	MELICA IMPERFECTA (COASTAL ONION GRASS) (CN) (1)	Grass	3' x spreading
2.0	2.0 lbs.	SISYRINCHIUM BELLUM (BLUE-EYED GRASS) (CN) (1,2)	Forb	2' x 3'
4.0	4.0 lbs.	STIPA CERNUA (NODDING NEEDLEGRASS) (CN)	Grass	2.5' x 2'
6.0	6.0 lbs.	STIPA PULCHRA (PURPLE NEEDLEGRASS) (CN) (1)	Grass	3' x 1.5'
48.5 lbs.	48.5 lbs.			

(CN) - CALIFORNIA NATIVE
*(1) - FORT ORD IDENTIFIED PLANT SPECIES **
*(2) - FORT ORD PLANT SPECIES IDENTIFIED IN PLANT AREA DESIGNATION D03 (HILLTOP PARK AREA) **
(*) REFERENCE: 'FLORA OF FORT ORD, MONTEREY CALIFORNIA' BY DAVID STYER, 2019

AREA 3 - PROPOSED REVEGETATION
(Existing Native & Weed Eradicated Planting Areas ~ 3 acres)

BROADCAST SEEDING / LIVE CUTTINGS / CONTAINERIZED PLANTING

(SITE SPECIFIC SEED COLLECTION, LIVE CUTTINGS FROM VOLUNTEERS, COMMERCIALLY AVAILABLE SEED FROM LOCAL SOURCES, AND CONTAINERIZED PLANTS FROM LOCAL NURSERY STOCK)

PROPOSED IRRIGATION: NON-IRRIGATED OPTIONAL: TEMPORARY IRRIGATION

	BOTANICAL (COMMON NAME)	PLANT TYPE	GROWTH SIZE (HxW)
PERENNIALS / SHRUBS / FORBS GRASSES	ABRONIA UMBELLATA (PINK SAND VERBENA) (CN) (1)	Forb	0.5' x 0.5'
	ACMISPON GLABER (DEERWEED) (CN) (1,2)	Sub-Shrub	3' x 3'
	ACMISPON HEERMANNII (HERMAN'S LOTUS) (CN) (1,2)	Forb	1.5' x 1.5'
	ACHILLEA MILLEFOLIUM (COMMON YARROW) (CN) (1,2)	Forb	3' x 1.5'
	AGROSTIS EXARATA (SPIKE BENTGRASS) (CN) (1)	Grass	1.5' x spreading
	ARCTOSTAPHYLOS TOMENTOSA SUBSP. TOMENTOSA (CN) (1,2)	Shrub	6' x 5'
	ARCTOSTAPHYLOS PUMILA (SAND MAT MANZANITA) (CN) (1,2)	Shrub	1' x 4'
	ARTEMISIA CALIFORNICA (CALIFORNIA SAGEBRUSH) (CN) (1)	Shrub	4' x 4'
	BROMUS CARINATUS (BROME GRASS) (CN) (1,2)	Grass	2.5' x 2'
	CAMISSONIOPSIS CHEIRANTHIFOLIA (BEACH EVENING PRIMROSE) (CN) (1,2)	Forb	0.3' x 3'
	CORETHROGYNE FILAGINIFOLIA (BEACH ASTER) (CN) (1,2)	Sub-shrub	2' x 3'
	CEANOTHUS DENTATUS (CUTLEAF CEANOTHUS) (CN) (1,2)	Shrub	2-5' x 5'
	CEANOTHUS THYRSIFLORUS (BLUE BLOSSOM CEANOTHUS) (CN) (1,2)	Shrub	2-3' x 6-10'
	CEANOTHUS RIGIDUS (MONTEREY CEANOTHUS) (CN) (1,2)	Shrub	4-6' x 5-15'
	CROCANTHEMUM (HELIANTHEMUM) SCOPARIUM (RUSH ROSE) (CN) (1,2)	Perennial Forb	1.5' x 1.5'
	CROTON CALIFORNICUS (CALIFORNIA CROTON) (CN) (1,2)	Forb	3' x 3'
	ERICAMERIA ERICOIDES (MOCK HEATHER) (CN) (1,2)	Shrub	3' x 3.5'
	DIPLACUS (*MIMULUS*) AURANTIACUS (STICKY MONKEYFLOWER) (CN) (1,2)	Sub-shrub	3' x 3'
	DISTCHILIS SPICATA (SALT GRASS) (CN) (1)	Grass	1.5' x spreading
	ELYMUS GLAUCUS (COASTAL BLUE WILDRYE) (CN) (1,2)	Grass	5' x 5'
	ERIOGONUM FASCICULATUM (CALIFORNIA BUCKWHEAT) (CN) (1)	Shrub	3' x 4'
	ERIOGONUM LATIFOLIUM (COAST BUCKWHEAT) (CN) (1)	Sub-shrub	1.5' x 2.5'
	ERIOPHYLLUM CONFERTIFLORUM (GOLDEN YARROW) (CN) (1,2)	Sub-shrub	2.5' x 1.5'
	ESCHSCHOLZIA CALIFORNICA (COAST CA POPPY) (CN) (1,2)	Forb	1.5' x 1.5'
	FRANGULA CALIFORNICA (COFFEEBERRY) (CN) (1) (2)	Shrub/Small tree	6-15' x 5-15'
	GARRYA ELLIPTICA (COAST SILKTASSEL) (CN)	Shrub/Small tree	7-15' x 7-15'
	HORKELIA CALIFORNICA (LEAFY HORKELIA) (SMALL FESCUE) (CN) (1)	Forb	1.5' x 1.5'
	LUPINUS ARBOREUS (YELLOW COASTAL BUSH LUPINE) (CN) (1)	Shrub	4-7' x 4'
	LUPINUS CHAMISSONIS (BEACH LUPINE) (CN) (1) (2)	Annual	1-2' X 1'
	LUPINUS NANUS (SKY LUPINE) (CN) (1) (2)	Shrub	5-7' x 3'
	POA DOUGLASII (DUNE BLUEGRASS) (CN) (1)	Grass	1' x spreading
	POA SECUNDA (PINE BLUEGRASS) (CN) (1)	Grass	2.5' x 2'
	PSEUDOGNAPHALIUM CALIFORNICUM (CALIFORNIA EVERLASTING) (CN) (1) (2)	Forb	1-3' x 2'
	PSEUDOGNAPHALIUM RAMOSISSIMUM (PINK EVERLASTING) (CN) (1) (2)	Forb	3' x 3'
	PSEUDOGNAPHALIUM STRAMINEUM (COTTON-BATTING PLANT) (CN) (1) (2)	Forb	2' x 2'
	SALVIA MELLIFERA (BLACK SAGE) (CN) (1,2)	Shrub	6' x 10'
	SISYRINCHIUM BELLUM (BLUE-EYED GRASS) (CN) (1,2)	Forb	2' x 3'
	STIPA CERNUA (NODDING NEEDLEGRASS) (CN) (1)	Grass	2-3' x 2'
	STIPA PULCHRA (PURPLE NEEDLEGRASS) (CN) (1)	Grass	3' x 1.5'
	QUERCUS AGRIFOLIA (COAST LIVE OAK) (CN) (1,2)	Tree	

(CN)- CALIFORNIA NATIVE
*(1) - FORT ORD IDENTIFIED PLANT SPECIES **
*(2) - FORT ORD PLANT SPECIES IDENTIFIED IN PLANT AREA DESIGNATION D03 (HILLTOP PARK AREA) * (*)*
REFERENCE: 'FLORA OF FORT ORD, MONTEREY CALIFORNIA' BY DAVID STYER, 2019

AREA 4 - PROPOSED REVEGETATION
(Dog Park Planting Area ~ 0.5 acres)

CONTAINERIZED PLANTING — PROPOSED IRRIGATION: PERMANENT POINT-SOURCE DRIP

(CN) - CALIFORNIA NATIVE

	BOTANICAL (COMMON NAME)
TREES	CERCIS OCCIDENTALIS (WESTERN REDBUD) (CN) (3)
	HESPEROCYPARIS (*CUPRESSUS*) MACROCARPA (MONTEREY CYPRESS) (CN) (1,2,3)
	QUERCUS AGRIFOLIA (COAST LIVE OAK) (CN) (1,2,3)
SHRUBS / PERENNIALS GRASSES	ARCTOSTAPHYLOS SPP. (MANZANITA)
	BACHARRIS PILULARIS SPP. (COYOTE BRUSH)
	ARTEMISIA CALIFORNICA (CALIFORNIA SAGEBRUSH)
	CAREX DIVULSA (SEDGE) (3)
	CEANOTHUS SPP. (CEANOTHUS)
	CORREA X 'DUSTY BELLS' (RED AUSTRALIAN FUCHSIA) (3)
	ELYMUS SPP. (WILD RYE)
	ERIOGONUM SPP. (BUCKWHEAT)
	DODONEA VISCOSA 'PURPUREA' (HOPSEED BUSH) (3)
	GARRYA ELLIPTICA (SILKTASSEL)
	HELIANTHEMUM NUMMULARIUM VAR. (SUNROSE) (3)
	HELICTOTRICHON SEMPERVIENS (BLUE OAT GRASS) (3)
	HESPERALOE PARVIFLORA (RED YUCCA) (3)
	HETEROMELES ARBUTIFOLIA (TOYON)
	MIMULUS SPP. (STICKY MONKEY FLOWER)
	PENSTEMON SPP. (PENSTEMON)
	PHORMIUM HYBRIDS (FLAX) (3)
	PRUNUS ILICIFOLIA (HOLLYLEAF CHERRY)
	RHAMNUS SPP. (COFFEEBERRY)
	RHUS OVATA (SUGAR BUSH)
	RIBES SPP. (CHAPARRAL CURRENT)
	ROMNEYA COULTERI (MATILIJA POPPY)
	SALVIA CLEVELANDII (SAGE)
	SALVIA LEUCANTHA (MEXICAN BUSH SAGE) (3)

*(1) - FORT ORD IDENTIFIED PLANT SPECIES **
*(2) - FORT ORD PLANT SPECIES IDENTIFIED IN PLANT AREA DESIGNATION D03 (HILLTOP PARK AREA) **
(3) - THE DUNES SPECIFIC PLAN APPROVED PLANT SPECIES.

(*) REFERENCE: 'FLORA OF FORT ORD, MONTEREY CALIFORNIA' BY DAVID STYER, 2019

EXISTING TREES

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EXISTING EUCALYPTUS TREES

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INVASIVE SPECIES REMOVAL

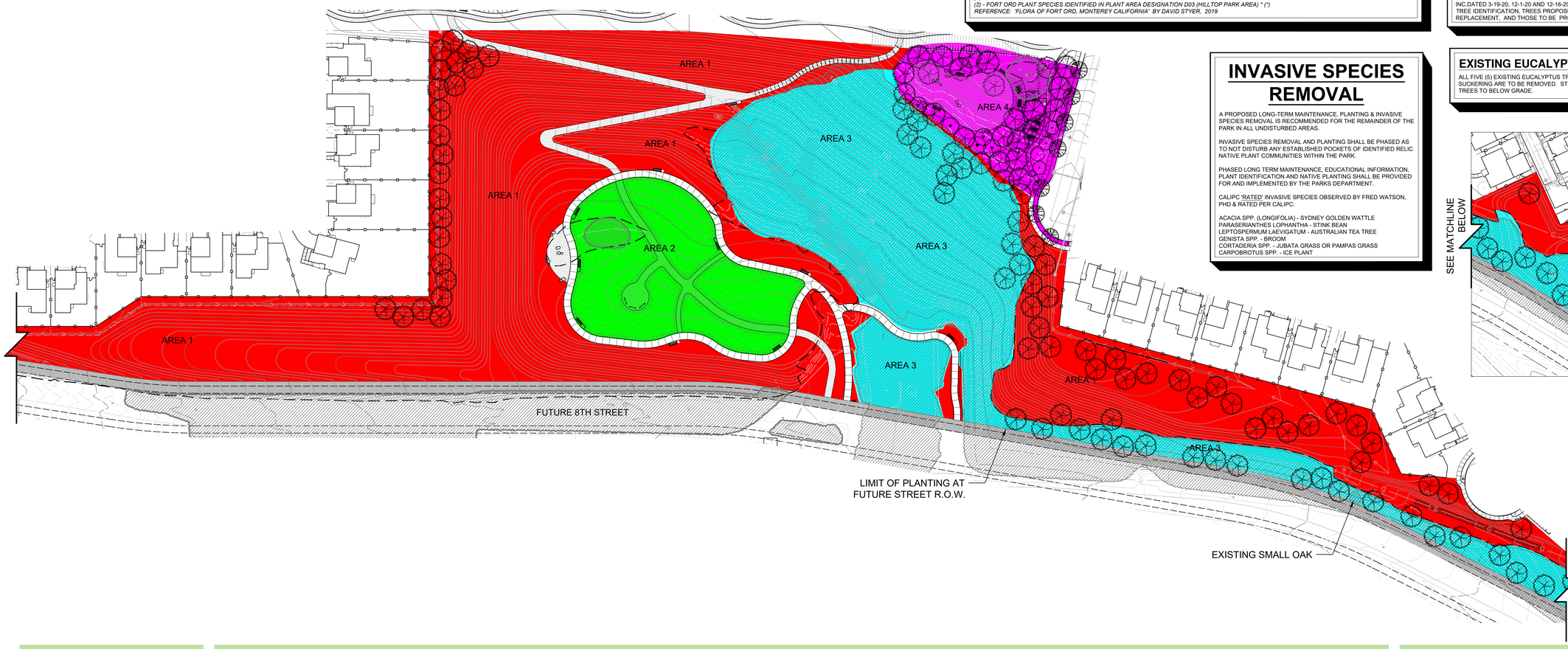
A PROPOSED LONG-TERM MAINTENANCE, PLANTING & INVASIVE SPECIES REMOVAL IS RECOMMENDED FOR THE REMAINDER OF THE PARK IN ALL UNDISTURBED AREAS.

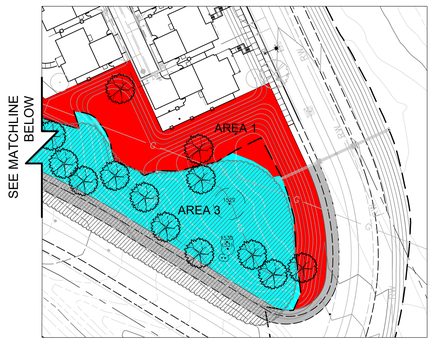
INVASIVE SPECIES REMOVAL AND PLANTING SHALL BE PHASED AS TO NOT DISTURB ANY ESTABLISHED POCKETS OF IDENTIFIED RELIC NATIVE PLANT COMMUNITIES WITHIN THE PARK.

PHASED LONG TERM MAINTENANCE, EDUCATIONAL INFORMATION, PLANT IDENTIFICATION AND NATIVE PLANTING SHALL BE PROVIDED FOR AND IMPLEMENTED BY THE PARKS DEPARTMENT.

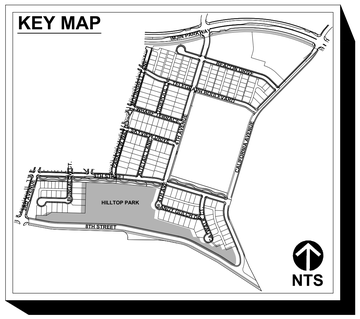
CALIPC 'RATED' INVASIVE SPECIES OBSERVED BY FRED WATSON, PHD & RATED PER CALIPC:

ACACIA SPP. (LONGIFOLIA) - SYDNEY GOLDEN WATTLE
PARASERIANTHES LOPHANTHA - STINK BEAN
LEPTOSPERMUM LAEVIGATUM - AUSTRALIAN TEA TREE
GENISTA SPP. - BROOM
CORTADERIA SPP. - JUBATA GRASS OR PAMPAS GRASS
CARPOBROTUS SPP. - ICE PLANT





KEY MAP



City of Marina
211 HILLCREST AVENUE
MARINA, CALIFORNIA 93933
(831) 884-1278

DUNES PHASE 2 EAST
Marina, California

HILLTOP PARK
CONCEPTUAL LANDSCAPE PLAN
APRIL 26, 2022

vanderToolen Associates
855 Bordeaux Way
Suite 240
Napa, CA 94558
tel: 707.224.2299
www.vandertoolen.com

SCALE: 1" = 50'-0" (0' 25' 50' 100') NORTH

L-1.1
Project No. 02820

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vanderToolen · Associates

LANDSCAPE ARCHITECTS

HYDROSEED & BROADCAST SEEDED PLANTING AREAS

Project: Dunes Hilltop Park

(4/26/2022)

Slope Planting – Seeding Success Criteria:

1. ***Secure Seed***
    a. locally and from surrounding communities.
    b. Quality
2. ***Seeding area preparation*:**
    a. Mechanical / Chemical Removal Weeds & Invasive Species
    b. Soil analysis
3. ***Irrigation***
    a. Temporary Irrigation Install (if applicable)
4. ***Seeding Schedule***
    a. Critical Timing.
5. ***Hydroseeding Material***
    a. Wood Fiber Mulch
    b. Erosion Control
        i. Bonded Fiber Matrix.
        ii. Tackifier/Organic Stabilizer
    c. Compost
    d. Fertilizer
    e. Soil Inoculant
6. ***Seed Protection***
    a. Protective fencing
7. ***Early and Late Seral Stage Maritime Chaparral Seeding Success Criteria (*)***
    a. Objective #1 – Percent coverage for **Bare Ground** (Yearly Target)
    b. Objective #2 – Percent coverage for **Non-Natives** to stay under. (Yearly Target)
8. ***Reseeding***
    a. Areas which fail to show a uniform stand
9. ***Establishment / Monitoring / Long term Maintenance***
    a. Spot Seeding
    b. Replanting (cuttings or nursery stock planting)
    c. Erosion & Invasive Weed control.

(*) Note: *Maritime Chaparral naturally occurs in patches at different seral states with different species composition.*



Byron A. Williams, PLA
Associate Principal
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May 13, 2022 Item No. **11b**

Honorable Mayor and Members of the Marina City Council

City Council Meeting of May 17, 2022

CITY COUNCIL CONSIDER ADOPTING RESOLUTION NO. 2022- APPROVING AGREEMENT BETWEEN CITY OF MARINA AND FAIRBANK, MASLIN, MAULIN, METZ & ASSOCIATES (FM3) FOR PUBLIC OPINION RESEARCH SERVICES, AUTHORIZING SUBSEQUENT MINOR CHANGES IF NECESSARY, WITH CITY ATTORNEY APPROVAL, AUTHORIZING CITY MANAGER TO EXECUTE AGREEMENT ON BEHALF OF CITY AND AUTHORIZE THE FINANCE DIRECTOR TO MAKE THE NECESSARY ACCOUNTING AND BUDGETARY ENTRIES

REQUEST:

It is requested that the City Council consider:

1. Adopting Resolution No. 2022- approving agreement between City of Marina and Fairbank, Maslin, Maullin, Metz & Associates (FM3) for public opinion research services,
2. Authorize subsequent minor changes if necessary with City Attorney approval, and;
3. Authorize City Manager to execute agreement amendment on behalf of City, and;
4. Authorize the Finance Director to make the necessary accounting and budgetary entries.

BACKGROUND:

The City Council is currently considering the possibility of placing a ballot measure for the November 8, 2022 elections for consideration of a General Obligation Bond for the construction of critical city facilities that may include a new fire station, police station, senior center, city hall or other facilities. This action will require voter approval and is likely to be of intense interest to the City's residents and businesses. California local governments commonly engage outside consultants to assist them in (i) developing ballot measures that will meet community needs, (ii) seeking community input into proposed measures, and (iii) responding to the community's need for factual, public information regarding proposed measures. The discussion regarding the need to replace city facilities started in early 2021 as part of the budget process for adoption of the Fiscal Year 2021/22 and 2022/23 budget. Additionally, the City Council held public meetings in January and April of this year to continue the discussion regarding replacing city facilities and to continue to get community input and feedback.

ANALYSIS:

In order to better gauge community interest and obtain community feedback, the City can hire a public opinion research firm to conduct a community research survey. Local governments often engage such a research program when developing ballot measures and potentially controversial programs or policies.

Fairbank, Maslin, Maullin, Metz & Associates (FM3) has conducted community research for over 146 California cities dealing with issues such as public safety, libraries, parks, infrastructure, health care, open space, social services, and transportation, and FM3 research has resulted in voter approval of 607 local finance measures for California agencies since 2008 with a success rate greater than 95 percent. Previously, the City has used the services of FM3 in our successful 2016 Business License Tax (Measure U).

FM3 is active in the Monterey Peninsula and its constituent communities, providing research for the Cities of Pacific Grove, Monterey, Salinas and Seaside, the Monterey Peninsula Community College District, Monterey Peninsula Unified School District and the Monterey Peninsula Regional Park District. FM3's research has helped pass a total of 18 local agency finance measures in Monterey County.

The survey will be conducted using FM3's dual-mode (online and telephone) baseline survey among a sample of up to 300 City of Marina registered voters likely to participate in the November 2022 statewide general election. This survey would feature an average interview length of 20 minutes. Such a survey length will allow for the questionnaire to include approximately 30 – 60 unique questions (including demographic questions), sufficient length to explore multiple aspects of the potential General Obligation bond measure and identify which incarnation(s) are likely to enjoy the greatest public support.

The total cost for this survey with up to 300 interviews would be $29,750. This is an all-inclusive cost reflecting all charges for questionnaire development, survey hosting, email and text message distribution, Spanish translation, bilingual telephone interviewing, data entry, cross-tabulation, data analysis, and preparation and presentation of survey results. This cost does not include direct incidental expenses, such as extra reproduction of reports, that would be billed at-cost if incurred. The professional agreement is provided as **EXHIBT A.**

FISCAL IMPACT:

The total cost of the contract with Fairbank, Maslin, Maullin, Metz & Associates (FM3) is an amount not to exceed $29,750 plus incidental expenses. This is proposed to be funded from Unallocated General Fund Balance.

CONCLUSION:

This request is submitted for City Council consideration and possible action.

_____

Layne P. Long
City Manager
City of Marina

RESOLUTION NO. 2022-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA APPROVING AGREEMENT BETWEEN CITY OF MARINA AND FAIRBANK, MASLIN, MAULIN, METZ & ASSOCIATES (FM3) FOR PUBLIC OPINION RESEARCH SERVICES

WHEREAS, the City Council is currently considering the possibility of placing a General Obligation Bond tax measure on the November 2022 ballot; this action will require voter approval and is likely to be of intense interest to the City's residents and businesses, and;

WHEREAS, California local governments commonly engage outside consultants to assist them in (i) developing ballot measures that will meet community needs, (ii) seeking community input into proposed measures, and (iii) responding to the community's need for factual, public information regarding proposed measures, and;

WHEREAS, while the City Council held multiple public meetings in 2021 and January and April 2022 to start the discussion process and begin to get community input and feedback, and;

WHEREAS, Fairbank, Maslin, Maullin, Metz & Associates (FM3) has conducted community research for over 146 California cities(including the City of Marina) dealing with issues such as public safety, libraries, parks, infrastructure, health care, open space, social services, and transportation.

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Marina do hereby:

1. Approve agreement between the City of Marina and Fairbank, Maslin, Maullin, Metz & Associates (FM3) for public opinion research services **(EXHIBIT "A")** in an amount not to exceed $29,750, plus incidentals and
2. Authorize subsequent minor changes if necessary with City Attorney approval, and;
3. Authorize City Manager to execute agreement amendment on behalf of City subject to final review and approval by the City Attorney, and;
4. Authorize the Finance Director to make the necessary accounting and budgetary entries.

PASSED AND ADOPTED by the City Council of the City of Marina at a regular meeting duly held on the 17th day of May 202 by the following vote:

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

_____
Bruce C. Delgado, Mayor

ATTEST:

_____
Anita Sharp, Deputy City Clerk

Proposal to Conduct Ballot Measure Viability Research for the City of Marina

Submitted by FM3 Research

Contact:
John Fairbank
Partner

FM3 RESEARCH | OPINION RESEARCH & STRATEGY

May 2, 2022

921-6339

May 2, 2022

Layne Long
City Manager
City of Marina

Dear City Manager Long,

Fairbank, Maslin, Maullin, Metz & Associates (FM3 Research or FM3) is pleased to present this proposal to provide public opinion research services for the City of Marina related to a potential November 2022 infrastructure bond ballot measure. We would be thrilled to work with you and your team again, and we believe FM3 is the clear choice to provide the research services the City of Marina requires for reasons detailed throughout the forthcoming proposal. These include:

- **FM3's research is demonstrably effective in helping the City of Marina achieve your revenue measure-related goals.** As you know, our July 2016 survey research for the City informed your successful efforts to both select a viable revenue measure for that November's ballot and communicate effectively with your residents and stakeholders about why the measure was necessary and what it would accomplish. Measure U, the City's business license tax, was ultimately approved with more than 82% support.

- **FM3 is a leader in conducting research throughout your region.** Our work has contributed to the success of 18 local finance measures throughout Monterey County for clients including the cities of Monterey, Seaside, Pacific Grove and Salinas (among others), in addition to the City of Marina itself. We also regularly conduct research for local elected officials, such as Congressman Jimmy Panetta and former Supervisor Jane Parker, as well as on behalf of a range of civic and community groups and environmental organizations. As a result of this experience, our team is extremely familiar with not just the issues, but the cycles and rhythms of local public opinion and its evolution over time.

- **FM3's team are experts at conducting research for successful local tax and bond ballot measures in California.** Our research has contributed to voter approval of 607 local finance measures for California agencies (including 53 on the November 2020 ballot alone), with a success rate greater than 95 percent.

- **FM3 provides personalized service from company partners and senior personnel.** FM3 Partner John Fairbank and Vice Presidents Miranda Everitt and Adam Sonenshein will collaborate to design, draft, analyze, interpret, and present every aspect of your research and its findings and will remain available to provide ongoing consultation on the project for as long as needed.

As an FM3 Partner, I am authorized to contractually obligate and negotiate on behalf of our firm. If FM3 is fortunate enough to be selected for this project, I will be delighted to once again serve as Project Manager for the research we conduct for your City.

The FM3 team would be very pleased to work with the City of Marina to help ensure the success of this important project. If you have any questions regarding this proposal or would like any additional information, please do not hesitate to contact us directly. We appreciate your time evaluating our submission, and we thank you very much for your consideration.

Sincerely,



John Fairbank, Partner
Fairbank, Maslin, Maullin, Metz & Associates (FM3)
12100 Wilshire Boulevard, Suite 350
Los Angeles, CA 90025
Phone: (310) 463-2230
Fax: (310) 453-6562
Email: John@FM3Research.com

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1 FM3 Company Profile

Fairbank, Maslin, Maullin, Metz & Associates (FM3 Research or FM3) is a California-based company with 22 full-time employees located in our Los Angeles and Oakland offices. We have been conducting public policy-oriented opinion research since 1981 on issues of major economic and social concern, such as budgetary issues and taxation; constituent satisfaction with public services and support for policy proposals; public safety; education; transportation; health care; growth and property development; environmental protection; natural resource conservation and development; communications technology; energy development; and organizational branding.

In any given year, FM3 conducts hundreds of surveys and focus groups (as well as other types of opinion research), which we use to provide strategic insights and advice to our clients. All key FM3 staff members have advanced degrees in public policy, research methods, and/or extensive experience working in state and local government, and every FM3 project is personally led by one of our firm's Partners, each of whom is a nationally respected authority on public opinion research in their own right.

Additionally, while our firm is not so big that you will wonder whom to call with your questions, we are big enough to have our own in-house data analysis/processing team and graphic design resources. This means we can provide our clients with a level of personal attention and service from firm Partners and other senior staff more often associated with much smaller organizations, while also providing rapid project turnaround and more sophisticated data analysis and presentations tailored to client needs, as one might expect from larger firms.

Furthermore, FM3 utilizes a variety of research tools designed to address each client's unique circumstances. Some of these tools are quantitative, such as surveys; some are qualitative, such as focus groups; and others fall somewhere in between. Additionally, we continue to utilize and experiment with newly evolving online and digital research approaches. Part of this involves FM3 actively monitoring methodological developments through our industry's trade association – the American Association for Public Opinion Research (AAPOR) – in order to provide our clients with the best tools to meet their research needs.

FM3 stays well informed on the latest issues facing local governments through its work as the public opinion research firm for the League of California Cities. FM3 has served as the League's primary pollster for many years, and our research has contributed to numerous victories for the League and its member agencies, both in the legislature and on the statewide ballot. In this capacity, we regularly conduct research at the statewide level as well as in dozens of local communities throughout California. Most recently, FM3 worked closely with the League to help preserve local authority over land-use and housing issues from encroachment by Sacramento and to shore up support for former Governor Brown's transportation funding package, Senate Bill 1. Our team also regularly conducts seminars and forums with the League to advise city leaders about how public opinion research can be used to address the concerns, needs and priorities of their residents, and to provide additional funds for city services.

The finance measure research that FM3 conducts for our public agency clients not only assists in drafting the most compelling 75-word ballot label possible, but also quantitatively identifies which unique, legally permissible messages will resonate most among that agency's constituents when engaging in community outreach and

education, thus providing a thematic and communications roadmap to securing the required level of support. The efficacy of this approach is demonstrated by our firm's **success rate of over 95 percent** since its 1981 inception – with a total of **607 local finance measures approved for California agencies** (including 247 G.O. bonds, 185 sales taxes, 49 parcel taxes, 41 utility user taxes [UUTs], and 27 transient occupancy taxes [TOTs], among other finance measure mechanisms) in every region of the state, more than any other research firm. More detailed information about our company, services, and clients may be found on our website, www.fm3research.com.

2 Relevant Experience

2.1 Experience in Marina & Monterey County

FM3 is extremely active throughout Monterey County and its constituent communities. In addition to our work with the **City of Marina** on your successful business license tax (**Measure U**) in 2016, FM3's research was recently utilized by the **City of Monterey** to inform a successful ½-cent sales tax (**Measure G**) approved by voters in March 2020. Earlier, FM3 helped the City of Monterey secure voter approval in November 2018 for **Measure S**, extending a 1-cent sales tax providing dedicated funding for the City's street and infrastructure needs. Other recent successful finance measures for local agencies include the passage of both a ½-cent sales tax (**Measure L**) and a cannabis tax (**Measure G**) for the **City of Seaside** in June 2017, and a parcel tax (**Measure E**) for the **Monterey Peninsula Regional Park District** in 2016. In 2014, **FM3's survey research for the City of Monterey helped the City secure voter approval for Measure P**, the four-year, 1-cent dedicated sales tax. Our earlier work aided in passing 1-cent sales tax measures for both the City of Seaside (**Measure R**) and the **City of Pacific Grove** (**Measure U**) in 2008, and we have evaluated public support for facilities bond measures for both the **Monterey Peninsula Unified School District** and the **Monterey Peninsula Community College District**.

Key Fact:
FM3's research has helped pass a total of 18 local agency finance measures in Monterey County.

Elsewhere in Monterey County, in November 2018, FM3 helped **South Monterey County Joint Union High School District** pass two bond measures on the same ballot: Measures Q and R. Each bond was for $20 million, with one focused on facility updates and safety measures and the other on classroom upgrades. Additional research has included successful local finance measures for the **City of Salinas** (a sales tax, **Measure V**), the **Salinas Union High School District** (two separate school bonds, **Measure F** & **Measure M**), the **Spreckels Union School District** (a school bond, **Measure B**), the **Alisal Union School District** (a school bond, **Measure A**), the **Coalinga-Huron Joint Unified School District** (a school bond, **Measure E**) and the **Hartnell Community College District** (a community college facilities bond, **Measure H**).

In addition to the past work described above, our team is currently providing ongoing research for **First 5 Monterey County** as part of an effort to secure funding for early childhood services. A complete list of FM3's successful finance measures for local agencies in Monterey County is provided by **Figure 1**.

Figure 1: FM3 Local Finance Measure Wins in Monterey County

Agency	Measure	Mechanism	Election
City of Monterey	Measure G	½ Cent Sales Tax	March 2020
City of Monterey	Measure S	1-Cent Sales Tax	November 2018
South Monterey County JUHSD	Measure Q	$20 million Bond	November 2018
South Monterey County JUHSD	Measure R	$20 million Bond	November 2018
City of Seaside	Measure L	½-Cent Sales Tax	June 2017
City of Seaside	Measure G	Cannabis Tax	June 2017
City of Marina	Measure U	Business License Tax	November 2016
Monterey Peninsula Regional Park District	Measure E	$25.26 Parcel Tax	November 2016
City of Monterey	Measure P	1-Cent Sales Tax	November 2014
Spreckels Union School District	Measure B	$7 Million Bond	November 2012
Coalinga-Huron Joint Unified School District	Measure E	$16.1 Million Bond	November 2010
City of Pacific Grove	Measure U	1-Cent Sales Tax	June 2008
City of Seaside	Measure R	1-Cent Sales Tax	February 2008
Alisal Union School District	Measure A	$90 Million Bond	November 2006
City of Salinas	Measure V	1/2-Cent Sales Tax	November 2005
Hartnell Community College District	Measure H	$131 Million Bond	November 2002
Salinas Union High School District	Measure M	$37 Million Bond	November 2002
Salinas Union High School District	Measure F	$52 Million Bond	March 2002

Aside from local finance measures, we have conducted research for private clients such as the **Monterey Bay Aquarium** and **California American Water**, local environmental groups including **LandWatch Monterey County** and the **Santa Lucia Conservancy**. We currently serve as pollsters for U.S. Congressman **Jimmy Panetta**, and we have conducted research for other local elected officials and political candidates including former Monterey County Supervisor **Jane Parker,** former Supervisor **Simon Salinas**, former Congressman **Sam Farr**, former state legislators **Rusty Areias**, **Fred Keeley, Henry Mel**, and **Byron Sher**, and former Salinas Mayor **Dennis Donohue**. FM3 has also played a leading role for more than two decades conducting research on public perceptions of and support for the redevelopment of **Fort Ord**. As a result of this experience, **our team is extremely familiar with not just the issues, but the cycles and rhythms of local public opinion and its evolution over time.**

2.2 California Municipal Finance Ballot Measure Experience

FM3 is a recognized leader in conducting research that helps California cities objectively evaluate the viability of passing local ballot measures to secure additional revenue. Our research identifies the feasibility of a potential ballot measure (or measures); the most appropriate tax rate and revenue mechanism (g.o. bond, sales tax, transient occupancy tax, utility user tax, etc.); how voters would prefer additional revenue to be used; how to phrase the ballot label language, and provides a thematic and communications roadmap for securing the

necessary level of public support. Our municipal clients represent a diverse cross-section of large and small cities, including suburban, urban, and rural communities. Furthermore, we work with cities throughout the Central Coast, Southern California, the Central Valley, the Bay Area, and Northern California. We make it a priority to work closely with each city and local stakeholder to design the research because we know every community is different and requires an approach that addresses its own unique characteristics and needs.

Key Fact:

FM3's research has been used to pass local finance measures for 146 California cities since 2008, including 17 cities on the Central Coast.

In the most recent statewide election in November 2020, FM3's research helped 36 California cities including **Arcata, Bellflower, Carson, Commerce, Corona, Costa Mesa, Cotati, Daly City, Exeter, Half Moon Bay, Healdsburg, Imperial Beach, Lomita, Long Beach, Los Alamitos, Milpitas, Montclair, Morro Bay, Orinda, Oxnard, Palmdale, Pasadena, Paso Robles, Petaluma, Piedmont, Pismo Beach, Richmond, San Bernardino, San Francisco, San Jacinto, San José, San Luis Obispo, South El Monte, South Lake Tahoe, Turlock, and West Hollywood,** pass ballot measures to provide funding for local public services. (Central Coast cities are underlined)

The following 146 California cities have engaged FM3's research and consulting services since 2008 to successfully pass ballot measures to fund city services and programs (17 Central Coast cities are underlined): **Arcata, Alameda, Alhambra, Antioch, Arcadia, Arvin, Azusa, Bakersfield, Bellflower, Benicia, Berkeley, Burbank, Capitola, Carson, Carpinteria, Canyon Lake, Cathedral City, Chowchilla, Clearlake, Cloverdale, Coachella, Commerce, Corona, Costa Mesa, Cotati, Compton, Covina, Culver City, Daly City, Delano, Desert Hot Springs, Diamond Bar, Dinuba, Downey, Duarte, East Palo Alto, El Monte, Exeter, Fountain Valley, Galt, Gardena, Garden Grove, Gilroy, Glendale, Grover Beach, Half Moon Bay, Hawthorne, Healdsburg, Hemet, Hercules, Hollister, Huntington Beach, Imperial Beach, Indio, Inglewood, Kingsburg, La Puente, Lakeport, Lakewood, Laguna Beach, La Mesa, La Habra, Lathrop, Larkspur, La Quinta, Lawndale, Lomita, Long Beach, Los Alamitos, Los Angeles, Los Banos, Lynwood, Marina, Martinez, Menifee, Merced, Milpitas, Montebello, Montclair, Monterey, Moreno Valley, Morro Bay, Mountain View, National City, Norco, Norwalk, Oakland, Orinda, Oxnard, Pacific Grove, Palo Alto, Palmdale, Palm Desert, Palm Springs, Paramount, Pasadena, Paso Robles, Petaluma, Pittsburg, Pismo Beach, Pomona, Porterville, Redondo Beach, Reedley, Richmond, Riverside, Rohnert Park, Roseville, Sacramento, San Anselmo, San Bernardino, San Francisco, San Jacinto, San José, San Luis Obispo, Sanger, Santa Ana, Santa Clara, Santa Cruz, Santa Fe Springs, San Juan Capistrano, Santa Barbara, Santa Monica, Santa Paula, Santa Rosa, Sausalito, Scotts Valley, Seal Beach, Seaside, Selma, South El Monte, South Gate, South Lake Tahoe, South Pasadena, Stanton, Stockton, St. Helena, Sunnyvale, Temecula, Turlock, Vallejo, Ventura, Visalia, Wasco, West Hollywood, Westminster, Wildomar, and Whittier.**

2.3 Experience Conducting Research in Modestly Sized Communities

With approximately 8,475 likely November 2022 voters in the City of Marina, conducting a voter opinion survey that is both statistically reliable and generalizable to the broader electorate will require the research team to overcome a specific set of challenges. In the current communications environment, securing adequate participation from respondents presents an ever-growing challenge for research organizations of all types—a challenge that is exacerbated in instances when the population of interest presents a relatively small number of potential respondents to begin with.

FM3 has successfully conducted research in dozens of communities similar in size to Marina. Over the course of more than three decades working in these communities, our firm has developed a unique set of protocols which ensure that our surveys achieve an adequate sample size even when the pool of registered voters in the subject jurisdiction is small. These protocols include:

1) Cross-referencing voters' names and home addresses against commercially available consumer data to ensure that their contact information (landline + cellular phone numbers and email addresses) are current, so that individuals who have recently changed their email address or telephone number are able to participate in the survey;

2) Leveraging FM3's dual-mode (with text messaging) data collection methodology to invite voters to take the survey, and interview them, via multiple platforms, including email and text message invitations as well as online and telephone interviewing;

3) Scheduling call-back appointments for potential respondents who are willing to take the survey but are unable to do so when initially reached; and

4) Reducing the pace of survey interviewing to ensure the optimal amount of time between contact attempts to reach the same voter.

These protocols – particularly when used in combination, as we would do for this project – have enabled FM3 to maintain incidence rates (the willingness of eligible respondents to take our surveys) that are above the industry standard since the firm's inception.

A partial listing of California cities of analogous size to (or smaller than) Marina that have utilized FM3's research and consulting services to help pass local finance measures include **Arcata**, **Canyon Lake** (two measures), **Capitola** (two measures), **Carpinteria** (two measures), **Chowchilla**, **Clearlake**, **Cloverdale**, **Commerce** (two measures), **Cotati** (three measures), **Delano** (two measures), **East Palo Alto** (two measures), **Exeter**, **Grover Beach** (three measures), **Half Moon Bay**, **Healdsburg** (two measures), **Hermosa Beach**, **Kingsburg**, **Lakeport**, **La Palma**, **Larkspur** (two measures), **Lomita**, **Los Alamitos** (two measures), **Morro Bay** (two measures), **Reedley** (two measures), **San Anselmo**, **Sanger** (two measures), **Santa Fe Springs** (two measures), **Santa Paula** (two measures), **Sausalito**, **Scotts Valley**, **Seaside** (three measures), **South El Monte**, **South Lake Tahoe**, **St. Helena**, and **Wasco**, among other communities.

2.4 Experience & Familiarity with the Issues Facing California Municipalities

FM3 stays well informed on the latest issues facing local governments through its work as the public opinion research firm for the League of California Cities. FM3 has served as the League's primary pollster for many years, and our research has contributed to numerous victories for the League and its member agencies, both in the legislature and on the statewide ballot. In this capacity, we regularly conduct research at the statewide level as well as in dozens of local communities throughout California. Most recently, FM3 worked closely with the League to help preserve local authority over land-use and housing issues from encroachment by Sacramento and to shore up support for former Governor Brown's transportation funding package, Senate Bill 1. Our team also regularly

conducts seminars and forums with the League to advise city leaders about how public opinion research can be used to address the concerns, needs and priorities of their residents, and to provide additional funds for city services.

3 PROJECT PERSONNEL

3.1 John Fairbank, Partner – Project Manager



John Fairbank has more than forty years' experience in public opinion research and policy analysis, specializing in ballot measures and advising candidates on national, state, and local levels. As a founding partner of Fairbank, Maslin, Maullin, Metz & Associates (FM3 Research), he has consulted for clients in the areas of government, politics, education, business, non-profits, and labor. **John served as Project Manager for the research FM3 conducted for the City of Marina in 2016 related to your successful business license tax, Measure U.**

John works extensively on ballot propositions, initiatives, and referendums that focus on public services such as transportation, education, affordable housing, water, libraries, parks and recreation, conservation, environmental/climate protection, health care, cannabis, and public safety – particularly state and local bond and special tax measures. Most recently, his research in support of Proposition 19 on California's November 2020 statewide ballot helped close a notorious loophole in California's property tax system while providing additional critically needed revenue for local fire protection. His statewide research also played a key role in securing legislative approval for Governor Brown's transportation funding package, SB-1, in 2017, and defending that same funding in 2018 by helping pass Proposition 69 (a constitutional amendment dedicating all SB-1 revenues for transportation) and defeating Proposition 6, a measure which threatened to repeal SB-1's $5 billion to $6 billion in annual gas taxes. His work in 2018 also aided the passage of both Proposition 1 and Proposition 2, providing a combined $6 billion in funding for affordable housing – including dedicated funding to create housing for Californians experiencing mental illness and homelessness.

On the local level, John's research on behalf of California cities has resulted in voter approval of billions of dollars in capital improvements and hundreds of millions more in ongoing operational funds raised by both dedicated and general-purpose tax measures in more than 100 California cities and counties. In the November 2020 election alone, his successful clients included the cities of Carson, Commerce, Corona, Imperial Beach, Los Alamitos, Long Beach, Oxnard, Paso Robles, Pismo Beach, San Bernardino, San Jacinto, South Lake Tahoe, and Turlock. His research has also been instrumental in securing the passage of nine countywide finance measures in Los Angeles County since 1996.

In addition to his research for political and public agency clients, John has consulted for both business and non-profit sectors. He has worked for many leading companies and organizations including The Walt Disney Company, NBC/Universal, Airbnb, and Mercury Insurance. In the non-profit sector, John has advised such organizations as

The Nature Conservancy, the Trust for Public Land, the League of California Cities, the California Association of Realtors, California's Coalition for Adequate School Housing (C.A.S.H.), the Building Industry Association of California, and the California School Boards Association.

John graduated from UCLA and serves as a Senior Fellow at the UCLA Luskin School of Public Affairs. He lives in Los Angeles. Mr. Fairbank may be reached in the firm's Los Angeles office at (310) 828-1183, or via email: john@fm3research.com.

3.2 Adam Sonenshein, Vice President – Assistant Project Manager



Vice President Adam Sonenshein came to FM3 Research in 2013, following over a decade of experience working on behalf of non-profit organizations and political candidates in California. He has conducted opinion research and evaluation and provided strategic advice for dozens of clients including cities and counties, K-12 school and community college districts, non-profit organizations, business associations, candidates running for political office and ballot measure campaigns.

In 2020, Adam contributed research and strategic guidance that secured the passage of 24 local ballot measures for cities, counties and local school districts across California. Adam is also a lead member of the research team for the UCLA Quality of Life Index project, a multi-year public assessment of quality of life in Los Angeles County, and polling for The Voice of San Diego on quality of life and trust in local institutions in San Diego County.

More broadly, his research has explored attitudes on a range of issues including the impacts of COVID-19, public safety, reducing homelessness, environmental protection, housing and land use, public transportation, cannabis decriminalization, K-12 and early childhood education, strategies to address poverty, and making the political system more transparent and fairer.

Prior to joining FM3, Adam spent over a decade working on behalf of non-profit organizations and political candidates in California. He spent eight years with Los Angeles Universal Preschool (now Child360), a county-wide nonprofit organization focused on building public will for expanding access to quality preschool education. He was responsible for developing the organization's public policy, advocacy, and community involvement strategies. Further, he has served as a consultant for political campaigns, coalitions, and public awareness campaigns in the San Francisco Bay Area.

Adam received a Bachelor's degree in Political Science from Tufts University in 1998 and an Master's of Public Policy (M.P.P.) from the UCLA Luskin School of Public Affairs in 2005 with awards for Outstanding M.P.P. Student of the Year and Outstanding Academic Achievement. Adam can be reached in FM3's Los Angeles office at (310) 569-3653 or at adam@fm3research.com.

3.3 Miranda Everitt, Vice President – Research Team Member



FM3 Research Vice President Miranda Everitt has experience in municipal finance research for scores of cities, counties and school and special districts throughout the country. **She served as Assistant Project Manager for FM3's 2016 research for the City of Marina.** Outside of her local work, she has focused on her research on drug policy reform, conservation, and climate policy. Her work has contributed to the passage of state and local ballot measures in Arizona, California, Colorado, Florida, Maine, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, New Jersey, New York, Nevada, North Dakota, Oregon, Rhode Island, South Dakota, Texas, Utah, Washington and Washington, D.C.

In addition to her work on the City of Marina's Measure U, since 2015 Miranda has helped shape successful ballot measures providing billions of dollars in new funding for parks, libraries, public safety, roads and housing in communities throughout California including San Jose (three measures), Arcata, Alameda (two measures), Calaveras County, Humboldt County (three measures), Clearlake, Cotati (two measures), Desert Hot Springs, Diamond Bar, East Palo Alto, Lakeport, Menifee, Millbrae, Milpitas (two measures), Orinda (four measures), Palo Alto, Santa Clara County, Santa Paula, Seaside, Sunnyvale, Wasco, and Wildomar. Outside California, she has helped passed public finance measures in Denver, Colorado; Portland, Milwaukie, Deschutes and Multnomah counties in Oregon; Chaffee County, Colorado; New Paltz, New York; New Smyrna Beach, Florida; and in the city and county of Missoula, Montana.

Miranda's research contributed to historic victories for drug policy reform across in the country in November 2020. Voters legalized marijuana for adult use in traditionally conservative states including Montana and South Dakota and approved medical marijuana in Mississippi. In Oregon, she worked to help develop Measure 109, which will allow promising psilocybin therapy to treat depression, end-of-life anxiety, and PTSD. Measure 110, which will decriminalize personal use possession of all drugs, redirecting resources to public health and treatment. Initiative 81 will make entheogens Washington, D.C.'s lowest law-enforcement priority. Since 2015, she has contributed research on campaigns to allow medical or recreational marijuana in a dozen states and helped local governments approach taxation and regulation of this new industry; her work continues to inform legislative and ballot-measure drug reform campaigns in other states.

Miranda came to FM3 with experience in communications and policy research at California Budget and Policy Center, SEIU Healthcare MN, Chief Justice Earl Warren Institute for Law and Social Policy, Justice in Aging, and the Alameda County Community Food Bank. Prior to her policy career, she worked for the *Oakland Tribune, San Jose Mercury News* and *Toledo Free Press*.

Miranda holds a Master's of Public Policy from the Goldman School of Public Policy at UC Berkeley and a journalism degree from Bowling Green State University in Ohio. Miranda can be reached at miranda@fm3research.com.

3.4 Renato Villacorte, Partner & Chief Technology Officer – Lead Statistician



Partner & Chief Technology Officer Renato G. Villacorte joined FM3 Research in 2002 as the Senior Statistician and consultant on research methodologies and advanced data analyses. Renato started his career in academia in Experimental Psychology where he developed expertise in data collection technologies, statistical programming, and predictive modeling. He taught Descriptive Statistics and other lower division Psychology courses at Cal State University Los Angeles before entering a doctoral program at the University of California in 1996. At Cal, he pursued research in Psychophysics and conducted several studies with human subjects before taking his talents into the market research industry in 2000.

Prior to joining FM3, Renato was the Database Programming Manager and a Senior Market Research Analyst for Jackson National Life Insurance, a major financial services company. He analyzed and prepared reports based on financial transaction data and data collected from employee and sales associate surveys. As the Senior Analyst, he helped create and manage the company's Market Research Department and earned recognition as a SAS Certified Professional Programmer. Renato's technical expertise and leadership skills ultimately earned him the position of Database Programming Manager where he trained and supervised several programmer/analysts.

Renato is now charged with developing and maintaining the research technologies of FM3 Research. The Researchers of FM3 depend on Renato's team to coordinate and organize the collection of qualitative and quantitative opinion research data, prepare analytical reports on collected data, and conduct advanced statistical investigations in support of research objectives. Renato is one of the principal liaisons between FM3 and market research service subcontractors. He advises FM3 Researchers on the latest techniques in data collection and sampling methodologies. He also manages the training and development of FM3's Statistical Analysts and Data Processing Manager; the team that's vital in providing rapid and accurate analyses of quantitative data. Renato also leads the team that conducts advertisement and marketing material testing with Perception Analyzer, a system that collects data using dials in a group setting. This technology has supported dozens of high budget campaigns in evaluating the persuasiveness of television advertisements on the electorate.

Renato received his cum laude B.A. and M.A. in Psychology from the California State University, Los Angeles and a M.A. in Psychophysics from the University of California. With more than two decades of experience in data analysis and survey research methods, Renato remains active in the professional communities of the American Association of Public Opinion Researchers and the SAS Software Programming organizations. He continues his professional education through annual seminars and conferences and has presented papers and tutorials to fellow analysts and researchers. He is an active alumnus of the Sigma Phi Epsilon Fraternity which supports his network of consultants and experts in every career field and professional society. Renato may be reached in FM3's Los Angeles office at (310) 828-1183, or at renato@fm3research.com.

4 Scope of Work

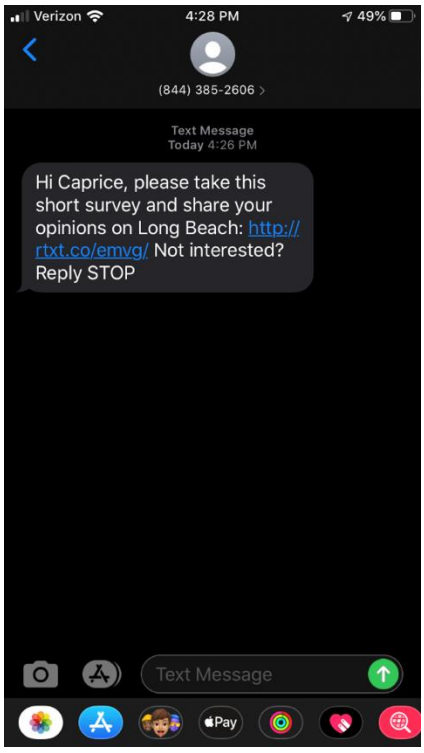
4.1 Research Approach & Methodology

For this project, FM3 recommends conducting a dual-mode baseline survey among a sample of up to 300 City of Marina registered voters likely to participate in the November 2022 statewide general election. This survey would feature an average interview length of 20 minutes. Such a survey length will allow for the questionnaire to include approximately 30-60 unique questions (including demographic questions), sufficient length to explore multiple aspects of the potential G.O. bond measure and identify which incarnation(s) are likely to enjoy the greatest public support.

Survey Methodology

Based on our examination of past voting history, the City of Marina has a total of approximately 8,475 registered voters who are likely to vote in the November 2022 statewide general election. **FM3 recommends surveying a random sample of up to up to 300 likely voters**, yielding a margin of sampling error of +/- 5.7% for the full sample. (The margin of sampling error for population subgroups - based on gender, race/ethnicity, homeownership, among other demographic categories - will be greater.)

Figure 2: Sample FM3 Text Message Survey Invitation

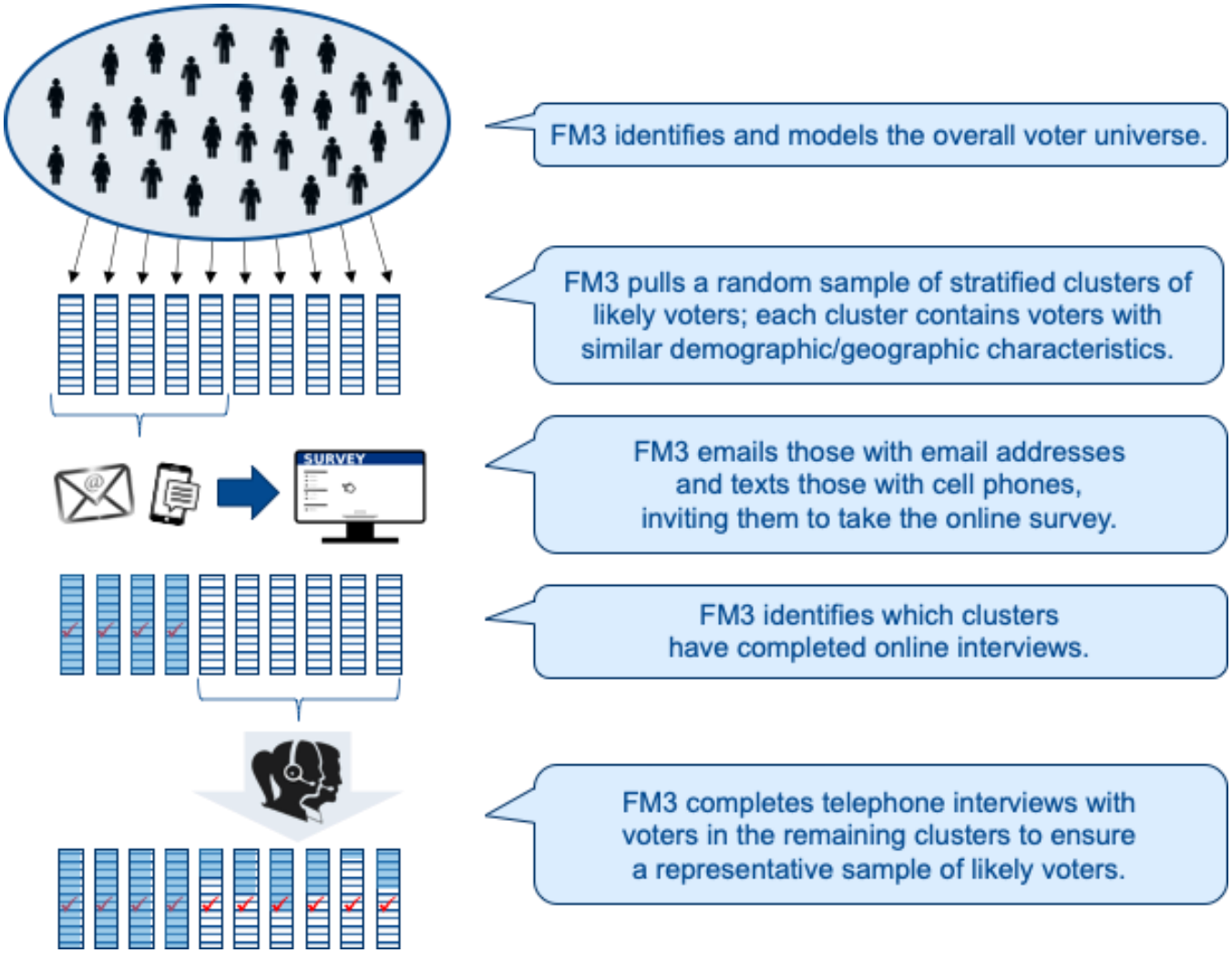


Our team recommends the continued use of a **dual-mode, online and telephone (landline and wireless) interviewing methodology** for this survey, which is consistent with the approach used for FM3's 2016 survey for the City of Marina. This approach for gathering statistically reliable data involves deploying the traditional telephone survey methodology alongside the latest online survey applications, with invitations to take the survey online distributed to potential respondents via email and (in the case of cellular phones) by text message [1]. In instances where a potential respondent is randomly selected to take the survey online but does not promptly respond to the email invitation to do so (and a cellular telephone number for this individual is also available), FM3 will follow-up with a text message invitation as a reminder – an example of which is shown in **Figure 2**. This relatively new survey contact approach was not standard practice at the time of FM3's 2016 survey for the City, but has since been found to improve response rates to online surveys.

Combining the data from the telephone and online surveys produces an **all-inclusive, representative sample of the population of interest,** as illustrated by **Figure 3.**

[1] FM3's use of text messages to distribute survey invitations has been vetted by independent legal counsel and determined to be compliant with all applicable state and federal laws and regulations, including the U.S. Telephone Consumer Protection Act (known as the TCPA).

Figure 3: Illustration of FM3 Dual-Mode Voter Survey



FM3 will utilize Political Data, Inc. (PDI) as its sample vendor. FM3 has worked with PDI, the leading voter sample vendor in California, for the last two decades. PDI provides the most up-to-date lists of voter names, addresses, telephone numbers (listed, unlisted, and cell phones), email addresses, voter party registration, and past voter history (in which past elections individuals have voted) directly from the County Registrar of Voters. In addition, PDI works with third-party vendors to match names and addresses on the voter file with other commercial vendor lists to update phone numbers and email addresses on file and find more current contact information for residents who registered to vote many years ago.

This helps ensure that all eligible voters have the same likelihood of being contacted, regardless of whether they have changed their phone number or email address since registering to vote.

Questionnaire Design

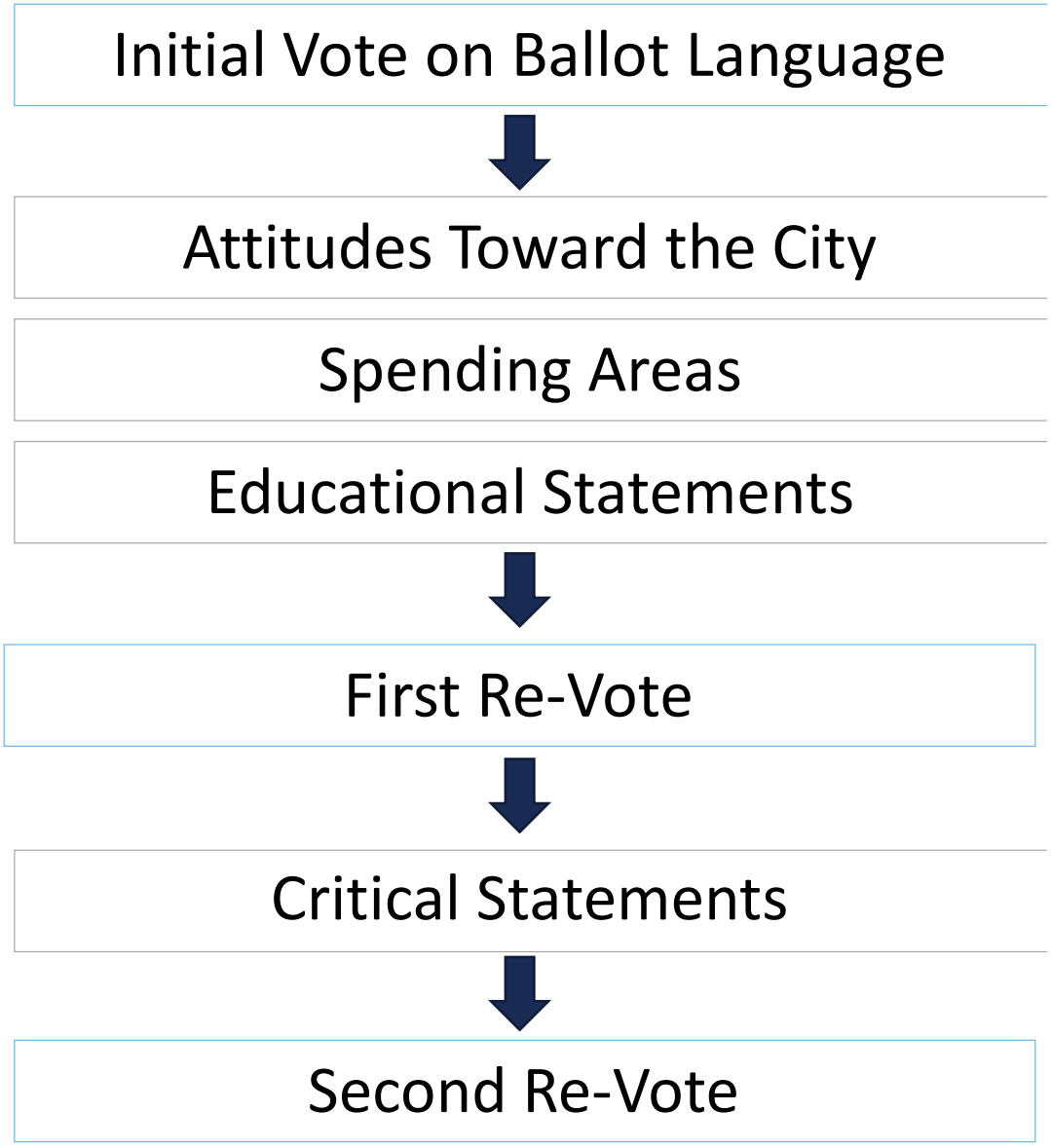
In designing the research for this project, FM3 will draw from our knowledge of public opinion survey methodology; our comprehensive understanding of the City of Marina's past survey research, including tracking past questions when appropriate; the City's current and future objectives and needs; and our own vast library of research for Marina and other municipalities. The process will begin with an initial kickoff meeting via webconference between the FM3 team, other relevant consultants and City staff members assigned to this project, during which we will hold a comprehensive discussion of major issues or challenges that should be explored in the survey. FM3 will then present a first draft of the questionnaire to the City for review and comment. After collecting feedback on the first draft, we will revise and refine the survey. We foresee proceeding through several drafts, incorporating feedback from City staff before each revision to develop a research instrument that will obtain all the information desired. Before interviewing commences, FM3 will secure approval from the appropriate City representative on the final version of the questionnaire. We have found this approach is a very effective way to ensure that City leadership has the opportunity to prioritize issues to explore in the survey and that we can provide actionable, useful data that helps support the City's goals.

Our approach to municipal finance measure surveys has been developed over the course of several decades. For this project, as a starting point, our firm recommends following the model we successfully used in Marina in 2016, with a survey questionnaire design that simulates an actual bond measure campaign. First, voters will respond to the possible measure unprompted by any previous information. Survey participants will then respond to a series of legally permissible educational statements that could be used during community outreach (simulating potential outreach efforts by the City), and the measure is tested again to gauge the impact of that outreach. Following that, participants will also respond to critical statements, mimicking a possible opposition campaign. Once voters receive all information, the proposed measures' favorability is tested for a third time in order to best understand the impact of that information on the likely outcome for the measure. The survey will also test individual characteristics of the measure(s), which could include the viability of various authorization amounts and tax rates; voters' budgeting and spending priorities; and the level of support in different geographic communities within the City. If the measure appears viable, the questionnaire will provide a roadmap to drafting legally permissible educational outreach materials. Our findings will also help draft the most efficient 75-word ballot language and inform best practices for community engagement. However, as we have demonstrated in our prior work with the City of Marina, we believe in customizing each questionnaire to the City's needs and we will not hesitate to be flexible with our approach if it is necessary based on the City's priorities.

While the final list of questions will be developed after consultation with all team members involved, the survey will include a variety of relevant demographic questions such as race/ethnicity, age, and education, among others. Geographic data (the home address each respondent provided to the County Clerk-Recorder/Registrar of Voters when they registered to vote), age, participation in past elections, as well as partisan affiliation will be provided by the voter file.

A visualization of the survey questionnaire structure and sequence recommended by FM3 is provided by **Figure 4**.

Figure 4: Survey Questionnaire Structure/Sequence



Translation

Given the comparatively high percentage of Marina likely voters who are **of Latino/Hispanic origin (20%), we will secure professional translation of the survey into Spanish and conduct interviewing in both English and Spanish.**

Interviewing

FM3's data collection (web hosting, email invite distribution, telephone interviewing, and online interviewing) vendor is a national leader in the collection of public opinion research data. The firm's online interviewing platform is optimized to enable respondents to easily take the survey from either a personal computer or tablet/smartphone device, providing respondents with enormous flexibility regarding when and how they can participate. Further, we provide specialized expertise with fluent multilingual (English/Spanish) survey

administration as well as culturally competent data collection among populations with a significant U.S. Latino component.

In addition, FM3's telephone interviewing facilities have well-established procedures to supervise the interviewing process and to verify that interviews are conducted according to specifications. Among these procedures is the monitoring of actual interviews by on-site supervisors, identification of each interview by interviewer, and the use of a regularly employed staff of professional, full-time interviewers who are fluent in both English and Spanish. There is an established protocol for callbacks of busy or "not-at-home" numbers designed specifically to maintain the randomness of interviewee selection.

FM3 proposes to review its procedures with City representatives prior to commencing interviews to ensure satisfaction with all technical aspects of the interviewing process.

Data Analysis/Reporting

Response data will be analyzed by FM3's Data Processing and Analysis Department staff using Survey System and SAS software, both well-documented and widely used data analysis software packages. As needed, FM3 may augment Survey System and SAS with its own custom-designed statistical analysis program to report the tabulation and cross-tabulation of data. The Data Processing and Analysis Department staff employs a data checking and editing system to eliminate errors and document the handling of data received from the interviewers.

The cross-tabulated results will include a table for each question or demographic variable in the survey, with a series of up to 200 columns indicating how various subgroups of Marina voters responded to that question. The cross-tabulated results will make it possible to detect how responses differ, if at all, among various subsets of Marina voters. For example, it will be possible to compare responses made by men and women, voters of various age categories, responses based on ethnicity/race, homeowners and renters, and many more subgroups of the electorate.

The data analysis will be used to draft the final PowerPoint report/presentation for the City. The report will track changes in public awareness and perceptions from prior survey years where appropriate, and provide clear, actionable recommendations regarding how to use the survey results to achieve your objectives.

After our presentation to City representatives, FM3 will remain available to answer follow-up questions from the City and present results to the City Council and key stakeholders as requested. We view all survey responses as an ongoing data resource; should the need arise, FM3 can perform further analysis to answer follow-up questions that may be posed by the City or other interested parties.

4.2 Project Timeline

FM3 is prepared to begin work on this research project immediately upon contract execution and expedite its completion in order to maximize the length of time available to the City to engage and communicate with your community regarding a potential finance measure before any such measure(s) are formally placed on the ballot. We would approach the project in three distinct phases: research design, data collection, and data analysis and

reporting. As shown in **Figure 5**, the expedited research process would take roughly four weeks from kick-off to complete.

Figure 5: Dual-Mode Voter Survey Research Phases & Timeline



At the conclusion of Phase 3, FM3 will remain available for ongoing consultation and any further analysis and presentation of the research, as needed – including helping to develop the 75-word ballot label language should the City opt to move forward with placing a measure on the ballot.

4.3 Deliverables

Following the completion of the survey, we will provide:

- ✓ A questionnaire with the topline results of the survey for easy reference

- ✓ A complete set of crosstabs in an easy-to-read, comprehensive format
- ✓ Verbatim responses to any open-ended questions
- ✓ A complete analysis of survey results in PowerPoint format
- ✓ Presentation(s) of the survey results (in person or remotely via secure weblink) to City staff, elected officials and/or other stakeholders as desired

FM3 will also be available for ongoing consultation and any further analysis of the research.

4.4 Project Budget

For this project, FM3 recommends conducting a baseline survey with up to 300 interviews taking the average phone respondent 20 minutes to complete, with interviewing conducted by telephone (cell phones and landlines) and online with respondents invited to the online survey via email and text message. The survey will be available by phone in both English and Spanish. The total cost for this survey with up to 300 interviews would be **$29,750**.

These cost figures are each all-inclusive, and reflect all charges for questionnaire development, survey hosting, email and text message distribution, Spanish translation, bilingual telephone interviewing, data entry, cross-tabulation, data analysis, and preparation and presentation of survey results. In addition, these prices represent a commitment by FM3 to remain on call to the City, as needed, for the remainder of your revenue measure project. Direct incidental expenses, such as extra reproduction of reports, are not included but would be billed at-cost if incurred.

May 13, 2022 Item No. **11c**

Honorable Mayor and Members
of the Marina City Council

City Council Meeting
of May 17, 2022

CITY COUNCIL OF THE CITY OF MARINA CONSIDER ADOPTING RESOLUTION NO. 2022- APPROVING THE FORM AND AUTHORIZING THE EXECUTION OF CERTAIN LEASE FINANCING DOCUMENTS IN CONNECTION WITH THE OFFERING AND SALE OF CERTIFICATES OF PARTICIPATION RELATING THERETO TO FINANCE THE COST OF MEASURE X INFRASTRUCTURE IMPROVEMENTS WITHIN THE GEOGRAPHIC BOUNDARIES OF THE CITY AND AUTHORIZING AND DIRECTING CERTAIN ACTIONS WITH RESPECT THERETO

REQUEST:

It is requested that the Marina City Council adopt Resolution No. 2022-, which approves certain documents in order for the City to finance various street improvements to be funded out of the City's allocation from the Measure X sales tax proceeds and authorizes various other actions related thereto.

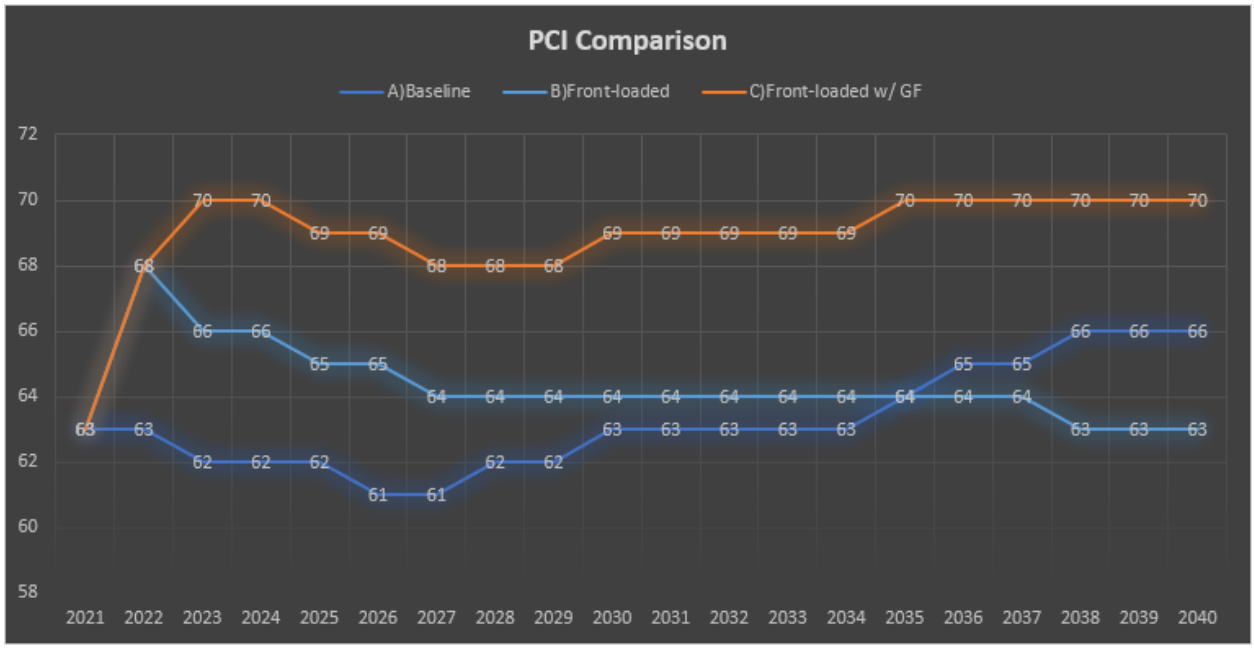
BACKGROUND:

Pavement Management Condition

One of the top priorities identified by the City Council has been to invest sufficient funds to repair the city's street system and address the backlog for street maintenance and rehabilitation including 25 critical streets that need to be reconstructed. Five years ago the city was only able to invest $400,000 annually into street repairs and maintenance. Through various ballot measures approved by our citizens over the last five years, the City is now investing annually almost $2.3 million into the repair and maintenance of our street system. This includes Measure X which was a Transportation Agency of Monterey County ballot measure that was approved.

However, even with the increased annual funds allocated to street repair and maintenance, it is still not sufficient to address the backlog and get the overall street system to a sufficient condition which we identify in our Pavement Condition Index as 70.

The following graph shows that to get the street system to a PCI of 70 the city needs to front load a significant amount of funds in addition to maintaining the annual on-going contributions of $2.3 million. The total amount needed to be front loaded was $11.5 million. Initially it was thought that we could leverage our Measure X funds for a bond that would generate $8.7 million upfront and the remaining $2.8 million would have to be funded by the General Fund. However, updated estimates now show Measure X funds can be leveraged to achieve the full $11.5 million.



Measure X Funds

In 2016, voters in Monterey County approved Measure X, which imposed a 3/8% transactions and use tax to finance road improvements. The tax is generally imposed upon the same transactions that are subject to the Statewide sales tax; it commenced in 2017 and will terminate in 2047 if not renewed beforehand by the voters of the County. Measure X sales tax collections are divided and distributed between three categories: 60% of collections are pledged to Local Road Maintenance, Pothole Repairs & Safety, 27% of collections are pledged to Regional Road Safety & Congestion Improvements, and 13% are pledged to Pedestrian & Bike Safety and Mobility Projects. All cities within the County and the County itself are eligible to receive a portion of the 60% portion with allocations derived by formula based on population and lane miles.

The current financing is designed to leverage the City's revenue from the 60% allocation and raise $11.5 million to accelerate road repairs on 25 failed residential streets in need of major reconstruction, improving the quality of the City's roadway infrastructure and allowing the City to make repairs before continued deterioration exponentially increases costs.

The most efficient means of leveraging this revenue is through a lease revenue financing, with the specific financing instrument called a certificate of participation, representing an interest in the lease payments to be made by the City and is, in effect, a tax-exempt bond. This form of financing will be legally secured by the City's General Fund, although all debt service payments are expected to be made from Measure X sales tax revenues. The financing has been sized to ensure that Measure X sales tax revenues in FY 2022 will be about 120% of the amount of debt service, providing a cushion to ensure that no General Fund moneys are ever required to pay debt service.

The legal structure is a lease financing, whereby the City will lease the City's library to a nonprofit corporation, which will lease it back to the City, with the leaseback securing the debt. This is a very common financing method in California for financing public improvements. For purpose of this financing, the City will utilize the Public Property Financing Corporation of California, a non-profit corporation that is long-established for assisting cities and other municipalities in such financings.

The Resolution takes a number of actions:

- Approves the basic legal documents for the financing, which includes the lease of the library to the nonprofit corporation (**EXHIBIT B**) and its lease back by the City (**EXHIBIT C**), the latter agreement serving as the security and source of payment for the certificates of participation;

- Approves the trust agreement with U.S. Bank Trust Company, National Association (**EXHIBIT D**), which provides for the execution and delivery of the certificates of participation and the use of the City's lease payments to repay investors;

- Approves a certificate purchase agreement with Stifel, Nicolaus & Company, Incorporated (**EXHIBIT E**) as underwriter for the certificates of participation, which will purchase the certificates for sale to investors;

- Approves a preliminary official statement for the certificates (**EXHIBIT F**), which is the offering document, similar to a prospectus, which discloses the material information required for potential investors to make an informed investment decision;

- Approves a continuing disclosure certificate (**EXHIBIT G**) setting forth the City's requirement for annually reporting to investors certain information through the term of the certificates;

- Authorizes the City Manager and other City officials to take additional actions as necessary to execute this financing within the certain not-to-exceed parameters outlined in the resolution.

ANALYSIS:

Measure X created an additional source of funding for the City's street maintenance and repair program, supplementing the annual General Fund and State gas tax revenues appropriated for street maintenance and repair. Unfortunately, the annual receipt of Measure X revenue is not sufficient to provide for the timely repair of the city's roadway infrastructure including 25 residential streets that require substantial reconstruction, at an estimated current cost of $12 million. If such reconstruction were financed only out of Measure X revenues as received, not only would street repair be extended over many years, but the cost of these repairs would escalate exponentially as the condition of these streets would deteriorate. By leveraging this revenue stream with a debt issue the City can accelerate its delivery of repaired streets and reduce the ultimate cost.

There are two approaches available for issuing debt secured by Measure X revenues. The City could issue a form of revenue bond secured only by Measure X revenues. To do so, the amount of debt service would be reduced to approximately half of available revenues, and the interest cost of such debt would be relatively high. The alternative is to issue a debt instrument that is backed by all legally available revenues of the City, even though expectations are that the debt would be paid entirely from Measure X revenues. This mechanism allows the City to leverage Measure X more fully, thereby increasing the amount of critical street repairs that can be financed, increasing the bond rating on the obligation, and lowering the interest rate on the borrowing. The latter is the structure being presented to the City Council.

The best mechanism for achieving this goal is a lease revenue obligation, whereby the City identifies an existing facility—in this case, the Marina library—leases it to a nonprofit corporation, and then leases it back for City use. The leaseback secures the debt obligation. The City will utilize an existing nonprofit corporation to serve in this capacity for a nominal fee.

As part of the approving resolution, the City's municipal advisor, KNN Public Finance, has provided estimates of the cost of the financing, including par amount, interest costs, costs of issuance and total debt service. These estimates are based on market conditions as of the date of this report. The resolution authorizing this financing provides additional flexibility to address potentially changing market conditions. However, the amount of debt service is not expected to be much greater than $800,000 a year, ensuring that the debt will be substantially less than expected Measure X revenues. (Expected FY 2023 revenues, estimated by TAMC to be around 950,000, would be 117% of currently anticipated debt service.) As Measure X revenues grow over time, the coverage of debt service will grow as well.

The attached resolution approves a number of documents required by this financing. One of the documents that is presented for approval is the preliminary official statement, which is intended to contain material information that the City believes investors should have to make an informed investment decision. The City will also commit to provide continuing disclosure of material information under a continuing disclosure agreement.

Assuming Council approval on May 17, the certificates of participation are scheduled to be sold June 2, with funds available on June 16.

The adoption of the attached resolution will approve all of the documents required to issue the certificates of participation and fund approximately $11.5 million in street repairs expected to be repaid out of the City's Measure X sales tax receipts.

FISCAL IMPACT:

While the City and its General Fund is ultimately responsible for making the lease payments that secure this obligation, it is the City's expectation that all such payments will be made out of Measure X receipts. By accelerating street repair, it is expected that the cost of such repairs will be reduced, allowing for the City to make even greater improvements to its street system from these revenues.

Respectfully submitted

_____

Layne Long
City Manager
City of Marina

RESOLUTION NO. 2022-_

RESOLUTION APPROVING THE FORM AND AUTHORIZING THE EXECUTION OF CERTAIN LEASE FINANCING DOCUMENTS IN CONNECTION WITH THE OFFERING AND SALE OF CERTIFICATES OF PARTICIPATION RELATING THERETO TO FINANCE THE COST OF INFRASTRUCTURE IMPROVEMENTS WITHIN THE GEOGRAPHIC BOUNDARIES OF THE CITY AND AUTHORIZING AND DIRECTING CERTAIN ACTIONS WITH RESPECT THERETO

RESOLVED, by the City Council (the "Council") of the City of Marina (the "City"):

WHEREAS, the City, with the assistance of the Public Property Financing Corporation of California (the "Corporation"), has determined at this time, due to prevailing interest rates in the municipal bond market and for other reasons, to finance the cost of transportation infrastructure improvements within the geographic boundaries of the City that are eligible for application of Measure X revenues (the "Project"), and to implement a lease financing for such purposes;

WHEREAS, it is in the public interest and for the public benefit that the City authorize and direct execution of the Lease Agreement (hereinafter defined), which is intended to reduce the cost of leveraging Measure X revenues to accelerate necessary transportation improvements in the City, and certain other financing documents in connection therewith;

WHEREAS, a preliminary official statement containing information material to the offering and sale of the Certificates described below (the "Preliminary Official Statement") has been prepared on behalf of the City;

WHEREAS, the documents below specified shall be filed with the City and the members of the Council, with the aid of its staff, shall review said documents; and

WHEREAS, pursuant to section 5852.1 of the Government Code, which became effective on January 1, 2018 by the enactment of Senate Bill 450, certain information relating to the Certificates is set forth in **Exhibit A** attached to this Resolution, and such information is hereby disclosed and made public;

NOW, THEREFORE, it is hereby DECLARED and ORDERED, as follows:

Section 1. Certificates of Participation (2022 Transportation Infrastructure Financing Project) (the "Certificates") are hereby authorized to be executed and delivered pursuant to the provisions of the Trust Agreement, as hereinafter defined, to finance the Project and to pay the costs of the financing.

Section 2. The below-enumerated documents, in the forms on file with the City Clerk, be and are hereby approved, and the Mayor, the Vice Mayor, the City Manager, the Finance Director, or the designees thereof (the "Designated Officer"), are hereby authorized and directed to execute said documents, with such changes, insertions and omissions as may be approved by such officials:

(a) a site and facility lease, by and between the City, as lessor, and the Corporation, as lessee, pursuant to which the City will lease certain existing City property (collectively, the "Property") to the Corporation, for the purpose of leasing the Property back to the City pursuant to the Lease Agreement;

(b) a lease agreement relating to the Property, between the Corporation, as lessor, and the City, as lessee (the "Lease Agreement"), so long as the principal amount of the Lease Agreement is not greater than $13,500,000, the true interest cost of the Lease Agreement does not exceed 5.5% and the term of the Lease Agreement does not extend beyond December 31, 2047;

(c) a trust agreement, by and among the Corporation, the City and U.S. Bank Trust Company, National Association, as trustee, relating to the execution and delivery of the Certificates (the "Trust Agreement"); and

(d) a continuing disclosure certificate; and

Section 3. A certificate purchase agreement, by and between Stifel, Nicolaus & Company, Incorporated, as underwriter (the "Underwriter"), and the City, relating to the purchase by the Underwriter of the Certificates, in the form on file with the City Clerk, be and is hereby approved, and any Designated Officer is hereby authorized and directed to execute said document, with such changes, insertions and omissions as may be approved by such official, so long as the Underwriter's discount does not exceed 0.75% of the principal amount of the Certificates.

Section 4. The Council hereby approves the Preliminary Official Statement, in the form on file with the City Clerk, together with any changes therein or additions thereto deemed advisable by any Designated Officer. The Council authorizes and directs any Designated Officer to deem the Preliminary Official Statement "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule").

Section 5. Any Designated Officer is authorized and directed to cause the Preliminary Official Statement to be brought into the form of a final official statement (the "Final Official Statement") and to execute said Final Official Statement, dated as of the date of the sale of the Certificates, and a statement that the facts contained in the Final Official Statement, and any supplement or amendment thereto (which shall be deemed an original part thereof for the purpose of such statement) were, at the time of sale of the Certificates, true and correct in all material respects and that the Final Official Statement did not, on the date of sale of the Certificates, and does not, as of the date of delivery of the Certificates, contain any untrue statement of a material fact with respect to the City or omit to state material facts with respect to the City required to be stated where necessary to make any statement made therein not misleading in the light of the circumstances under which it was made. The Designated Officers shall take such further actions prior to the signing of the Final Official Statement as are deemed necessary or appropriate to verify the accuracy thereof. The execution of the final Official Statement, which shall include such changes and additions thereto deemed advisable by any Designated Officer and such information permitted to be excluded from the Preliminary Official Statement pursuant to the Rule, shall be conclusive evidence of the approval of the final Official Statement by the City.

Section 6. The Final Official Statement, when prepared, is approved for distribution in connection with the offering and sale of the Certificates.

Section 7. The Mayor, the Vice Mayor, the City Manager, the Finance Director, the City Clerk and any and all other officers of the City are hereby authorized and directed, for and in the name and on behalf of the City, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the delivery of the Certificates and the consummation of the transactions as described herein.

Section 8. This Resolution shall take effect from and after the date of its passage and adoption.

Section 9. The City Clerk shall certify to the adoption of this Resolution and provide for appropriate distribution thereof.

PASSED AND ADOPTED by the City Council of the City of Marina at a regular meeting held this 17th day of May 2022, by the following vote:

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

_____
Bruce Delgado, Mayor

ATTEST:

_____
Anita Sharp, Deputy City Clerk

EXHIBIT A

GOVERNMENT CODE SECTION 5852.1 DISCLOSURE

The following information consists of estimates that have been provided by the City's municipal advisor and underwriter which has been represented to have been provided in good faith:

(A) True Interest Cost of the Certificates: 4.60%

(B) Finance Charges:

Costs of issuance:	$200,000
Underwriter's discount:	85,000
Total	$285,000

(C) Net Proceeds to be Received: $11,500,000
(net of finance charges)

(D) Total Payment Amount through Maturity: $20,100,000

The foregoing estimates constitute good faith estimates only.

The principal amount of the Certificates, the true interest cost of the Certificates, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the Certificates being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Certificates sold being different from the estimated amount used for purposes of such estimates, (c) the actual amortization of the Certificates being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Certificates being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the City's financing plan, or a combination of such factors. The actual date of sale of the Certificates and the actual principal amount of Certificates sold will be determined by the City based on the timing of the need for proceeds of the Certificates and other factors. The actual interest rates with respect to the Certificates will depend on market interest rates at the time of sale thereof. The actual amortization of the Certificates will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the City.

AFTER RECORDATION PLEASE RETURN TO:

Quint & Thimmig LLP
900 Larkspur Landing Circle, Suite 270
Larkspur, CA 94939-1726
Attention: Brian D. Quint, Esq.

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11929 OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.

SITE AND FACILITY LEASE

Dated as of June 1, 2022

by and between the

CITY OF MARINA, as Lessor

and the

PUBLIC PROPERTY FINANCING CORPORATION OF CALIFORNIA, as Lessee

---

(2022 Transportation Infrastructure Financing Project)

SITE AND FACILITY LEASE

THIS SITE AND FACILITY LEASE (this "Site and Facility Lease"), dated as of June 1, 2022, is by and between the CITY OF MARINA, a municipal corporation and general law city duly organized and existing under and by virtue of the laws of the State of California, as lessor (the "City"), and the PUBLIC PROPERTY FINANCING CORPORATION OF CALIFORNIA, a nonprofit public benefit corporation organized and existing under the laws of the State of California, as lessee (the "Corporation");

W I T N E S S E T H :

WHEREAS, the Corporation intends to assist the City to finance the cost of transportation infrastructure improvements within the geographic boundaries of the City that are eligible for application of Measure X revenues (the "Project"), by leasing certain land and improvements to the City pursuant to a Lease Agreement, dated as of June 1, 2022, a memorandum of which is recorded concurrently herewith (the "Lease Agreement"); and

WHEREAS, the City proposes to enter into this Site and Facility Lease with the Corporation as a material consideration for the Corporation's agreement to lease such land and improvements to the City;

NOW, THEREFORE, IT IS HEREBY MUTUALLY AGREED, as follows:

Section 1. Definitions. Capitalized terms used, but not otherwise defined, in this Site and Facility Lease shall have the meanings ascribed to them in the Lease Agreement.

Section 2. Site and Facility Lease. The City hereby leases to the Corporation and the Corporation hereby leases from the City, on the terms and conditions hereinafter set forth, those certain parcels of real property situated in Monterey County, State of California, more particularly described in Exhibit A attached hereto and made a part hereof (collectively, the "Site"), and those certain improvements located on the Site, more particularly described in Exhibit B attached hereto and made a part hereof (collectively, the "Facility").

Section 3. Term. The term of this Site and Facility Lease shall commence on the Closing Date, and shall end on May 1, 2047, unless the Term of the Lease Agreement is extended as hereinafter provided. If, on May 1, 2047, the Trust Agreement shall not be discharged by its terms or if the Lease Payments or Additional Payments, if any, payable under the Lease Agreement shall have been abated at any time and for any reason, then the term of this Site and Facility Lease shall be extended without the need to execute any amendment to this Section 3 until there has been deposited with the Trustee an amount sufficient to pay all obligations due under the Lease Agreement, but in no event shall the term of this Site and Facility Lease extend beyond May 1, 2057. If, prior to May 1, 2047, the Trust Agreement shall be discharged by its terms, the term of this Site and Facility Lease shall thereupon end.

Section 4. Advance Rental Payment. The City agrees to lease the Site and the Facility to the Corporation in consideration of the payment by the Corporation of an advance rental payment of _____ dollars ($_____). The City and the Corporation agree that by reason of the sale of the Certificates and deposit of proceeds pursuant to the provisions of the Trust Agreement, dated as of June 1, 2022, by and among the City, the Corporation and U.S. Bank Trust Company, National Association, as trustee thereunder (the "Trust Agreement"), the advance rental payment referenced in the preceding sentence shall be deemed to have been paid.

Section 5. Purpose. The Corporation shall use the Site and the Facility solely for the purpose of leasing the Site and the Facility to the City pursuant to the Lease Agreement and for such purposes as may be incidental thereto; *provided, however*, that in the event of default by the City under the Lease Agreement, the Corporation and its assigns may exercise the remedies provided in the Lease Agreement.

Section 6. City's Interest in the Site and the Facility. The City covenants that it is the owner in fee of the Site and the Facility.

Section 7. Assignments and Subleases. Unless the City shall be in default under the Lease Agreement, the Corporation may not assign its rights under this Site and Facility Lease or sublet the Site or the Facility, except as provided in the Lease Agreement.

Section 8. Right of Entry. The City reserves the right for any of its duly authorized representatives to enter upon the Site and the Facility at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

Section 9. Termination. The Corporation agrees, upon the termination of this Site and Facility Lease, to quit and surrender the Site and the Facility in the same good order and condition as the same were in at the time of commencement of the term hereunder, reasonable wear and tear excepted, and agrees that any permanent improvements and structures existing upon the Site at the time of the termination of this Site and Facility Lease shall remain thereon and title thereto shall vest in the City.

Section 10. Default. In the event the Corporation shall be in default in the performance of any obligation on its part to be performed under the terms of this Site and Facility Lease, which default continues for thirty (30) days following notice and demand for correction thereof to the Corporation, the City may exercise any and all remedies granted by law, except that no merger of this Site and Facility Lease and of the Lease Agreement shall be deemed to occur as a result thereof and the City shall have no right to terminate this Site and Facility Lease as a remedy for such default; *provided, however,* that so long as any Certificates are Outstanding and unpaid in accordance with the terms thereof, the Lease Payments assigned by the Corporation to the Trustee under the Assignment Agreement shall continue to be paid to the Trustee.

Section 11. Quiet Enjoyment. The Corporation, at all times during the term of this Site and Facility Lease, shall peaceably and quietly have, hold and enjoy all of the Site subject to the provisions of the Lease Agreement and the Trust Agreement.

Section 12. Waiver of Personal Liability. All liabilities under this Site and Facility Lease on the part of the Corporation are solely liabilities of the Corporation and the City hereby releases each and every, member, director, officer, employee and agent of the Corporation of and from any personal or individual liability under this Site and Facility Lease. No member, director, officer, employee or agent of the Corporation shall at any time or under any circumstances be individually or personally liable under this Site and Facility Lease for anything done or omitted to be done by the Corporation hereunder.

Section 13. Taxes. All assessments of any kind or character and also all taxes, including possessory interest taxes, levied or assessed upon the Site and the Facility (including both land and improvements) will be paid in accordance with the Lease Agreement.

Section 14. Eminent Domain. In the event the whole or any part of the Site or the Facility thereon is taken by eminent domain proceedings, the interest of the Corporation shall be recognized and is hereby determined to be the amount of then unpaid Certificates including the

unpaid principal and interest with respect to any then outstanding Certificates and, subject to the provisions of the Lease Agreement, shall be paid to the City.

Section 15. Use of the Proceeds. The City and the Corporation hereby agree that the lease to the Corporation of the City's right and interest in the Site and the Facility pursuant to Section 2 serves the public purposes of the City by providing funds to enable the City to finance the 2022 Project.

Section 16. Partial Invalidity. If any one or more of the terms, provisions, covenants or conditions of this Site and Facility Lease shall, to any extent, be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding, order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Site and Facility Lease shall be affected thereby, and each provision of this Site and Facility Lease shall be valid and enforceable to the fullest extent permitted by law.

Section 17. Notices. All notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed by United States registered mail, return receipt requested, postage prepaid, and, if to the City, addressed to the City in care of the Director of Finance, City of Marina, 211 Hillcrest Avenue, Marina, CA 93933, or if to the Corporation, addressed to the Corporation in care of the Treasurer, Public Property Financing Corporation of California, 2945 Townsgate Road, Suite 200, Westlake Village, CA 91361, or to such other addresses as the respective parties may from time to time designate by notice in writing.

Section 18. Binding Effect. This Site and Facility Lease shall inure to the benefit of and shall be binding upon the City and the Corporation and their respective successors and assigns.

Section 19. Amendment. This Site and Facility Lease may not be amended except as permitted under Section 10.01 of the Trust Agreement.

Section 20. Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Site and Facility Lease.

Section 21. Applicable Law. This Site and Facility Lease shall be governed by and construed in accordance with the laws of the State of California.

Section 22. Execution in Counterparts. This Site and Facility Lease may be executed in any number of counterparts, each of which shall be deemed to be an original but all together shall constitute but one and the same instrument.

[Remainder of this page is intentionally left blank]

IN WITNESS WHEREOF, the City and the Corporation have caused this Site and Facility Lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

CITY OF MARINA

By _____
Name _____
Title _____

PUBLIC PROPERTY FINANCING
CORPORATION OF CALIFORNIA

By _____
Stefan A. Morton
Treasurer

[NOTARY ACKNOWLEDGMENTS TO BE ATTACHED]

EXHIBIT A

DESCRIPTION OF THE SITE

The land referred to herein is situated in the State of California, County of Monterey and described as follows:

The land referred to herein is situated in the State of California, County of Monterey and described as follows:

A portion of Lots 41 and 42 as shown on that map entitled "Locke-Paddon Company's Bayside Subdivision of Monterey City Lands" filed February 8, 1916 in Volume 2 of Maps and Ranches (Outside Lands) at Page 15, records of Monterey County California, also being a portion of that property described in that Deed to the Monterey Peninsula Regional Park District, a public entity, recorded April 25, 1991 in Reel 2634 of Official Records of Monterey County, California at Page 348, situate in the City of Marina, County of Monterey, State of California, being more particularly described as follows:

Beginning at the Intersection of the Southerly sideline of Seaside Circle (shown on map as Seaside Avenue, 40 feet wide) with the Westerly sideline of Marina Drive (30 feet wide) as shown on said map; thence from said point of beginning,

1) along the westerly side line of Marina Drive the following six courses, 87.39 feet along the arc of a curve to the left describer from a radius point which bears South 79° 10' 01" East, 1455.17 feet, through a central angle of 3° 26' 27", thence,

2) 10.56 feet along the arc of a curve to the left described from a radius point which bears South 82° 36' 28" East, 1512.47 feet, through a central angle of 0° 24' 00", thence

3) 31.47 feet along the arc of a curve to the left described from a radius point which bears South 83° 00' 28" East, 1717.09 feet, through a central angle of 1° 03' 00", thence

4) 31.26 feet along the arc of a curve to the left described from a radius point which bears South 84° 03' 28" East, 1989.91 feet, through a central angle of 0° 54' 00", thence

5) 31.05 feet along the arc of a curve to the left described from a radius point which bears South 84° 57' 28" East, 2371.88 feet, through a central angle of 0° 45' 00", thence

6) 24.34 feet along the arc of a curve to the left described from a radius point which bears South 85° 42' 27" East, 2944.83 feet, through a central angle of 0° 28' 25" to the intersection with the southeasterly line of said Lot 42; thence

7) along said southeasterly line of said Lot 42, South 36° 17' 00" West, 340 feet; thence

8) leaving said southeasterly line, North 53° 43' 00" West, 112.65 feet; thence

9) North 6° 15' 27" West, 384.59 feet to a point on the said southerly line of Seaside Circle, thence,

10) along the southerly line of Seaside Circle, North 83° 44" 33" East, 362.04 feet to said point of beginning.

APN: 033-121-009

EXHIBIT B

DESCRIPTION OF THE FACILITY

The Facility is the City of Marina Public Library, an 18,000 square foot, wood framed facility, built in 2007 and located on the Site at 190 Seaside Circle in the City. The library provides the following services: (1) books, talking books on CD, DVDs and magazines for all ages, (2) newspapers: *Monterey County Herald, Salinas Californian, Korea Times, New York Times, (3)* materials in English, Spanish, Korean and Vietnamese, (4) E-Books and E-Audio, (5) public computers with Internet, Microsoft Office, fax, scan, print, and copy, (6) public meeting rooms(s) reservation at the library front desk and online, (7) access to Westlaw, (8) two study rooms, (9) a homework Center, (10) a veterans resource center, (11) free wireless internet, (12) programs and events for children and adults, and (13) a telescope. The current insured value of the library, excluding the land value, is $11,270,920.

LEASE AGREEMENT

Dated as of June 1, 2022

by and between the

PUBLIC PROPERTY FINANCING CORPORATION OF CALIFORNIA, as Lessor

and the

CITY OF MARINA, as Lessee

(2022 Transportation Infrastructure Financing Project)

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EXHIBIT A: DESCRIPTION OF THE SITE
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LEASE AGREEMENT

THIS LEASE AGREEMENT (the "Lease Agreement"), dated for convenience as of June 1, 2022, by and between the PUBLIC PROPERTY FINANCING CORPORATION OF CALIFORNIA, a nonprofit public benefit corporation organized and existing under the laws of the State of California, as lessor (the "Corporation"), and the CITY OF MARINA, a municipal corporation and general law city, duly organized and existing under and by virtue of the laws of the State of California, as lessee (the "City");

W I T N E S S E T H :

WHEREAS, pursuant to that certain Site and Facility Lease, dated as of June 1, 2022 (the "Site and Facility Lease"), the City has leased those certain parcels of real property situated in Monterey County, State of California, more particularly described in Exhibit A attached hereto and made a part hereof (the "Site"), and those certain improvements located on the Site, more particularly described in Exhibit B attached hereto and made a part hereof (the "Facility" and, with the Site, the "Property"), to the Corporation, all for the purpose of enabling the City to finance the cost of transportation infrastructure improvements within the geographic boundaries of the City that are eligible for application of Measure X revenues (the "Project");

WHEREAS, the Corporation proposes to lease the Property to the City pursuant to this Lease Agreement and to assign its right to receive lease payments under this Lease Agreement (the "Lease Payments"), its right to enforce payment of the Lease Payments and otherwise to enforce its interest and rights under this Lease Agreement in the event of a default hereunder by the City, to U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), pursuant to that certain Assignment Agreement, dated as of June 1, 2022, by and between the Corporation and the Trustee;

WHEREAS, pursuant to that certain Trust Agreement, dated as of June 1, 2022, by and among the City, the Corporation and the Trustee, the Trustee will execute and deliver certificates of participation (the "Certificates") in the Lease Payments; and

WHEREAS, the proceeds of the Certificates, together with other available moneys, will be applied by the City to (a) finance the Project, and (b) pay delivery costs incurred in connection with the execution, delivery and sale of the Certificates;

NOW, THEREFORE, for and in consideration of the premises and the material covenants hereinafter contained, the parties hereto hereby formally covenant, agree and bind themselves as follows:

ARTICLE I

DEFINITIONS AND EXHIBITS

Section 1.1. Definitions. Unless the context clearly otherwise requires or unless otherwise defined herein, the capitalized terms in this Lease Agreement shall have the respective meanings specified in Section 1.01 of the Trust Agreement, dated as of June 1, 2022, by and among the City, the Corporation and the Trustee.

Section 1.2. Interpretation.

(a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to mean and include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(c) All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Lease Agreement; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Lease Agreement as a whole and not to any particular Article, Section or subdivision hereof.

Section 1.3. Exhibits. The following exhibits are attached to, and by this reference made a part of, this Lease Agreement:

Exhibit A: The description of the Site.

Exhibit B: The description of the Facility.

Exhibit C: The schedule of Lease Payments to be paid by the City hereunder with respect to the Property, showing the Lease Payment Date and amount of each such Lease Payment.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.1. Representations, Covenants and Warranties of the City. The City represents, covenants and warrants to the Corporation as follows:

(a) *Due Organization and Existence*. The City is a municipal corporation and general law city, duly organized and existing under and by virtue of the laws of the State.

(b) *Authorization*. The laws of the State authorize the City to enter into the Site and Facility Lease, this Lease Agreement and the Trust Agreement and to enter into the transactions contemplated by and to carry out the City's obligations under all of the aforesaid agreements. The City has duly authorized and executed all of the aforesaid agreements and such agreements constitute the legal, valid and binding agreements of the City, enforceable against the City in accordance with their respective terms.

(c) *No Violations*. Neither the execution and delivery of the Site and Facility Lease, this Lease Agreement or the Trust Agreement, the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction, agreement or instrument to which the City is now a party or by which the City is bound, constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrances whatsoever upon any of the property or assets of the City, or upon the Property, except Permitted Encumbrances.

(d) *Execution and Delivery*. The City has duly authorized and executed the Site and Facility Lease, this Lease Agreement and the Trust Agreement in accordance with all applicable laws.

Section 2.2. Representations, Covenants and Warranties of Corporation. The Corporation represents, covenants and warrants to the City as follows:

(a) *Due Organization and Existence*. The Corporation is a nonprofit public benefit corporation, organized and existing under and by virtue of the laws of the State; has power to enter into the Site and Facility Lease, this Lease Agreement, the Assignment Agreement and the Trust Agreement; is possessed of full power to own and hold, improve and equip real and personal property and to lease and sell the same; has duly authorized the execution and delivery of all of the aforesaid agreements and such agreements constitute the legal, valid and binding agreements of the Corporation, enforceable against the Corporation in accordance with their respective terms.

(b) *No Encumbrances*. The Corporation will not pledge the Lease Payments or other amounts derived from the Property and from its other rights under this Lease Agreement and will not mortgage or encumber the Property, except as provided under the terms of this Lease Agreement and the Trust Agreement.

(c) *No Violations*. Neither the execution and delivery of the Site and Facility Lease, this Lease Agreement, the Assignment Agreement or the Trust Agreement, the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Corporation is now a party or by which the Corporation is bound, constitutes a default under

any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the Corporation, or upon the Property, except Permitted Encumbrances.

(d) *No Assignments*. Except as provided herein, the Corporation will not assign this Lease Agreement, its right to receive Lease Payments from the City or its duties and obligations hereunder to any other person, firm or corporation so as to impair or violate the representations, covenants and warranties contained in this Section 2.2.

(e) *Execution and Delivery*. The Corporation has duly authorized and executed this Lease Agreement in accordance with all applicable laws.

(f) *No Advisory Relationship*. The Corporation is not acting as a municipal advisor or financial advisor to the City, and has no financial advisory relationship, as that term is defined in section 53590(c) of the California Government Code and has not assumed any advisory responsibility to the City with respect to the transaction contemplated hereby and the discussions, undertakings and proceedings leading thereto.

ARTICLE III

DEPOSIT OF MONEYS

Section 3.1. Deposit of Moneys. On the Closing Date, the Corporation shall cause to be deposited with the Trustee the net proceeds of sale of the Certificates. Amounts required to pay Delivery Costs shall be deposited in the Delivery Costs Fund, and the amount estimated to be required to pay Project Costs shall be deposited in the Project Fund.

Section 3.2. Payment of Project Costs. Payment of Project Costs shall be made from the moneys deposited in the Project Fund, which moneys shall be disbursed for such purpose in accordance and upon compliance with Section 3.03 of the Trust Agreement.

Section 3.3. City to Act as Agent of the Corporation.

(a) *Appointment of City*. The Corporation hereby appoints the City as its agent to carry out all phases of the construction of the Project, and the City, as agent of the Corporation, assumes all rights, duties, responsibilities and liabilities of the Corporation regarding construction, except as limited herein.

(b) *Contracts, Bids and Payments*. The City, as agent of the Corporation, may enter into any purchase order, agreement or contract required for construction of the Project upon being assured that moneys sufficient for the payment thereof are then on deposit in the Project Fund or other available moneys of the City. The benefits of all bids received by the City for the Project shall be and shall be deemed to be assigned by the City to the Corporation.

(c) *Project Description*. The City, as agent of the Corporation, shall have the right to make any changes in the description of the Project or of any component thereof whenever the City deems such changes to be necessary and appropriate.

(d) *Supervision of Construction*. The City, as agent of the Corporation, shall have sole responsibility for, and shall supervise construction of the Project. The City shall monitor the performance by any vendor to the extent the City deems appropriate. The City shall permit the Corporation or its assignee to inspect the Project at any and all reasonable times which are deemed appropriate by the Corporation or its assignee.

(e) *Enforcement of Contracts*. The Corporation hereby assigns to the City all rights and powers to enforce and execute in its own name or the name of the Corporation such purchase orders or contracts as are required for the Project which enforcement may be at law or in equity; *provided, however*, that the assignment made by the Corporation herein shall not prevent the Corporation or its assignee from asserting said rights and powers in its own behalf following written notice to the City.

(f) *Fixed Price*. The Corporation shall not be responsible for payment of, nor shall it pay nor permit to be paid by the Trustee pursuant to the Trust Agreement, any amount for the Project in excess of the amount available therefor in the Project Fund held by the Trustee pursuant to the Trust Agreement. The City shall pay said excess amount to the extent of lawfully available funds.

(g) *Inspection of Records*. The Corporation shall have the right to inspect periodically the books and records of the City relating to the Project, and the City shall permit the Corporation to make such inspections thereof at all reasonable times as the City shall deem appropriate.

(h) *Specifications*. The City agrees that it will assure that the Project will be constructed in accordance with final plans and specifications approved by the City. Upon completion of construction of the Project, the City will assure that there is filed with the Trustee a certificate executed by a City Representative and stating that such construction has been completed in accordance with specifications therefor approved by the City.

(i) *Nondiscrimination*. Each contract entered into between the City, as the agent for the Corporation, and any vendor shall provide that such vendor shall not discriminate against any other vendor or any employee or applicant for employment because of the race, religious creed, color, national origin, or sex of such person, unless based upon a bona fide occupational qualification. In addition, in determining vendors, or in employing persons, if any, for the purposes of construction of the Project, the City shall not discriminate on the basis of race, religious creed, color, national origin, or sex of such person, unless based upon a bona fide occupational qualification.

(j) *Performance Security*. The City shall require the provision of bid bonds or performance bonds in such percentage of the bid or contract price as it deems desirable in advertising for and in awarding contracts or making purchase orders.

Section 3.3. Payment of Delivery Costs. Payment of Delivery Costs shall be made from the moneys deposited in the Delivery Costs Fund, which moneys shall be disbursed for such purpose in accordance and upon compliance with Section 3.02 of the Trust Agreement.

ARTICLE IV

AGREEMENT TO LEASE; TERM OF THIS LEASE AGREEMENT;
LEASE PAYMENTS

Section 4.1. Lease.

(a) The Corporation hereby leases the Property to the City, and the City hereby leases the Property from the Corporation, upon the terms and conditions set forth in this Lease Agreement.

(b) The leasing of the Property by the City to the Corporation pursuant to the Site and Facility Lease shall not affect or result in a merger of the City's leasehold estate pursuant to this Lease Agreement and its fee estate as lessor under the Site and Facility Lease.

Section 4.2. Term of Agreement. The Term of the Lease Agreement shall commence on the Closing Date, and shall end on May 1, 2047, unless such term is extended as hereinafter provided. If, on May 1, 2047, the Trust Agreement shall not be discharged by its terms or if the Lease Payments or Additional Payments, if any, payable hereunder shall have been abated at any time and for any reason, then the Term of the Lease Agreement shall be extended without the need to execute any amendment to this Section 4.2 until there has been deposited with the Trustee an amount sufficient to pay all obligations due under the Lease Agreement, but in no event shall the Term of the Lease Agreement extend beyond May 1, 2057. If, prior to May 1, 2047, the Trust Agreement shall be discharged by its terms, the Term of the Lease Agreement shall thereupon end.

Section 4.3. Possession. The City hereby agrees to accept and take possession of the Property on or prior to the date of recordation of this Lease Agreement.

Section 4.4. Lease Payments.

(a) *Obligation to Pay*. Subject to the provisions of Articles VI and X hereof, the City agrees to pay to the Corporation, its successors and assigns, as rental for the use and occupancy of the Property during each Rental Period, the Lease Payments (denominated into components of principal and interest) in the respective amounts specified in Exhibit C hereto, to be due and payable on the respective Lease Payment Dates specified in Exhibit C hereto. Any amount held in the Lease Payment Fund on any Lease Payment Date (other than amounts resulting from the prepayment of the Lease Payments in part but not in whole pursuant to Article X hereof and other than amounts required for payment of Certificates not yet surrendered) shall be credited towards the Lease Payment then due and payable; and no Lease Payment need be made on any Lease Payment Date if the amounts then held in the Lease Payment Fund are at least equal to the Lease Payment then required to be paid. The Lease Payments for the Property payable in any Rental Period shall be for the use of the Property for such Rental Period.

(b) *Effect of Prepayment*. In the event that the City prepays all remaining Lease Payments and all Additional Payments due under Section 4.7 hereof in full pursuant to Article X hereof, subject to Section 4.2 hereof, the City's obligations under this Lease Agreement shall thereupon cease and terminate including, but not limited to, the City's obligation to pay Lease Payments under this Section 4.4; subject however, to the provisions of Section 10.1 hereof in the case of prepayment by application of a security deposit. In the event that the City optionally prepays the Lease Payments in part but not in whole pursuant to Section 10.2 hereof or pursuant to Section 10.3 hereof as a result of any insurance or condemnation award with respect to any portion of the Property, such prepayment shall be credited entirely towards the prepayment of

the Lease Payments as follows: (i) the principal components of each remaining Lease Payment shall be reduced in such order as shall be selected by the City in integral multiples of $5,000; and (ii) the interest component of each remaining Lease Payment shall be reduced by the aggregate corresponding amount of interest which would otherwise be payable with respect to the Certificates thereby redeemed pursuant to Sections 4.01(a) or (b), as the case may be, of the Trust Agreement.

(c) *Rate on Overdue Payments*. In the event the City should fail to make any of the payments required in this Section 4.4, the payment in default shall continue as an obligation of the City until the amount in default shall have been fully paid and the City agrees to pay the same with interest thereon, to the extent permitted by law, from the date of default to the date of payment at the rate per annum payable with respect to the Certificates. Such interest, if received, shall be deposited in the Lease Payment Fund.

(d) *Fair Rental Value*. The Lease Payments for each Rental Period shall constitute the total rental for each such Rental Period and shall be paid by the City in each Rental Period for and in consideration of the right of the use and occupancy and the continued quiet use and enjoyment of the Property during each Rental Period. The parties hereto have agreed and determined that the total Lease Payments for the Property represent the fair rental value of the Property. In making such determination, consideration has been given to the obligations of the parties under this Lease Agreement, the uses and purposes which may be served by the Property and the benefits therefrom which will accrue to the City and the general public.

(e) *Source of Payments; Budget and Appropriation*. Lease Payments and Additional Payments shall be payable from any source of available funds of the City, subject to the provisions of Articles VI and X hereof.

The City covenants to take such action as may be necessary to include all Lease Payments and Additional Payments due hereunder in each of its budgets during the Term of the Lease Agreement and to make the necessary annual appropriations for all such Lease Payments and for Additional Payments due under Section 4.7 hereof. To that end, the Council shall direct budgetary staff to include in each annual budget proposal to the Council an appropriation sufficient to pay Lease Payments and Additional Payments. The City hereby expresses its present intent to appropriate Lease Payments and Additional Payments due under Section 4.7 hereof during the Term of the Lease Agreement. The covenants on the part of the City herein contained shall be deemed to be and shall be construed to be duties imposed by law and it shall be the duty of each and every public official of the City to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the City to carry out and perform the covenants and agreements in this Lease Agreement agreed to be carried out and performed by the City.

(f) *Assignment*. The City understands and agrees that all Lease Payments have been assigned by the Corporation to the Trustee in trust, pursuant to the Assignment Agreement, for the benefit of the Owners of the Certificates, and the City hereby assents to such assignment. The Corporation hereby directs the City, and the City hereby agrees to pay to the Trustee at the Designated Corporate Trust Office, all payments payable by the City pursuant to this Section 4.4 and all amounts payable by the City pursuant to Article X hereof.

Section 4.5. Quiet Enjoyment. During the Term of the Lease Agreement, the Corporation shall provide the City with quiet use and enjoyment of the Property and the City shall, during such Term, peaceably and quietly have and hold and enjoy the Property without suit, trouble or hindrance from the Corporation, except as expressly set forth in this Lease Agreement. The Corporation will, at the request of the City and at the City's cost, join in any legal action in

which the City asserts its right to such possession and enjoyment to the extent the Corporation may lawfully do so. Notwithstanding the foregoing, the Corporation shall have the right to inspect the Property as provided in Section 7.2. hereof.

Section 4.6. Title. During the Term of the Lease Agreement, the Corporation shall hold leasehold title to the Property and the City shall hold fee title to those portions of the Property which are newly acquired or constructed and any and all additions which comprise fixtures, repairs, replacements or modifications to the Property, except for those fixtures, repairs, replacements or modifications which are added to the Property by the City at its own expense and which may be removed without damaging the Property and except for any items added to the Property by the City pursuant to Section 5.8 hereof.

If the City prepays the Lease Payments in full pursuant to Article X hereof or makes the security deposit permitted by Section 10.1 hereof, or pays all Lease Payments during the Term of the Lease Agreement as the same become due and payable, subject to Section 4.2 hereof, and pays Additional Payments, if any, all right, title and interest of the Corporation in and to the Property shall be terminated. The Corporation agrees to take any and all steps and execute and record any and all documents reasonably required by the City to consummate any such transfer of title.

Section 4.7. Additional Payments. In addition to the Lease Payments, the City shall pay when due the following Additional Payments:

(a) Any fees and expenses incurred by the City in connection with or by reason of its leasehold estate in the Property as and when the same become due and payable.

(b) Any amounts due to the Trustee pursuant to the Trust Agreement for all services rendered under the Trust Agreement and for all reasonable expenses, charges, costs, liabilities, legal fees and other disbursements incurred in and about the performance of its powers and duties under the Trust Agreement.

(c) Any reasonable fees and expenses of such accountants, consultants, attorneys and other experts as may be engaged by the City, the Corporation or the Trustee to prepare audits, financial statements, reports, opinions or provide such other services required under this Lease Agreement or the Trust Agreement.

(d) Any reasonable out-of-pocket expenses of the City in connection with the execution and delivery of this Lease Agreement or the Trust Agreement, or in connection with the execution and delivery of the Certificates, including any and all expenses incurred in connection with the authorization, execution, sale and delivery of the Certificates, or incurred by the Corporation in connection with any litigation which may at any time be instituted involving this Lease Agreement, the Trust Agreement, the Certificates or any of the other documents contemplated hereby or thereby, or incurred by the Corporation in connection with the Continuing Disclosure Certificate, or otherwise incurred in connection with the administration thereof.

ARTICLE V

MAINTENANCE; TAXES; INSURANCE; USE LIMITATIONS;
AND OTHER MATTERS

Section 5.1. Maintenance, Utilities, Taxes and Assessments. Throughout the Term of the Lease Agreement, as part of the consideration for the rental of the Property, all improvement, repair and maintenance of the Property shall be the responsibility of the City and the City shall pay, or otherwise arrange, for the payment of all utility services supplied to the Property which may include, without limitation, janitor service, security, power, gas, telephone, light, heating, water and all other utility services, and shall pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Property resulting from ordinary wear and tear or want of care on the part of the City or any assignee or sublessee thereof. In exchange for the Lease Payments herein provided, the Corporation agrees to provide only the Property, as hereinbefore more specifically set forth. The City waives the benefits of subsections 1 and 2 of section 1932 of the California Civil Code, but such waiver shall not limit any of the rights of the City under the terms of this Lease Agreement.

The City shall also pay or cause to be paid all taxes and assessments of any type or nature, if any, charged to the Corporation or the City affecting the Property or the respective interests or estates therein; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the City shall be obligated to pay only such installments as are required to be paid during the Term of the Lease Agreement as and when the same become due.

The City may, at the City's expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Corporation shall notify the City that, in the opinion of Independent Counsel, by nonpayment of any such items, the interest of the Corporation in the Property will be materially endangered or the Property or any part thereof will be subject to loss or forfeiture, in which event the City shall promptly pay such taxes, assessments or charges or provide the Corporation with full security against any loss which may result from nonpayment, in form satisfactory to the Corporation. The City shall provide the Corporation with written notice of any such contest and shall provide such updates on the contest as the Corporation may reasonably request.

Section 5.2. Modification of Property. The City shall, at its own expense, have the right to remodel the Property or to make additions, modifications and improvements to the Property. All additions, modifications and improvements to the Property shall thereafter comprise part of the Property and be subject to the provisions of this Lease Agreement. Such additions, modifications and improvements shall not in any way damage the Property, substantially alter its nature, cause the interest component of Lease Payments to be subject to federal income taxes or cause the Property to be used for purposes other than those authorized under the provisions of State and federal law; and the Property, upon completion of any additions, modifications and improvements made thereto pursuant to this Section 5.2, shall be of a value which is not substantially less than the value of the Property immediately prior to the making of such additions, modifications and improvements. The City will not permit any mechanic's or other lien to be established or remain against the Property for labor or materials furnished in connection with any remodeling, additions, modifications, improvements, repairs, renewals or replacements made by the City pursuant to this Section 5.2; provided that if any such lien is established and the City shall first notify the Corporation of the City's intention to do so, the City may in good faith contest any lien filed or established against the Property, and in such

event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom and shall provide the Corporation with full security against any loss or forfeiture which might arise from the nonpayment of any such item, in form satisfactory to the Corporation. The Corporation will cooperate fully in any such contest, upon the request and at the expense of the City.

Section 5.3. Public Liability and Property Damage Insurance. The City shall maintain or cause to be maintained, throughout the Term of the Lease Agreement, insurance policies, including a standard comprehensive general insurance policy or policies in protection of the Corporation, the City and the Trustee and their respective members, officers, agents and employees. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance coverage carried by the City, and may be maintained through a nonprofit public benefit corporation created for such purpose or in the form of self-insurance by the City. Said policy or policies shall provide for indemnification of said parties against direct or consequential loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the operation of the Property. Said policy or policies shall provide coverage in the minimum liability limits of $1,000,000 for personal injury or death of each person and $3,000,000 for personal injury or deaths of two or more persons in each accident or event, and in a minimum amount of $100,000 (subject to a deductible clause of not to exceed $5,000) for damage to property resulting from each accident or event. Such public liability and property damage insurance may, however, be in the form of a single limit policy in the amount of $3,000,000 covering all such risks. The Net Proceeds of such liability insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which the insurance proceeds shall have been paid.

Section 5.4. Fire and Extended Coverage Insurance; No Earthquake Insurance. The City shall maintain, or cause to be maintained throughout the Term of the Lease Agreement, insurance against loss or damage to any part of the Property constituting structures, if any, by fire and lightning, with extended coverage and vandalism and malicious mischief insurance; provided, however, that the City shall not be required to maintain earthquake insurance with respect to the Property. Said extended coverage insurance shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance. Such insurance shall be in an amount equal to one hundred percent (100%) of the replacement cost of such portion of the Property, if any. Such insurance may be subject to deductible clauses of not to exceed $100,000 for any one loss. Such insurance may be maintained as part of or in conjunction with any other fire and extended coverage insurance carried by the City and may be maintained in whole or in part in the form of insurance maintained through a nonprofit public benefit corporation created for such purpose. The Net Proceeds of such insurance shall be applied as provided in Section 6.2(a) hereof. The City may not satisfy the requirements of this Section 5.4 for fire and extended coverage insurance with self-insurance.

Section 5.5. Rental Interruption Insurance. The City shall maintain, or cause to be maintained, throughout the Term of the Lease Agreement rental interruption or use and occupancy insurance to cover loss, total or partial, of the use of any part of the Property during the Term of the Lease Agreement as a result of any of the hazards covered in the insurance required by Section 5.4 hereof, if any, in an amount at least equal to two times maximum annual Lease Payments. The Net Proceeds of such insurance shall be paid to the Trustee and deposited in the Lease Payment Fund and shall be credited towards the payment of the Lease Payments in the order in which such Lease Payments come due and payable. Such insurance may be maintained as part of or in conjunction with any other insurance carried by the City and may be maintained in whole or in part in the form of insurance maintained through a nonprofit, public benefit corporation created for such purpose but not in the form of self-insurance by the City.

Section 5.6. Title Insurance.

(a) The City shall provide, from moneys in the Delivery Costs Fund or at its own expense, on the Closing Date, a CLTA title insurance policy in the amount of not less than the principal amount of the Certificates, insuring the City's leasehold estate in the Property, subject only to Permitted Encumbrances.

(b) The Net Proceeds of such title insurance shall be applied as provided in Section 6.2(c) hereof.

Section 5.7. Insurance Net Proceeds; Form of Policies. Each policy or other evidence of insurance required by Sections 5.3, 5.4, 5.5 and 5.6 hereof shall provide that all proceeds thereunder shall be payable to the Trustee as and to the extent required hereunder, shall name the Trustee as an additional insured and shall be applied as provided in Section 6.2 hereof. Insurance must be provided by an insurer rated "A" or better by S&P or A.M. Best Company. The City shall pay or cause to be paid when due the premiums for all insurance policies required by this Lease Agreement. All policies evidencing required insurance shall provide thirty (30) days' prior written notice to the Corporation, the City and the Trustee of any cancellation, reduction in amount or material change in coverage. The Trustee shall not be responsible for the sufficiency of any insurance herein required, including any forms of self-insurance and shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss. The City shall cause to be delivered annually on or before each July 1 to the Trustee a certification, signed by a City Representative, stating compliance with the provisions of Section 5.3 through 5.6 of this Lease Agreement. The Trustee shall be entitled to rely on such certification without independent investigation. The City shall have the adequacy of any insurance reserves maintained by the City or by a nonprofit public benefit corporation, if applicable, for purposes of the insurance required by Section 5.3, 5.4 and 5.5 hereof reviewed at least annually, on or before each July 1, by an independent insurance consultant and shall maintain reserves in accordance with the recommendations of such consultant to the extent moneys are available for such purpose and not otherwise appropriated.

Section 5.8. Advances. If the City shall fail to perform any of its obligations under this Article V, the Corporation or the Trustee may, but shall not be obligated to, take such action as may be necessary to cure such failure, including the advancement of money, and the City shall be obligated to repay all such advances as soon as possible, with interest at a rate equal to the rate then payable with respect to the Certificates from the date of the advance to the date of repayment.

Section 5.9. Installation of City's Equipment. The City may, at any time and from time to time in its sole discretion and at its own expense, install or permit to be installed items of equipment or other personal property in or upon any portion of the Property. All such items shall remain the sole property of the City in which neither the Corporation nor the Trustee shall have any interest and may be modified or removed by the City at any time provided that the City shall repair and restore any and all damage to the Property resulting from the installation, modification or removal of any such items. Nothing in this Lease Agreement shall prevent the City from purchasing or leasing items to be installed pursuant to this Section 5.9 under a lease or conditional sale agreement, or subject to a vendor's lien or security agreement, as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest shall attach to any part of the Property.

Section 5.10. Liens. The City shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Property, other than the respective rights of the Corporation and the City as provided herein and Permitted Encumbrances. Except as expressly provided in this Article V, the City shall promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim, for which it is responsible, if the same shall arise at any time. The City shall reimburse the Corporation for any expense incurred by it in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

Section 5.11. Private Activity Bond Limitation. The City shall assure that proceeds of the Certificates are not so used as to cause the Certificates or the Lease Agreement to satisfy the private business tests of section 141(b) of the Code or the private loan financing test of section 141(c) of the Code.

Section 5.12. Federal Guarantee Prohibition. The City shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Certificates or the Lease Agreement to be "federally guaranteed" within the meaning of section 149(b) of the Code.

Section 5.13. Rebate Requirement. The City shall take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Certificates and the Lease Agreement.

Section 5.14. No Arbitrage. The City shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Certificates which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the Certificates or the Lease Agreement to be "arbitrage bonds" within the meaning of section 148 of the Code.

Section 5.15. Maintenance of Tax-Exemption. The City shall take all actions necessary to assure the exclusion of interest with respect to the Certificates from the gross income of the Owners of the Certificates to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the Closing Date.

ARTICLE VI

DAMAGE, DESTRUCTION AND EMINENT DOMAIN; USE OF NET PROCEEDS

Section 6.1. Eminent Domain.

(a) If all of the Property shall be taken permanently under the power of eminent domain or sold to a government threatening to exercise the power of eminent domain, the Term of this Lease Agreement shall cease as of the day possession shall be so taken. If less than all of the Property shall be taken permanently, or if all of the Property or any part thereof shall be taken temporarily under the power of eminent domain, (1) this Lease Agreement shall continue in full force and effect and shall not be terminated by virtue of such taking and the parties waive the benefit of any law to the contrary, and (2) there shall be a partial abatement of Lease Payments as a result of the application of the Net Proceeds of any eminent domain award to the prepayment of the Lease Payments hereunder, in an amount to be agreed upon by the City and the Corporation, and so certified to by the parties to the Trustee, such that the resulting Lease Payments represent fair consideration for the use and occupancy of the remaining usable portion of the Property, except to the extent of special funds are available for the payment of Lease Payments.

(b) The City hereby covenants and agrees, to the extent it may lawfully do so, that so long as any of the Certificates remain outstanding and unpaid, the City will not exercise the power of condemnation with respect to the leased property. The City further covenants and agrees, to the extent it may lawfully do so, that if for any reason the foregoing covenant is determined to be unenforceable or if the City should fail or refuse to abide by such covenant and condemns the leased property, the appraised value of the leased property shall not be less than the greater of (i) if such Certificates are then subject to redemption, the principal and interest components of the Certificates outstanding through the date of their redemption, or (ii) if such Certificates are not then subject to redemption, the amount necessary to defease such Certificates to the first available redemption date in accordance with the Trust Agreement.

Section 6.2. Application of Net Proceeds.

(a) *From Insurance Award*. The Net Proceeds of any insurance award resulting from any damage to or destruction of any portion of the Property constituting structures, if any, by fire or other casualty shall be paid by the City to the Trustee, as assignee of the Corporation under the Assignment Agreement, deposited in the Insurance and Condemnation Fund held by the Trustee and applied as set forth in Section 6.01 of the Trust Agreement.

(b) *From Eminent Domain Award*. The Net Proceeds of any eminent domain award resulting from any event described in Section 6.1 hereof shall be paid by the City to the Trustee, as assignee of the Corporation under the Assignment Agreement, deposited in the Insurance and Condemnation Fund and applied as set forth in Section 6.02 of the Trust Agreement.

(c) *From Title Insurance*. The Net Proceeds of any title insurance award shall be paid to the Trustee, as assignee of the Corporation under the Assignment Agreement, deposited in the Insurance and Condemnation Fund and applied as set forth in Section 6.03 of the Trust Agreement.

Section 6.3. Abatement of Lease Payments in the Event of Damage or Destruction. Lease Payments shall be abated during any period in which, by reason of damage or destruction, there is substantial interference with the use and occupancy by the City of the Property or any

portion thereof (other than any portions of the Property described in Section 5.2 hereof) to the extent to be agreed upon by the City and the Corporation and communicated by a City Representative to the Trustee. The parties agree that the amounts of the Lease Payments under such circumstances shall not be less than the amounts of the unpaid Lease Payments as are then set forth in Exhibit C, unless such unpaid amounts are determined to be greater than the fair rental value of the portions of the Property not damaged or destroyed (giving due consideration to the factors identified in the last sentence of Section 4.4(d)), based upon any appropriate method of valuation, in which event the Lease Payments shall be abated such that they represent said fair rental value. Such abatement shall continue for the period commencing with such damage or destruction and ending with the substantial completion of the work of repair or reconstruction as communicated by a City Representative to the Trustee. In the event of any such damage or destruction, this Lease Agreement shall continue in full force and effect and the City waives any right to terminate this Lease Agreement by virtue of any such damage and destruction. Notwithstanding the foregoing, there shall be no abatement of Lease Payments under this Section 6.3 to the extent that (a) the proceeds of rental interruption insurance or (b) amounts in the Insurance and Condemnation Fund and/or the Lease Payment Fund are available to pay Lease Payments which would otherwise be abated under this Section 6.3, it being hereby declared that such proceeds and amounts constitute special funds for the payment of the Lease Payments. If an abatement event has occurred but remedied, the City shall be required to extend the Term of this Lease Agreement, as described in Section 4.2, so that amounts abated are recouped.

ARTICLE VII

DISCLAIMER OF WARRANTIES; ACCESS; INDEMNIFICATION

Section 7.1. Disclaimer of Warranties. THE CORPORATION MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY THE CITY OF THE PROPERTY OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE PROPERTY. IN NO EVENT SHALL THE CORPORATION OR ITS ASSIGNS BE LIABLE FOR INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH OR ARISING OUT OF THE SITE AND FACILITY LEASE, THIS LEASE AGREEMENT OR THE TRUST AGREEMENT FOR THE EXISTENCE, FURNISHING, FUNCTIONING OR THE CITY'S USE OF THE PROPERTY.

Section 7.2. Access to the Property. The City agrees that the Corporation and any Corporation Representative, and the Corporation's successors or assigns, shall have the right at all reasonable times to enter upon and to examine and inspect the Property. The City further agrees that the Corporation, any Corporation Representative, and the Corporation's successors or assigns, shall have such rights of access to the Property as may be reasonably necessary to cause the proper maintenance of the Property in the event of failure by the City to perform its obligations hereunder.

Section 7.3. Release and Indemnification Covenants. The City shall and hereby agrees to indemnify and save the Corporation and the Trustee and their officers, agents, directors, employees, successors and assigns harmless from and against all charges, costs, claims, losses and damages, including legal fees and expenses, arising out of (i) the use, maintenance, condition or management of, or from any work or thing done on the Property by the City, (ii) any breach or default on the part of the City in the performance of any of its obligations under this Lease Agreement or the Trust Agreement, (iii) any act or omission of the City or of any of its agents, contractors, servants, employees or licensees with respect to the Property, (iv) any act or omission of any sublessee of the City with respect to the Property, (v) the authorization of payment of Project Costs, or (vi) the authorization of payment of the Delivery Costs. Such indemnification shall include the costs and expenses of defending any claim or liability arising under this Lease Agreement or the Trust Agreement and the transactions contemplated thereby. No indemnification is made under this Section 7.3 or elsewhere in this Lease Agreement for willful misconduct, negligence or breach of duty under this Lease Agreement by the Corporation, its officers, agents, directors, employees, successors or assigns.

ARTICLE VIII

ASSIGNMENT, SUBLEASING AND AMENDMENT

Section 8.1. Assignment by the Corporation. The Corporation's rights under this Lease Agreement, including the right to receive and enforce payment of the Lease Payments to be made by the City under this Lease Agreement (but except for its rights to give consents and approvals hereunder), have been assigned to the Trustee pursuant to the Assignment Agreement.

Section 8.2. Assignment and Subleasing by the City. This Lease Agreement may not be assigned by the City. The City may sublease the Property or any portion thereof, but only with the written consent of the Corporation and subject to, and delivery to the Corporation and the Trustee of a certificate as to, all of the following conditions:

(a) This Lease Agreement and the obligation of the City to make Lease Payments hereunder shall remain obligations of the City;

(b) The City shall, within thirty (30) days after the delivery thereof, furnish or cause to be furnished to the Corporation and the Trustee a true and complete copy of such sublease;

(c) No such sublease by the City shall cause the Property to be used for a purpose other than as may be authorized under the provisions of the Constitution and laws of the State; and

(d) The City shall furnish the Corporation and the Trustee with a written opinion of Bond Counsel, which shall be an Independent Counsel, stating that such sublease does not cause the interest components of the Lease Payments to become subject to federal income taxes or State personal income taxes.

Section 8.3. Amendment of Lease Agreement.

(a) *Substitution of Site or Facility*. The City shall have, and is hereby granted, the option at any time and from time to time during the Term of the Lease Agreement to substitute other land (a "Substitute Site") and/or a substitute facility (a "Substitute Facility") for the Site (the "Former Site"), or a portion thereof, and/or the Facility (the "Former Facility"), or a portion thereof, provided that the City shall satisfy all of the following requirements (to the extent applicable) which are hereby declared to be conditions precedent to such substitution:

(i) If a substitution of the Site, the City shall file with the Corporation and the Trustee an amended Exhibit A to the Site and Facility Lease which adds thereto a description of such Substitute Site and deletes therefrom the description of the Former Site;

(ii) If a substitution of the Site, the City shall file with the Corporation and the Trustee an amended Exhibit A to this Lease Agreement which adds thereto a description of such Substitute Site and deletes therefrom the description of the Former Site;

(iii) If a substitution of the Facility, the City shall file with the Corporation and the Trustee an amended Exhibit B to the Site and Facility Lease which adds thereto a description of such Substitute Facility and deletes therefrom the description of the Former Facility;

(iv) If a substitution of the Facility, the City shall file with the Corporation and the Trustee an amended Exhibit B to this Lease Agreement which adds thereto a description of such Substitute Facility and deletes therefrom the description of the Former Facility;

(v) The City shall certify in writing to the Corporation and the Trustee that such Substitute Site and/or Substitute Facility serve the purposes of the City, constitutes property that is unencumbered, subject to Permitted Encumbrances, and constitutes property which the City is permitted to lease under the laws of the State;

(vi) The City delivers to the Corporation and the Trustee a Certificate of a City Representative based on insurance values or any other reasonable basis of valuation received by the City (which need not require an appraisal) that the value of the Property following such substitution is equal to or greater than the Outstanding principal amount of the Certificates and confirms in writing to the Trustee that the indemnification provided pursuant to Section 11.03 of the Trust Agreement applies with respect to the Substitute Site and/or Substitute Facility;

(vii) The Substitute Site and/or Substitute Facility shall not cause the City to violate any of its covenants, representations and warranties made herein and in the Trust Agreement, as evidenced by a Certificate of a City Representative delivered to the Trustee;

(viii) The City shall obtain an amendment to the title insurance policy required pursuant to Section 5.6 hereof which adds thereto a description of the Substitute Site and deletes therefrom the description of the Former Site;

(ix) The City shall certify that the Substitute Site and/or the Substitute Facility is of the same or greater essentiality to the City as was the Former Site and/or the Former Facility;

(x) The City shall provide notice of the substitution to any rating agency then rating the Certificates which rating was provided at the request of the City or the Corporation; and

(xi) The City shall furnish the Corporation and the Trustee with a written opinion of Bond Counsel, which shall be an Independent Counsel, stating that such substitution does not cause the interest components of the Lease Payments to become subject to federal income taxes or State personal income taxes.

(b) *Release of Site*. The City shall have, and is hereby granted, the option at any time and from time to time during the Term of the Lease Agreement to release any portion of the Site, provided that the City shall satisfy all of the following requirements which are hereby declared to be conditions precedent to such release:

(i) The City shall file with the Corporation and the Trustee an amended Exhibit A to the Site and Facility Lease which describes the Site, as revised by such release;

(ii) The City shall file with the Corporation and the Trustee an amended Exhibit A to this Lease Agreement which describes the Site, as revised by such release;

(iii) The City delivers to the Corporation and the Trustee a Certificate of a City Representative based on insurance values or any other reasonable basis of valuation

received by the City (which need not require an appraisal) that the value of the Property, as revised by such release, is equal to or greater than the Outstanding principal amount of the Certificates and confirms in writing to the Trustee and the Corporation that the indemnification provided pursuant to Section 11.03 of the Trust Agreement applies with respect to the Site, as revised by such release;

(iv) Such release shall not cause the City to violate any of its covenants, representations and warranties made herein and in the Trust Agreement, as evidenced by a Certificate of a City Representative delivered to the Trustee;

(v) The City shall obtain an amendment to the title insurance policy required pursuant to Section 5.6 hereof which describes the Site, as revised by such release; and

(vi) The City shall provide notice of the release to any rating agency then rating the Certificates which rating was provided at the request of the City or the Corporation.

(c) *Release of Facility*. The City shall have, and is hereby granted, the option at any time and from time to time during the Term of the Lease Agreement to release any portion of the Facility, provided that the City shall satisfy all of the following requirements which are hereby declared to be conditions precedent to such release:

(i) The City shall file with the Corporation and the Trustee an amended Exhibit B to the Site and Facility Lease which describes the Facility, as revised by such release;

(ii) The City shall file with the Corporation and the Trustee an amended Exhibit B to this Lease Agreement which describes the Facility, as revised by such release;

(iii) The City delivers to the Corporation and the Trustee a Certificate of a City Representative based on insurance values or any other reasonable basis of valuation received by the City (which need not require an appraisal) that the value of the Property, as revised by such release, is equal to or greater than the Outstanding principal amount of the Certificates and confirms in writing to the Trustee and the Corporation that the indemnification provided pursuant to Section 11.03 of the Trust Agreement applies with respect to the Facility, as revised by such release;

(iv) Such release shall not cause the City to violate any of its covenants, representations and warranties made herein and in the Trust Agreement, as evidenced by a Certificate of a City Representative delivered to the Trustee; and

(v) The City shall provide notice of the release to any rating agency then rating the Certificates which rating was provided at the request of the City or the Corporation.

(d) *Generally*. The Corporation and the City may at any time amend or modify any of the provisions of this Lease Agreement, but only (i) with the prior written consent of the Owners of a majority in aggregate principal amount of the Outstanding Certificates, or (ii) without the consent of any of the Owners, but only if such amendment or modification is for any one or more of the following purposes:

(i) to add to the covenants and agreements of the City contained in this Lease Agreement, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or power herein reserved to or conferred upon the City;

(ii) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained herein, or in any other respect whatsoever as the Corporation and the City may deem necessary or desirable, provided that, in the opinion of Bond Counsel, such modifications or amendments will not materially adversely affect the interests of the Owners; or

(iii) to amend any provision thereof relating to the Code, to any extent whatsoever but only if and to the extent such amendment will not adversely affect the exclusion from gross income of interest with respect to the Certificates under the Code, in the opinion of Bond Counsel.

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES

Section 9.1. Events of Default Defined. The following shall be "events of default" under this Lease Agreement and the terms "Events of Default" and "Default" shall mean, whenever they are used in this Lease Agreement, any one or more of the following events:

(a) Failure by the City to pay any Lease Payment, any Additional Payment or other payment required to be paid hereunder at the time specified herein.

(b) Failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Lease Agreement (including failure to request appropriation pursuant to Section 4.4(e) hereof) or under the Trust Agreement, other than as referred to in clause (a) of this Section 9.1, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to the City by the Corporation, the Trustee or the Owners of not less than five percent (5%) in aggregate principal amount of Certificates then outstanding; provided, however, if the failure stated in the notice can be corrected, but not within the applicable period, the Corporation, the Trustee (as directed by such Owners of not less than 5% in aggregate principal amount of Certificates then Outstanding) and such Owners shall not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the City within the applicable period and diligently pursued until the default is corrected.

(c) The filing by the City of a voluntary petition in bankruptcy, or failure by the City promptly to lift any execution, garnishment or attachment, or adjudication of the City as a bankrupt, or assignment by the City for the benefit of creditors, or the entry by the City into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the City in any proceedings instituted under the provisions of the Federal Bankruptcy Act, as amended, or under any similar acts which may hereafter be enacted.

Section 9.2. Remedies on Default. The Trustee shall have the right to re-enter and re-let the Property and to terminate this Lease Agreement.

Whenever any Event of Default referred to in Section 9.1 hereof shall have happened and be continuing, it shall be lawful for the Corporation to exercise any and all remedies available pursuant to law or granted pursuant to this Lease Agreement; *provided, however*, that notwithstanding anything herein or in the Trust Agreement to the contrary, there shall be no right under any circumstances to accelerate the Lease Payments or otherwise declare any Lease Payments not then in default to be immediately due and payable. Each and every covenant hereof to be kept and performed by the City is expressly made a condition and upon the breach thereof, the Corporation may exercise any and all rights of entry and re-entry upon the Property, and also, at its option, with or without such entry, may terminate this Lease Agreement; provided, that no such termination shall be effected either by operation of law or acts of the parties hereto, except only in the manner herein expressly provided. In the event of such default and notwithstanding any re-entry by the Corporation, the City shall, as herein expressly provided, continue to remain liable for the payment of the Lease Payments and/or damages for breach of this Lease Agreement and the performance of all conditions herein contained and, in any event, such rent and/or damages shall be payable to the Corporation at the time and in the manner as herein provided, to wit:

(a) In the event the Corporation does not elect to terminate this Lease Agreement in the manner hereinafter provided for in subparagraph (b) hereof, the City agrees to and shall remain

liable for the payment of all Lease Payments and the performance of all conditions herein contained and shall reimburse the Corporation for any deficiency arising out of the re-leasing of the Property, or, in the event the Corporation is unable to re-lease the Property, then for the full amount of all Lease Payments to the end of the Term of the Lease Agreement, but said Lease Payments and/or deficiency shall be payable only at the same time and in the same manner as hereinabove provided for the payment of Lease Payments hereunder, notwithstanding such entry or re-entry by the Corporation or any suit in unlawful detainer, or otherwise, brought by the Corporation for the purpose of effecting such re-entry or obtaining possession of the Property or the exercise of any other remedy by the Corporation. The City hereby irrevocably appoints the Corporation as the agent and attorney-in-fact of the City to enter upon and re-lease the Property in the event of default by the City in the performance of any covenants herein contained to be performed by the City and to remove all personal property whatsoever situated upon the Property, to place such property in storage or other suitable place within Monterey County, for the account of and at the expense of the City, and the City hereby exempts and agrees to save harmless the Corporation from any costs, loss or damage whatsoever arising or occasioned by any such entry upon and re-leasing of the Property and the removal and storage of such property by the Corporation or its duly authorized agents in accordance with the provisions herein contained. The City hereby waives any and all claims for damages caused or which may be caused by the Corporation in re-entering and taking possession of the Property as herein provided and all claims for damages that may result from the destruction of or injury to the Property and all claims for damages to or loss of any property belonging to the City that may be in or upon the Property. The City agrees that the terms of this Lease Agreement constitute full and sufficient notice of the right of the Corporation to re-lease the Property in the event of such re-entry without effecting a surrender of this Lease Agreement, and further agrees that no acts of the Corporation in effecting such re-leasing shall constitute a surrender or termination of this Lease Agreement irrespective of the term for which such re-leasing is made or the terms and conditions of such re-leasing, or otherwise, but that, on the contrary, in the event of such default by the City the right to terminate this Lease Agreement shall vest in the Corporation to be effected in the sole and exclusive manner hereinafter provided for in paragraph (b) hereof.

(b) In an Event of Default hereunder, the Corporation at its option may terminate this Lease Agreement and re-lease all or any portion of the Property. In the event of the termination of this Lease Agreement by the Corporation at its option and in the manner hereinafter provided on account of default by the City (and notwithstanding any re-entry upon the Property by the Corporation in any manner whatsoever or the re-leasing of the Property), the City nevertheless agrees to pay to the Corporation all costs, loss or damages howsoever arising or occurring payable at the same time and in the same manner as is herein provided in the case of payment of Lease Payments. Any surplus received by the Corporation from such re-leasing shall be credited towards the Lease Payments next coming due and payable. Neither notice to pay rent or to deliver up possession of the premises given pursuant to law nor any proceeding in unlawful detainer taken by the Corporation shall of itself operate to terminate this Lease Agreement, and no termination of this Lease Agreement on account of default by the City shall be or become effective by operation of law, or otherwise, unless and until the Corporation shall have given written notice to the City of the election on the part of the Corporation to terminate this Lease Agreement. The City covenants and agrees that no surrender of the Property and/or of the remainder of the Term of the Lease Agreement or any termination of this Lease Agreement shall be valid in any manner or for any purpose whatsoever unless stated or accepted by the Corporation by such written notice.

Section 9.3. No Remedy Exclusive. No remedy herein is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease Agreement now or hereafter existing at law or in equity. No delay or omission

to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Corporation to exercise any remedy reserved to it in this Article IX it shall not be necessary to give any notice, other than such notice as may be required in this Article IX or by law.

Section 9.4. Agreement to Pay Attorneys' Fees and Expenses. In the event either party to this Lease Agreement should default under any of the provisions hereof and the non-defaulting party should employ attorneys or incur other expenses for the collection of moneys or the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will on demand, pay to the non-defaulting party the reasonable fees and expenses of such attorneys and such other expenses so incurred by the non-defaulting party; *provided, however*, that the Trustee shall not be required to expend its own funds for any payment described in this Section 9.4.

Section 9.5. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Lease Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 9.6. Application of Proceeds. All net proceeds received from the re-lease or other disposition of the Property under this Article IX, and all other amounts derived by the Corporation or the Trustee as a result of an Event of Default hereunder, shall be applied in accordance with Section 13.03 of the Trust Agreement.

Section 9.7. Trustee and Certificate Owners to Exercise Rights. Such rights and remedies as are given to the Corporation under this Article IX have been assigned by the Corporation to the Trustee under the Assignment Agreement, to which assignment the City hereby consents. Such rights and remedies shall be exercised by the Trustee and the Owners of the Certificates as provided in the Trust Agreement and herein.

Section 9.8. No Right to Terminate for Corporation Default. The City shall not have the right to terminate this Lease Agreement as a remedy for a default by the Corporation in the performance of its obligations hereunder.

ARTICLE X

PREPAYMENT OF LEASE PAYMENTS

Section 10.1. Security Deposit. Notwithstanding any other provision of this Lease Agreement, the City may, on any date, secure the payment of all or a portion of the Lease Payments remaining due by an irrevocable deposit with the Trustee or an escrow holder under an escrow deposit and trust agreement as referenced in Sections 13.01(b) and (c) of the Trust Agreement, of: (a) in the case of a security deposit relating to all Lease Payments, either (i) cash in an amount which, together with amounts on deposit in the Lease Payment Fund and the Insurance and Condemnation Fund, is sufficient to pay all unpaid Lease Payments, including the principal and interest components thereof, in accordance with the Lease Payment schedule set forth in Exhibit C, or (ii) Defeasance Obligations in such amount as will, in the written opinion of an independent certified public accountant or other firm of recognized experts in such matters, together with interest to accrue thereon and, if required, all or a portion of moneys or Defeasance Obligations or cash then on deposit and interest earnings thereon in the Lease Payment Fund and the Insurance and Condemnation Fund, be fully sufficient to pay all unpaid Lease Payments on their respective Lease Payment Dates; or (b) in the case of a security deposit relating to a portion of the Lease Payments, a certificate executed by a City Representative designating the portion of the Lease Payments to which the deposit pertains, and either (i) cash in an amount which is sufficient to pay the portion of the Lease Payments designated in such City Representative's certificate, including the principal and interest components thereof, or (ii) Defeasance Obligations in such amount as will, together with interest to be received thereon, if any, in the written opinion of an independent certified public accountant or other firm of recognized experts in such matters, be fully sufficient to pay the portion of the Lease Payments designated in the aforesaid City Representative's certificate.

In the event of a deposit pursuant to this Section 10.1 as to all Lease Payments and the payment of all fees, expenses and indemnifications owed to the Trustee, all obligations of the City under this Lease Agreement shall cease and terminate, excepting only the obligation of the City to make, or cause to be made, all payments from the deposit made by the City pursuant to this Section 10.1 and the obligations of the City pursuant to Section 5.12 hereof and title to the Property shall vest in the City on the date of said deposit automatically and without further action by the City or the Corporation. Said deposit and interest earnings thereon shall be deemed to be and shall constitute a special fund for the payments provided for by this Section 10.1 and said obligation shall thereafter be deemed to be and shall constitute the installment purchase obligation of the City for the Property. Upon said deposit, the Corporation will execute or cause to be executed any and all documents as may be necessary to confirm title to the Property in accordance with the provisions hereof. In addition, the Corporation hereby appoints the City as its agent to prepare, execute and file or record, in appropriate offices, such documents as may be necessary to place record title to the Property in the City.

Section 10.2. Prepayment Option. The Corporation hereby grants an option to the City to prepay the principal component of the Lease Payments in full, by paying the aggregate unpaid principal components of the Lease Payments as set forth in Exhibit C hereto, or in part, in a prepayment amount equal to the principal amount of Lease Payments to be prepaid, together with accrued interest to the date fixed for prepayment, without premium.

Said option may be exercised on any date, on and after April 15, ____. In the event of prepayment in part, the partial prepayment shall be applied against Lease Payments in such order of payment date as shall be selected by the City.

Lease Payments due after any such partial prepayment shall be in the amounts set forth in a revised Lease Payment schedule which shall be provided by, or caused to be provided by, the City to the Trustee and which shall represent an adjustment to the schedule set forth in Exhibit C attached hereto taking into account said partial prepayment.

Section 10.3. Mandatory Prepayment from Net Proceeds of Insurance, Title Insurance or Eminent Domain. The City shall be obligated to prepay the Lease Payments, in whole on any date or in part on any Lease Payment Date, from and to the extent of any Net Proceeds of an insurance, title insurance or condemnation award with respect to the Property theretofore deposited in the Lease Payment Fund for such purpose pursuant to Article VI hereof and Article VI of the Trust Agreement. The City and the Corporation hereby agree that such Net Proceeds shall be applied first to the payment of any delinquent Lease Payments, and thereafter shall be credited towards the City's obligations under this Section 10.3. Lease Payments due after any such partial prepayment shall be in the amounts set forth in a revised Lease Payment schedule which shall be provided by, or caused to be provided by, the City to the Trustee and which shall represent an adjustment to the schedule set forth in Exhibit C attached hereto taking into account said partial prepayment.

Section 10.4. Credit for Amounts on Deposit. In the event of prepayment of the principal components of the Lease Payments in full under this Article X, such that the Trust Agreement shall be discharged by its terms as a result of such prepayment, remaining amounts on deposit in the Lease Payment Fund shall be credited towards the amounts then required to be so prepaid.

ARTICLE XI

MISCELLANEOUS

Section 11.1. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed to have been received 48 hours after deposit in the United States mail in first-class form with postage fully prepaid:

If to the Corporation:	Public Property Financing Corporation of California 2945 Townsgate Road, Suite 200 Westlake Village, CA 91361 Attention: Treasurer Phone: (805) 267-7140
To the City:	City of Marina 211 Hillcrest Avenue Marina, CA 93933 Attention: City Manager Phone: (831) 884-1224
To the Trustee:	U.S. Bank Trust Company, National Association One California Street, Suite 1000 San Francisco, CA 94111 Attention: Global Corporate Trust Phone: (415) 774-2273

The Corporation, the City and the Trustee, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications will be sent.

Section 11.2. Binding Effect. This Lease Agreement shall inure to the benefit of and shall be binding upon the Corporation and the City and their respective successors and assigns.

Section 11.3. Severability. In the event any provision of this Lease Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 11.4. Net-net-net Lease. This Lease Agreement shall be deemed and construed to be a "net-net-net lease" and the City hereby agrees that the Lease Payments shall be an absolute net return to the Corporation, free and clear of any expenses, charges or set-offs whatsoever.

Section 11.5. Third Party Beneficiary. The Trustee is hereby made a third party beneficiary hereunder with all rights of a third party beneficiary.

Section 11.6. Further Assurances and Corrective Instruments. The Corporation and the City agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Property hereby leased or intended so to be or for carrying out the expressed intentions of this Lease Agreement.

Section 11.7. Execution in Counterparts. This Lease Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The exchange of copies of this Lease Agreement and of signature pages by facsimile or pdf transmission shall constitute effective execution and delivery of this

Lease Agreement to the parties hereto and may be used in lieu of the original Lease Agreement and signature pages for all purposes.

Section 11.8. Applicable Law. This Lease Agreement shall be governed by and construed in accordance with the laws of the State.

Section 11.9. Corporation and City Representatives. Whenever under the provisions of this Lease Agreement the approval of the Corporation or the City is required, or the Corporation or the City is required to take some action at the request of the other, such approval or such request shall be given for the Corporation by a Corporation Representative and for the City by a City Representative, and each party hereto shall be authorized to rely upon any such approval or request.

Section 11.10. Captions. The captions or headings in this Lease Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Section of this Lease Agreement.

[Remainder of this page is intentionally left blank]

IN WITNESS WHEREOF, the Corporation has caused this Lease Agreement to be executed in its name by its duly authorized officers; and the City has caused this Lease Agreement to be executed in its name by its duly authorized officers, as of the date first above written.

PUBLIC PROPERTY FINANCING
CORPORATION OF CALIFORNIA

By _____
Stefan A. Morton
Treasurer

CITY OF MARINA

By _____
Name _____
Title _____

EXHIBIT A

DESCRIPTION OF THE SITE

The land referred to herein is situated in the State of California, County of Monterey and described as follows:

The land referred to herein is situated in the State of California, County of Monterey and described as follows:

A portion of Lots 41 and 42 as shown on that map entitled "Locke-Paddon Company's Bayside Subdivision of Monterey City Lands" filed February 8, 1916 in Volume 2 of Maps and Ranches (Outside Lands) at Page 15, records of Monterey County California, also being a portion of that property described in that Deed to the Monterey Peninsula Regional Park District, a public entity, recorded April 25, 1991 in Reel 2634 of Official Records of Monterey County, California at Page 348, situate in the City of Marina, County of Monterey, State of California, being more particularly described as follows:

Beginning at the Intersection of the Southerly sideline of Seaside Circle (shown on map as Seaside Avenue, 40 feet wide) with the Westerly sideline of Marina Drive (30 feet wide) as shown on said map; thence from said point of beginning,

1) along the westerly side line of Marina Drive the following six courses, 87.39 feet along the arc of a curve to the left describer from a radius point which bears South 79° 10' 01" East, 1455.17 feet, through a central angle of 3° 26' 27", thence,

2) 10.56 feet along the arc of a curve to the left described from a radius point which bears South 82° 36' 28" East, 1512.47 feet, through a central angle of 0° 24' 00", thence

3) 31.47 feet along the arc of a curve to the left described from a radius point which bears South 83° 00' 28" East, 1717.09 feet, through a central angle of 1° 03' 00", thence

4) 31.26 feet along the arc of a curve to the left described from a radius point which bears South 84° 03' 28" East, 1989.91 feet, through a central angle of 0° 54' 00", thence

5) 31.05 feet along the arc of a curve to the left described from a radius point which bears South 84° 57' 28" East, 2371.88 feet, through a central angle of 0° 45' 00", thence

6) 24.34 feet along the arc of a curve to the left described from a radius point which bears South 85° 42' 27" East, 2944.83 feet, through a central angle of 0° 28' 25" to the intersection with the southeasterly line of said Lot 42; thence

7) along said southeasterly line of said Lot 42, South 36° 17' 00" West, 340 feet; thence

8) leaving said southeasterly line, North 53° 43' 00" West, 112.65 feet; thence

9) North 6° 15' 27" West, 384.59 feet to a point on the said southerly line of Seaside Circle, thence,

10) along the southerly line of Seaside Circle, North 83° 44" 33" East, 362.04 feet to said point of beginning.

APN: 033-121-009

EXHIBIT B

DESCRIPTION OF THE FACILITY

The Facility is the City of Marina Public Library, an 18,000 square foot, wood framed facility, built in 2007 and located on the Site at 190 Seaside Circle in the City. The library provides the following services: (1) books, talking books on CD, DVDs and magazines for all ages, (2) newspapers: *Monterey County Herald, Salinas Californian, Korea Times, New York Times, (3)* materials in English, Spanish, Korean and Vietnamese, (4) E-Books and E-Audio, (5) public computers with Internet, Microsoft Office, fax, scan, print, and copy, (6) public meeting rooms(s) reservation at the library front desk and online, (7) access to Westlaw, (8) two study rooms, (9) a homework Center, (10) a veterans resource center, (11) free wireless internet, (12) programs and events for children and adults, and (13) a telescope. The current insured value of the library, excluding the land value, is $11,270,920.

EXHIBIT C

SCHEDULE OF LEASE PAYMENTS

Lease Payment Date	Principal Component	Interest Component	Total Lease Payment	Annual Lease Payments
10/15/2022				
4/15/2023				
10/15/2023				
4/15/2024				
10/15/2024				
4/15/2025				
10/15/2025				
4/15/2026				
10/15/2026				
4/15/2027				
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TRUST AGREEMENT

Dated as of June 1, 2022

by and among

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee,

the

PUBLIC PROPERTY FINANCING CORPORATION OF CALIFORNIA

and the

CITY OF MARINA

(2022 Transportation Infrastructure Financing Project)

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EXHIBIT A: DEFINITIONS
EXHIBIT B: FORM OF THE CERTIFICATES
EXHIBIT C: DESCRIPTION OF THE Project

TRUST AGREEMENT

THIS TRUST AGREEMENT, dated as of June 1, 2022, by and among U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as trustee (the "Trustee"), the PUBLIC PROPERTY FINANCING CORPORATION OF CALIFORNIA, a nonprofit public benefit corporation organized and existing under the laws of the State of California (the "Corporation"), and the CITY OF MARINA, a municipal corporation and general law city, organized and existing under the laws of the State of California (the "City");

W I T N E S S E T H :

WHEREAS, the City and the Corporation have entered into a lease agreement, dated as of the date hereof (the "Lease Agreement"), whereby the Corporation has agreed to lease certain real property and improvements (collectively, the "Property") to the City and the City has agreed to lease the Property from the Corporation;

WHEREAS, for the purpose of obtaining the moneys required to be deposited by it with the Trustee all for the purpose of enabling the City to finance the cost of transportation infrastructure improvements within the geographic boundaries of the City that are eligible for application of Measure X revenues (the "Project"), the Corporation proposes to assign and transfer certain of its rights under the Lease Agreement to the Trustee, and the Trustee has agreed to execute and deliver certificates of participation, each evidencing a direct, fractional interest in lease payments made by the City under the Lease Agreement (the "Certificates"), to provide the moneys required herein to be deposited by the Corporation; and

WHEREAS, the proceeds of the Certificates, together with other available moneys, will be applied by the City to (a) finance the Project, and (b) pay delivery costs incurred in connection with the execution, delivery and sale of the Certificates;

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. The terms defined in Exhibit A attached hereto and by this reference incorporated herein, as used and capitalized herein, shall, for all purposes of this Trust Agreement, have the meanings ascribed to them in said Exhibit A unless the context clearly requires some other meaning.

Section 1.02. Authorization. Each of the parties hereby represents and warrants that it has full legal authority and is duly empowered to enter into this Trust Agreement, and has taken all actions necessary to authorize the execution of this Trust Agreement by the officers and persons signing it.

Section 1.03. Interpretation.

(a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to mean and include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(c) All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Trust Agreement; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Trust Agreement as a whole and not to any particular Article, Section or subdivision hereof.

Section 1.04. Exhibits. The following exhibits are attached to, and by reference made a part of, this Trust Agreement:

EXHIBIT A: DEFINITIONS

EXHIBIT B: FORM OF THE CERTIFICATES

EXHIBIT C: DESCRIPTION OF THE PROJECT

ARTICLE II

THE CERTIFICATES OF PARTICIPATION

Section 2.01. Authorization. The Trustee is hereby authorized and directed upon written request from the Corporation to execute and deliver, to the Original Purchaser identified in such written request, Certificates in an aggregate principal amount of _____ dollars ($_____) evidencing direct, undivided fractional interests of the Owners thereof in the Lease Payments. In no event shall such Certificates be deemed an obligation, liability or debt of the Trustee.

Section 2.02. Date; Payment of Interest. Each Certificate shall be dated as of the Closing Date. Interest with respect thereto shall be payable from the Interest Payment Date next preceding the date of execution thereof, unless: (i) it is executed as of an Interest Payment Date, in which event interest with respect thereto shall be payable from such Interest Payment Date; or (ii) it is executed after a Regular Record Date and before the following Interest Payment Date, in which event interest with respect thereto shall be payable from such Interest Payment Date; or (iii) it is executed on or before October 15, 2022, in which event interest with respect thereto shall be payable from the Closing Date; *provided, however*, that if, as of the date of execution of any Certificate, interest is in default with respect to any Outstanding Certificates, interest represented by such Certificate shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment with respect to the Outstanding Certificates. Payment of defaulted interest shall be paid by wire or check mailed to the Owners as of a special record date to be fixed by the Trustee, notice of which shall be given to the Owners not less than ten (10) days prior to such special record date.

Section 2.03. Maturity; Interest Rates; Percentages.

(a) *Maturity; Interest Rates*. The Certificates shall mature on May 1 in each of the respective years, and in the respective amounts, except that no Certificate may have principal maturing in more than one year, and interest represented thereby shall be computed at the respective rates, as follows:

Maturity Date (May 1)	Principal Amount	Interest Rate	Maturity Date (May 1)	Principal Amount	Interest Rate

(b) *Payments with Respect to Certificates Equal to Total Lease Payments*. The total principal and interest due with respect to all Certificates shall not exceed the total Lease Payments due under the Lease Agreement.

Section 2.04. Interest. Interest represented by the Certificates shall be payable on each Interest Payment Date to and including the date of maturity or redemption, whichever is

earlier, as provided in Section 2.10 hereof. Said interest shall represent the portion of Lease Payments designated as interest and coming due during the six-month period preceding each Interest Payment Date. The portion of Lease Payments designated as interest with respect to any Certificate shall be computed by multiplying the portion of Lease Payments designated as principal with respect to such Certificate by the rate of interest applicable to such Certificate (on the basis of a 360-day year of twelve 30-day months).

Section 2.05. Forms. The Certificates shall be delivered in the form of fully registered Certificates without coupons in the denomination of $5,000 or any integral multiple thereof. The Certificates shall be numbered consecutively, beginning with R-1. The Certificates shall be substantially in the form set forth in Exhibit B attached hereto and by this reference incorporated herein.

Section 2.06. Execution. The Certificates shall be executed by and in the name of the Trustee by the manual signature of an authorized officer or signatory of the Trustee. If any officer or signatory whose signature appears on any Certificate ceases to be such officer or signatory before the date of delivery of said Certificate, such signature shall nevertheless be as effective as if the officer or signatory had remained in office until such date.

Section 2.07. Application of Proceeds.

(a) The net proceeds received by the Trustee from the sale of the Certificates in the aggregate amount of $_____, being the face amount of the Certificates ($_____), less an underwriter's discount of $_____, plus a net original issue premium of $_____, shall forthwith be deposited by the Trustee in a temporary fund called the Proceeds Fund which the Trustee shall establish, maintain and hold in trust, and which shall be disbursed in full on the Closing Date (whereupon said temporary fund shall be closed) in the following respective funds:

(i) The Trustee shall deposit in the Delivery Costs Fund an amount equal to $_____, and

(ii) The Trustee shall deposit in the Project Fund an amount equal to $_____.

(b) The Trustee may create additional accounts and subaccounts in any of the funds created under this Indenture as the Trustee may deem appropriate for the purpose of fulfilling its obligations hereunder.

Section 2.08. Transfer and Exchange.

(a) *Transfer of Certificates*. The registration of any Certificate may, in accordance with its terms, be transferred upon the Registration Books by the person in whose name it is registered, in person or by his attorney duly authorized in writing upon surrender of such Certificate for cancellation at the Designated Corporate Trust Office, accompanied by delivery of a written instrument of transfer in a form approved by the Trustee, duly executed. Whenever any Certificate or Certificates shall be surrendered for registration of transfer, the Trustee shall execute and deliver a new Certificate or Certificates for like aggregate principal amount in authorized denominations. The City shall pay any costs of the Trustee incurred in connection with such transfer, except that the Trustee may require the payment by the Certificate Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer. The Trustee shall not be required to transfer (i) any Certificates or portion thereof during the period between the date fifteen (15) days prior to the date of selection

of Certificates for redemption and such date of selection, or (ii) any Certificates selected for redemption.

(b) *Exchange of Certificates*. Certificates may be exchanged, upon surrender thereof, at the Designated Corporate Trust Office for a like aggregate principal amount of Certificates of other authorized denominations of the same maturity. Whenever any Certificate or Certificates shall be surrendered for exchange, the Trustee shall execute and deliver a new Certificate or Certificates for like aggregate principal amount in authorized denominations. The City shall pay any costs of the Trustee incurred in connection with such exchange, except that the Trustee may require the payment by the Certificate Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. The Trustee shall not be required to exchange (i) any Certificate or any portion thereof during the period between the date fifteen (15) days prior to the date of selection of Certificates for redemption and such date of selection, or (ii) any Certificate selected for redemption.

(c) *Information to Trustee*. Prior to any transfer of the Certificates outside the book-entry system (including, but not limited to, the initial transfer outside the book-entry system), the transferor shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under section 6045 of the Code. The Trustee shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

Section 2.09. Certificates Mutilated, Lost, Destroyed or Stolen. If any Certificate shall become mutilated, the Trustee, at the expense of the Owner of said Certificate, shall execute and deliver a new Certificate of like tenor, maturity and amount in exchange and substitution for the Certificate so mutilated, but only upon surrender to the Trustee of the Certificate so mutilated. Every mutilated Certificate so surrendered to the Trustee shall be canceled by it and destroyed with a certificate of destruction furnished to the City, upon its request. If any Certificate shall be lost, destroyed or stolen, evidence of such loss, destruction or theft shall be submitted to the Trustee, and, if such evidence is satisfactory to the Trustee and if an indemnity satisfactory to the Trustee shall be given, the Trustee, at the expense of the Certificate Owner, shall execute and deliver a new Certificate of like tenor, maturity and amount and numbered as the Trustee shall determine in lieu of and in substitution for the Certificate so lost, destroyed or stolen. The Trustee may require payment by the City of the expenses which may be incurred by the Trustee in carrying out the duties under this Section 2.09. Any Certificate executed and delivered under the provisions of this Section 2.09 in lieu of any Certificate alleged to be lost, destroyed or stolen shall be equally and fractionally entitled to the benefits of this Trust Agreement with all other Certificates secured by this Trust Agreement. The Trustee shall not be required to treat both the original Certificate and any replacement Certificate as being Outstanding for the purpose of determining the principal amount of Certificates which may be executed and delivered hereunder or for the purpose of determining any percentage of Certificates Outstanding hereunder, but both the original and replacement Certificate shall be treated as one and the same. Notwithstanding any other provision of this Section 2.09, in lieu of delivering a new Certificate to replace a Certificate which has been mutilated, lost, destroyed or stolen, and which has matured or has been called for redemption, the Trustee may make payment with respect to such Certificate upon receipt of the aforementioned indemnity.

Section 2.10. Payment. Payment of interest due with respect to any Certificate on any Interest Payment Date shall be made to the person appearing on the Registration Books as the Owner thereof as of the Regular Record Date immediately preceding such Interest Payment Date, such interest to be paid by check mailed on the Interest Payment Date by first class mail to such Owner at his address as it appears on the Registration Books as of such Regular Record

Date or, upon written request filed with the Trustee prior to the Regular Record Date by an Owner of at least $1,000,000 in aggregate principal amount of Certificates, by wire transfer in immediately available funds to an account in the United States designated by such Owner in such written request. Any such written request shall remain in effect until rescinded in writing by the Owner. The principal and redemption price with respect to the Certificates at maturity or upon prior redemption shall be payable by check denominated in lawful money of the United States of America upon surrender of the Certificates at the Designated Corporate Trust Office.

Section 2.11. Execution of Documents and Proof of Ownership. Any request, direction, consent, revocation of consent, or other instrument in writing required or permitted by this Trust Agreement to be signed or executed by Certificate Owners may be in any number of concurrent instruments of similar tenor, and may be signed or executed by such Owners in person or by their attorneys or agents appointed by an instrument in writing for that purpose, or by any bank, trust company or other depository for such Certificates. Proof of the execution of any such instrument, or of any instrument appointing any such attorney or agent, and of the ownership of Certificates shall be sufficient for any purpose of this Trust Agreement (except as otherwise herein provided), if made in the following manner:

(a) The fact and date of the execution by any Owner or his attorney or agent of any such instrument and of any instrument appointing any such attorney or agent, may be proved by a certificate, which need not be acknowledged or verified, of an officer of any bank or trust company located within the United States of America, or of any notary public, or other officer authorized to take acknowledgments of deeds to be recorded in such jurisdictions, stating that the persons signing such instruments acknowledged before him the execution thereof. Where any such instrument is executed by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such certificate shall also constitute sufficient proof of his authority.

(b) The fact of the ownership of Certificates by any person and the amount, the maturity and the numbers of such Certificates and the date of his holding the same shall be proved by the Registration Books.

Any request or consent of the Owner of any Certificate shall bind every future Owner of the same Certificate in respect of anything done or suffered to be done by the Trustee pursuant to such request or consent.

Section 2.12. Registration Books. The Trustee shall keep or cause to be kept, at its Designated Corporate Trust Office, sufficient records for the registration and registration of transfer of the Certificates, which shall at all reasonable times be open to inspection by the City and the Corporation during regular business hours on any Business Day with reasonable prior notice; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on the Registration Books, Certificates as hereinbefore provided.

Section 2.13. CUSIP Numbers. The Trustee, the City and the Corporation shall not be liable for any defect or inaccuracy in the CUSIP number that appears on any Certificate or in any redemption notice. The Trustee may, in its discretion, include in any redemption notice a statement to the effect that the CUSIP numbers on the Certificates have been assigned by an independent service and are included in such notice solely for the convenience of the Owners and that neither the Trustee, the City nor the Corporation shall be liable for any inaccuracies in such numbers.

Section 2.14. Use of Depository. Notwithstanding any provision of this Trust Agreement to the contrary:

(a) The Certificates shall be initially executed, delivered and registered in the name of "Cede & Co.," as nominee of The Depository Trust Company, the depository designated by the Original Purchaser, and shall be evidenced by one Certificate maturing on each of the maturity dates set forth in Section 2.03 hereof to be in a denomination corresponding to the total principal therein designated to mature on such date. Registered ownership of such Certificates, or any portions thereof, may not thereafter be transferred except:

(i) to any successor of The Depository Trust Company or its nominee, or of any substitute depository designated pursuant to paragraph (ii) of this subsection (a) ("substitute depository"); provided that any successor of The Depository Trust Company or substitute depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(ii) to any substitute depository designated in a written request of the City, upon (A) the resignation of The Depository Trust Company or its successor (or any substitute depository or its successor) from its functions as depository or (B) a determination by the City that The Depository Trust Company or its successor is no longer able to carry out its functions as depository; provided that any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(iii) to any person as provided below, upon (A) the resignation of The Depository Trust Company or its successor (or any substitute depository or its successor) from its functions as depository or (B) a determination by the City that The Depository Trust Company or its successor is no longer able to carry out its functions as depository; provided that no substitute depository which is not objected to by the City and the Trustee can be obtained.

(b) In the case of any transfer pursuant to paragraph (i) or paragraph (ii) of subsection (a) of this Section 2.14, upon receipt of all Outstanding Certificates by the Trustee, together with a written request of a City Representative to the Trustee, a single new Certificate shall be executed and delivered for each maturity of such Certificate then outstanding, registered in the name of such successor or such substitute depository or their nominees, as the case may be, all as specified in such written request of a City Representative. In the case of any transfer pursuant to paragraph (iii) of subsection (a) of this Section 2.14, upon receipt of all Outstanding Certificates by the Trustee together with a written request of a City Representative, new Certificates shall be executed and delivered in such denominations and registered in the names of such persons as are requested in a written request of the City provided the Trustee shall not be required to deliver such new Certificates within a period less than sixty (60) days from the date of receipt of such a written request of a City Representative.

(c) In the case of partial redemption or an advance refunding of any Certificates evidencing all of the principal maturing in a particular year, The Depository Trust Company shall, at the City's expense, deliver the Certificates to the Trustee for cancellation and re-registration to reflect the amounts of such reduction in principal.

(d) The City and the Trustee shall be entitled to treat the person in whose name any Certificate is registered as the absolute Owner thereof for all purposes of this Trust Agreement and any applicable laws, notwithstanding any notice to the contrary received by the Trustee or the City and the City and the Trustee shall have no responsibility for the accuracy of any

records maintained by DTC or any participant in DTC or transmitting payments to, communication with, notifying or otherwise dealing with any beneficial owners of the Certificates. Neither the City nor the Trustee will have any responsibility or obligations, legal or otherwise, to the beneficial owners or to any other party including The Depository Trust Company or its successor (or substitute depository or its successor), except for the registered owner of any Certificate.

(e) So long as all outstanding Certificates are registered in the name of Cede & Co. or its registered assign, the City and the Trustee shall reasonably cooperate with Cede & Co., as sole registered Owner, or its registered assign in effecting payment of the principal and interest due with respect to the Certificates by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available on the date they are due, in accordance with the Letter of Representations between DTC and the City.

(f) So long as all Outstanding Certificates are registered in the name of Cede & Co. or its registered assigns (hereinafter, for purposes of this paragraph (f), the "Owner"):

(i) All notices and payments addressed to the Owners shall contain the Certificates' CUSIP number.

(ii) Notices to the Owner shall be forwarded in the manner set forth in the form of DTC's standard form blanket issuer letter of representations executed by the City and received and accepted by DTC.

ARTICLE III

ESTABLISHMENT AND DISBURSEMENT OF DELIVERY COSTS FUND AND THE PROJECT FUND

Section 3.01. Delivery Costs Fund. The Trustee shall establish a special fund designated as the "Delivery Costs Fund;" shall keep such fund separate and apart from all other funds and moneys held by it; and shall administer such fund as provided herein. There shall be deposited in the Delivery Costs Fund the proceeds of sale of the Certificates required to be deposited therein pursuant to Section 2.07(a)(i) hereof and any other funds from time to time deposited with the Trustee for such purpose and identified in writing to the Trustee.

Section 3.02. Payment of Delivery Costs. The moneys in the Delivery Costs Fund shall be disbursed by the Trustee to pay the Delivery Costs.

(a) The Trustee shall disburse moneys in the Delivery Costs Fund only upon a receipt of a sequentially numbered requisition, signed by a City Representative, setting forth the amounts to be disbursed for payment or reimbursement of Delivery Costs and the name and address of the person or persons to whom said amounts are to be disbursed, stating that the amounts to be disbursed are for Delivery Costs properly chargeable to the Delivery Costs Fund.

(b) The Trustee shall be responsible for the safekeeping and investment (in accordance with Section 7.02 hereof) of the moneys held in the Delivery Costs Fund and the payment thereof in accordance with this Section 3.02, but the Trustee shall not be responsible for the truth or accuracy of such requisitions, may rely conclusively thereon and shall be under no duty to investigate or verify any statements made therein.

(c) Upon written notice from a City Representative that all Delivery Costs have been paid, but in no event later than September 2, 2022, the Trustee shall transfer any moneys then remaining in the Delivery Costs Fund to the Project Fund and applied for the purposes thereof, the Delivery Costs Fund shall be closed, the Trustee shall no longer be obligated to make payments for Delivery Costs and all further Delivery Costs shall be paid by the City.

Section 3.03. Project Fund. The Trustee shall establish a special fund designated as the "Project Fund," shall keep such fund separate and apart from all other funds and moneys held by it; and shall administer such fund as provided herein. There shall be deposited in the Project Fund from the proceeds of the Certificates the amount required to be deposited therein pursuant to Section 2.07(a)(ii) hereof, together with any other amounts from time to time deposited with the Trustee for such purpose as may be identified in writing to the Trustee.

Section 3.04. Payment of Project Costs. Amounts in the Project Fund shall be disbursed for Project Costs. Disbursements from the Project Fund shall be made by the Trustee upon receipt of a sequentially numbered requisition requesting disbursement executed by a City Representative. Each such requisition shall:

(a) set forth the amounts to be disbursed for payment or reimbursement of previous payments of Project Costs and the person or persons to whom said amounts are to be disbursed;

(b) state that the amounts to be disbursed constitute Project Costs, that said amounts are required to be disbursed pursuant to a contract entered into therefor by or on behalf of the City, or were necessarily and reasonably incurred, and that said amounts are not being paid in advance of the time, if any, fixed for payment;

(c) state that no amount set forth in the requisition was included in any requisition requesting disbursement previously filed with the Trustee pursuant to this Section 3.04; and

(d) state that there has been compliance with Section 5.11 of the Lease Agreement relating to the private use limitation and the private loan limitation.

The Trustee shall be responsible for the safekeeping and investment (in accordance with Section 7.02 hereof) of the moneys held in the Project Fund and the payment thereof in accordance with this Section 3.04, but the Trustee shall not be responsible for the truth or accuracy of such requisitions, may rely conclusively thereon and shall be under no duty to investigate or verify any statements made therein.

Upon the filing with the Trustee of a Written Certificate of the City stating that the Project has been completed, the Trustee shall withdraw any remaining amounts then on deposit in the Project Fund and, at the direction of the City, either (i) transfer such amounts to the Lease Payment Fund and applied to the payment of interest with respect to the Certificates, or (ii) apply such amount to the redemption of Certificate in accordance with the Trust Agreement and, in either case, the Project Fund shall be closed and the Trustee shall no longer be obligated to make payments for Project Costs.

ARTICLE IV

REDEMPTION OF CERTIFICATES

Section 4.01. Redemption.

(a) *Optional Redemption*. The Certificates maturing on or before May 1, ____, are not subject to optional redemption prior to maturity. The Certificates maturing on and after May 1, ____, are subject to optional redemption in whole or in part on any date in such order of maturity as shall be designated by the City (or, if the City shall fail to so designate the order of redemption, in *pro rata* among maturities) and by lot within a maturity, on or after May 1, ____, at a redemption price equal to the principal amount of the Certificates to be redeemed, together with accrued interest, without premium, to the date fixed for redemption, from the proceeds of the optional prepayment of Lease Payments made by the City pursuant to the Lease Agreement.

(b) *Redemption from Net Proceeds of Insurance, Title Insurance, Condemnation or Eminent Domain Award*. The Certificates are subject to mandatory redemption in whole or in part on any date from the Net Proceeds of an insurance, title insurance, condemnation, or eminent domain award to the extent credited towards the prepayment of the Lease Payments by the City pursuant to Section 10.3 of the Lease Agreement, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium.

(c) *Mandatory Redemption*. The Certificates maturing on May 1, ____, are subject to mandatory redemption in part on May 1, ____, and on each May 1 thereafter, to and including May 1, ____, from the principal components of scheduled Lease Payments required to be paid by the City pursuant to Section 4.4 of the Lease Agreement with respect to each such redemption date, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, as follows:

Year (May 1)	Principal Amount of Certificates to be Redeemed

†Maturity.

In the event that the Trustee shall redeem Certificates in part but not in whole pursuant to subsections (a) or (b) of this Section 4.01, the amount of the Certificates to be redeemed in each subsequent year pursuant to this subsection (c) shall be reduced to correspond to the principal components of the Lease Payments prevailing following such redemption as determined pursuant to Section 4.4 of the Lease Agreement. The City shall provide the Trustee with a revised sinking fund schedule giving effect to such redemption.

Section 4.02. Selection of Certificates for Redemption. Whenever provision is made in this Trust Agreement for the redemption of Certificates and less than all Outstanding Certificates within a maturity are to be redeemed, Certificates of that maturity shall be selected for redemption in accordance with the rules of the Securities Depositories. For the purposes of

such selection, Certificates shall be deemed to be composed of $5,000 portions and any such portion may be separately redeemed.

Section 4.03. Notice of Redemption. The City shall be required to give the Trustee written notice of its intention to redeem Certificates at least thirty (30) days prior to the date fixed for redemption unless the Trustee otherwise agrees to a shorter period for such notice. Unless waived in writing by any Owner of a Certificate to be redeemed, notice of any such redemption shall be given by the Trustee on behalf and at the expense of the City, by mailing a copy of a redemption notice by first class mail, postage prepaid, at least twenty (20) days and not more than sixty (60) days prior to the date fixed for redemption to such Owner of the Certificate or Certificates to be redeemed at the address shown on the Registration Books maintained by the Trustee or at such other address as is furnished in writing by such Owner to the Trustee; *provided, however*, that neither the failure to receive such notice nor any defect in any notice shall affect the sufficiency of the proceedings for the redemption of the Certificates.

All notices of redemption shall be dated and shall state: (i) the redemption date; (ii) the redemption price; (iii) if less than all Outstanding Certificates of a maturity are to be redeemed, the Certificate numbers (and, in the case of partial redemption, the respective principal amounts) of the Certificates to be redeemed; (iv) that on the redemption date the redemption price will become due and payable upon each such Certificate or portion thereof called for redemption and that interest with respect thereto shall cease to accrue from and after said date; (v) the place where such Certificates are to be surrendered for payment of the redemption price, which place of payment shall be the Designated Corporate Trust Office; (vi) the CUSIP numbers of all Certificates being redeemed; (vii) the original date of execution and delivery of the Certificates; (viii) the rate of interest payable with respect to each maturity of Certificates being redeemed; (ix) the maturity date of each Certificate being redeemed; and (x) any other descriptive information needed to identify accurately the Certificates being redeemed.

Notwithstanding the foregoing, in the case of any optional redemption of the Certificates under Section 4.01(a), the notice of redemption shall state that the redemption is conditioned upon receipt by the Trustee of sufficient moneys to redeem the Certificates on the scheduled redemption date, and that the optional redemption shall not occur if, by no later than the scheduled redemption date, sufficient moneys to redeem the Certificates have not been deposited with the Trustee. In the event that the Trustee does not receive sufficient funds by the scheduled optional redemption date to so redeem the Certificates to be optionally redeemed, such event shall not constitute an Event of Default; the Trustee shall send written notice to the Owners, to the Securities Depositories and to one or more of the Information Services to the effect that the redemption did not occur as anticipated, and the Certificates for which notice of optional redemption was given shall remain Outstanding for all purposes of this Trust Agreement.

Notice of redemption having been given as aforesaid and the deposit of the redemption price having been made by the City, the Certificates or portions of Certificates so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date interest with respect to such Certificates or portions of Certificates shall cease to be payable. Upon surrender of such Certificates for redemption in accordance with said notice, such Certificates shall be paid by the Trustee at the redemption price. Upon the payment of the redemption price of Certificates being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Certificates being redeemed with the proceeds of such check or other transfer, to the extent possible. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. All Certificates

which have been redeemed shall be canceled by the Trustee, shall not be redelivered and shall be destroyed pursuant to Section 13.07.

In addition to the foregoing notice to the Owners, notice shall also be given by the Trustee, by telecopy or other electronic transmission, registered, certified or overnight mail, to all Securities Depositories and to an Information Service which shall state the information set forth above, but no defect in said notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption.

The Trustee shall have no responsibility for a defect in the CUSIP number that appears on any Certificate or in the redemption notice. The redemption notice may provide that the CUSIP numbers have been assigned by an independent service and are included in the notice solely for the convenience of Certificate Owners and that the Trustee and the City shall not be liable in any way for inaccuracies in said numbers.

Section 4.04. Partial Redemption of Certificate. Upon surrender of any Certificate redeemed in part only, the Trustee shall execute and deliver to the Owner thereof a new Certificate or Certificates of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Certificate surrendered and of the same interest rate and the same maturity.

Section 4.05. Purchase of Certificates. In lieu of redemption of Certificates as provided in this Article IV, amounts held by the Trustee for such redemption may also be used on any Interest Payment Date, upon receipt by the Trustee at least ninety (90) days prior to the next scheduled Interest Payment Date of the written request of a City Representative, for the purchase of Certificates at public or private sale as and when and at such prices (including brokerage, accrued interest and other charges) as the City may in its discretion direct. Such purchases may be effected through the investment department of the Trustee or of an affiliate of the Trustee. The aggregate principal amount of Certificates of the same maturity purchased in lieu of redemption pursuant to this Section 4.05 shall not exceed the aggregate principal amount of Certificates of such maturity which would otherwise be subject to such redemption. Remaining moneys, if any, shall be deposited in the Lease Payment Fund. All Certificates purchased in lieu of redemption shall be canceled by the Trustee.

ARTICLE V

LEASE PAYMENTS; LEASE PAYMENT FUND

Section 5.01. Assignment of Rights in Lease Agreement. The Corporation has, in the Assignment Agreement, transferred, assigned and set over to the Trustee certain of its rights but none of its obligations set forth in the Lease Agreement, including but not limited to all of the Corporation's rights to receive and collect Lease Payments and all other amounts required to be deposited in the Lease Payment Fund pursuant to the Lease Agreement or pursuant hereto. All Lease Payments and such other amounts to which the Corporation may at any time be entitled shall be paid directly to the Trustee and all of the Lease Payments collected or received by the Corporation shall be deemed to be held and to have been collected or received by the Corporation as the agent of the Trustee, and if received by the Corporation at any time shall be deposited by the Corporation with the Trustee within one Business Day after the receipt thereof, and all such Lease Payments and such other amounts shall be forthwith deposited by the Trustee upon the receipt thereof in the Lease Payment Fund (except as provided in Section 6.04 hereof).

Section 5.02. Establishment of Lease Payment Fund. The Trustee shall establish a special fund designated as the "Lease Payment Fund." All moneys at any time deposited by the Trustee in the Lease Payment Fund shall be held by the Trustee in trust for the benefit of the Owners of the Certificates. So long as any Certificates are Outstanding, neither the City nor the Corporation shall have any beneficial right or interest in the Lease Payment Fund or the moneys deposited therein, except only as provided in this Trust Agreement, and such moneys shall be used and applied by the Trustee as hereinafter set forth.

Section 5.03. Deposits. There shall be deposited in the Lease Payment Fund all Lease Payments received by the Trustee (except as provided in Section 6.04 hereof), including any moneys received by the Trustee for deposit therein pursuant to Sections 4.01, 5.01 or Article VI hereof, or Article IX of the Lease Agreement, and any other moneys required to be deposited therein pursuant to the Lease Agreement or pursuant to this Trust Agreement.

Section 5.04. Application of Moneys. Subject to Section 12.03 hereof, all amounts in the Lease Payment Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the principal and interest with respect to the Certificates as the same shall become due and payable in accordance with the provisions of Article II and Article IV hereof.

Section 5.05. Surplus. Any surplus remaining in the Lease Payment Fund after redemption and/or payment of all Certificates, including accrued interest (if any) and payment of any applicable fees and expenses to the Trustee, or provision for such redemption or payment having been made to the satisfaction of the Trustee, shall be withdrawn by the Trustee and remitted to the City.

ARTICLE VI

INSURANCE AND CONDEMNATION FUND; INSURANCE;
EMINENT DOMAIN; TITLE INSURANCE

Section 6.01. Establishment of Insurance and Condemnation Fund; Application of Net Proceeds of Insurance Award.

(a) Any Net Proceeds of insurance against damage to or destruction of any part of the Property collected by the City in the event of any such damage or destruction shall be paid to the Trustee by the City pursuant to Section 6.2(a) of the Lease Agreement and deposited by the Trustee promptly upon receipt thereof in a special fund designated as the "Insurance and Condemnation Fund" to be established by the Trustee when deposits are required to be made therein.

(b) Within ninety (90) days following the date of such deposit, the City shall determine and notify the Trustee in writing of its determination either (i) that the replacement, repair, restoration, modification or improvement of the Property is not economically feasible or in the best interest of the City, or (ii) that all or a portion of such Net Proceeds are to be applied to the prompt replacement, repair, restoration, modification or improvement of the damaged or destroyed portions of the Property.

(c) In the event the City's determination is as set forth in clause (i) of paragraph (b) above, such Net Proceeds shall be promptly transferred by the Trustee to the Lease Payment Fund, applied to the prepayment of Lease Payments pursuant to Section 10.3 of the Lease Agreement and applied to the redemption of Certificates as provided in Section 4.01(b) hereof; *provided, however*, that in the event of damage or destruction of the Property in full, such Net Proceeds may be transferred to the Lease Payment Fund only if sufficient, together with other moneys available therefor, to cause the prepayment of the principal components of all unpaid Lease Payments pursuant to Section 10.3 of the Lease Agreement, otherwise such Net Proceeds shall be applied to the replacement, repair, restoration, modification or improvement of the Property; *provided further, however*, that in the event of damage or destruction of the Property in part, such Net Proceeds may be transferred to the Lease Payment Fund and applied to the prepayment of Lease Payments only if the resulting Lease Payments represent fair consideration for the remaining portions of the Property, evidenced by a certificate signed by a City Representative and a Corporation Representative.

(d) In the event the City's determination is as set forth in clause (ii) of paragraph (b) above, Net Proceeds deposited in the Insurance and Condemnation Fund shall be applied to the prompt replacement, repair, restoration, modification or improvement of the damaged or destroyed portions of the Property by the City, and disbursed by the Trustee upon receipt of requisitions signed by a City Representative stating with respect to each payment to be made (i) the requisition number, (ii) the name and address of the person, firm or corporation to whom payment is due, (iii) the amount to be paid and (iv) that each obligation mentioned therein has been properly incurred, is a proper charge against the Insurance and Condemnation Fund, has not been the basis of any previous withdrawal, and specifying in reasonable detail the nature of the obligation, accompanied by a bill or a statement of account for such obligation. The Trustee shall not be responsible for the representations made in such requisitions and may conclusively rely thereon and shall be under no duty to investigate or verify any statements made therein or review any supporting documentation accompanying such requisition. Any balance of the Net Proceeds remaining after such work has been completed shall be paid to the City.

Section 6.02. Application of Net Proceeds of Eminent Domain Award. If all or any part of the Property shall be taken by eminent domain proceedings (or sold to a government threatening to exercise the power of eminent domain), the Net Proceeds therefrom shall be deposited with the Trustee in the Insurance and Condemnation Fund pursuant to Section 6.2(b) of the Lease Agreement and shall be applied and disbursed by the Trustee as follows:

(a) If the City has given written notice to the Trustee of its determination that (i) such eminent domain proceedings have not materially affected the operation of the Property or the ability of the City to meet any of its obligations with respect to the Property under the Lease Agreement, and (ii) such proceeds are not needed for repair or rehabilitation of the Property, the City shall so certify to the Trustee and the Trustee, at the City's written request, shall transfer such proceeds to the Lease Payment Fund to be credited towards the prepayment of the Lease Payments pursuant to Section 10.3 of the Lease Agreement and applied to the redemption of Certificates in the manner provided in Section 4.01(b) hereof.

(b) If the City has given written notice to the Trustee of its determination that (i) such eminent domain proceedings have not materially affected the operation of the Property or the ability of the City to meet any of its obligations with respect to the Property under the Lease Agreement, and (ii) such proceeds are needed for repair, rehabilitation or replacement of the Property, the City shall so certify to the Trustee and the Trustee, at the City's written request, shall pay to the City, or to its order, from said proceeds such amounts as the City may expend for such repair or rehabilitation, upon the filing with the Trustee of requisitions of the City Representative in the form and containing the provisions set forth in Section 6.01. The Trustee shall not be responsible for the representations made in such requisitions and may conclusively rely thereon and shall be under no duty to investigate or verify any statements made therein.

(c) If (i) less than all of the Property shall have been taken in such eminent domain proceedings or sold to a government threatening the use of eminent domain powers, and if the City has given written notice to the Trustee of its determination that such eminent domain proceedings have materially affected the operation of the Property or the ability of the City to meet any of its obligations with respect to the Property under the Lease Agreement or (ii) all of the Property shall have been taken in such eminent domain proceedings, then the Trustee shall transfer such proceeds to the Lease Payment Fund to be credited toward the prepayment of the Lease Payments pursuant to Section 10.3 of the Lease Agreement and applied to the redemption of Certificates in the manner provided in 4.01(b) hereof.

(d) In making any determination under this Section 6.02, the City may, but shall not be required to, obtain at its expense, the report of an independent engineer or other independent professional consultant, a copy of which shall be filed with the Trustee. Any such determination by the City shall be final.

Section 6.03. Application of Net Proceeds of Title Insurance Award. The Net Proceeds from a title insurance award shall be deposited with the Trustee in the Insurance and Condemnation Fund pursuant to Section 6.2(c) of the Lease Agreement and shall be transferred to the Lease Payment Fund to be credited towards the prepayment of Lease Payments required to be paid pursuant to Section 10.3 of the Lease Agreement and applied to the redemption of Certificates in the manner provided in Section 4.01(b).

Section 6.04. Cooperation. The Corporation and the Trustee shall cooperate fully with the City, at the expense of the City, in filing any proof of loss with respect to any insurance policy maintained pursuant to Article V of the Lease Agreement and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Property or any portion thereof. Neither the Trustee nor the Corporation shall be obligated to join in such

action if it believes it will be exposed to liability or has not been indemnified to its satisfaction from any loss, liability or expense including, but not limited to, reasonable attorneys' fees and expenses.

ARTICLE VII

MONEYS IN FUNDS; INVESTMENT

Section 7.01. Held in Trust. The moneys and investments held by the Trustee under this Trust Agreement are irrevocably held in trust for the benefit of the Owners of the Certificates and for the purposes herein specified and such moneys, and any income or interest earned thereon, shall be expended only as provided in this Trust Agreement and shall not (except as set forth in Section 8.03 hereof) be subject to levy, attachment or lien by or for the benefit of any creditor of the Corporation, the Trustee, the City or any Owner of Certificates.

Section 7.02. Investments Authorized. Moneys held by the Trustee hereunder shall, upon written order of a City Representative filed with the trustee at least two Business Days in advance of the makinh of such investments, be invested and reinvested by the Trustee in Permitted Investments. The Trustee may deem all investments directed by a City Representative as Permitted Investments without independent investigation thereof. If a City Representative shall fail to so direct investments, the Trustee shall hold such moneys uninvested. Such investments, if registrable, shall be registered in the name of and held by the Trustee or its nominee. The Trustee may purchase or sell to itself or any affiliate, as principal or agent, investments authorized by this Section 7.02. Such investments and reinvestments shall be made giving full consideration to the time at which funds are required to be available. The Trustee may act as principal or agent in the making or disposing of any investment and make or dispose of any investment through its investment department or that of an affiliate and shall be entitled to its customary fees therefor. The Trustee is hereby authorized, in making or disposing of any investment permitted by this Section 7.02, to deal with itself (in its individual capacity) or with one or more of its affiliates, whether it or such affiliate is acting as an agent of the Trustee or for any third person or dealing as principal for its own account. The Trustee may rely on the investment directions of the City Representative as to both the suitability and legality of the directed investments. The Trustee shall have no liability for any loss, fees, taxes or other charges in connection with any investment or liquidation of an investment hereunder. Ratings of Permitted Investments referred to herein shall be determined at the time of purchase of such Permitted Investments and without regard to rating subcategories. The Trustee shall have no responsibility to monitor the ratings of Permitted Investments after the initial purchase of such Permitted Investments or the responsibility to validate the ratings of Permitted Investments prior to the initial purchase.

Section 7.03. Accounting. The Trustee shall furnish to the City, at least monthly, an accounting which may be in the form of its customary accounting statements of all investments made by the Trustee or by brokers selected by the City; provided that the Trustee shall not be obligated to deliver an accounting for any fund or account that (a) has a balance of $0.00 and (b) has not had any activity since the last reporting date. Upon the City's election, such statements will be delivered via the Trustee's online service and upon electing such service, paper statements will be provided only upon request. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with Section 7.02 hereof. The City acknowledges that, to the extent that regulations of the Comptroller of the Currency or other applicable regulatory agency grant the City the right to receive brokerage confirmations of security transactions effected by the Trustee as they occur, the City waives receipt of such confirmations. The City further understands that trade confirmations for securities transactions effected by the Trustee will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

Section 7.04. Allocation of Earnings. Unless and until otherwise directed by the City to the Trustee in writing, all interest or income received by the Trustee on investment of the Lease Payment Fund shall be retained in the Lease Payment Fund. Amounts retained or deposited in the Lease Payment Fund pursuant to this Section 7.04 shall be applied as a credit against the Lease Payment due by the City pursuant to the Lease Agreement on the Lease Payment Date following the date of deposit. All interest or income in the Delivery Costs Fund shall be retained in the Delivery Costs Fund until the Delivery Costs Fund is closed pursuant to Section 3.02 hereof. All interest or income in the Project Fund shall be retained therein until the Project Fund is closed pursuant to Section 3.04 hereof.

Section 7.05. Acquisition, Disposition and Valuation of Investments. The City covenants that all investments of amounts deposited in any fund or account created by or pursuant to this Trust Agreement, or otherwise containing gross proceeds of the Certificates (within the meaning of section 148 of the Code) shall be acquired, disposed of, and valued at their market value. In determining market value of Permitted Investments, the Trustee may use, and rely conclusively and without liability upon, any generally recognized securities pricing service (including brokers and dealers in securities) available to it, including those within the accounting system utilized by the Trustee with respect to the Certificates.

ARTICLE VIII

THE TRUSTEE

Section 8.01. Appointment of Trustee. U.S. Bank Trust Company, National Association, a national banking association organized and existing under the laws of the United States of America with a Designated Corporate Trust Office in San Francisco, California, is hereby appointed Trustee, registrar and paying agent by the Corporation and the City for the purpose of receiving all moneys required to be deposited with the Trustee hereunder and to allocate, use and apply the same as provided in this Trust Agreement. The Corporation and the City agree that they will maintain a Trustee which shall be a corporation or association organized under the laws of any state, the United States of America, or the District of Columbia, authorized under such laws to exercise corporate trust powers, which shall have (or, in the case of a bank or trust company included in a bank holding company system, the related bank holding company shall have) a combined capital and surplus of at least fifty million dollars ($50,000,000), subject to supervision or examination by federal or State authority, so long as any Certificates are Outstanding. If such corporation or association publishes a report of condition at least annually pursuant to law or to the requirements of any supervising or examining authority above referred to then for the purpose of this Section 8.01, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 8.01, the Trustee shall resign immediately in the manner and with the effect specified in Section 8.07.

The Trustee is hereby authorized to pay the Certificates when duly presented for payment at maturity, or on redemption, or on purchase by the Trustee prior to maturity in accordance with Section 4.05 hereof, and to cancel all Certificates upon payment thereof. The Trustee shall keep records in accordance with corporate trust industry standards of all funds administered by it and of all Certificates paid and discharged.

Section 8.02. Acceptance of Trusts. The Trustee hereby accepts the trusts imposed upon it by this Trust Agreement and agrees to perform said trusts, but only upon and subject to the following express terms and conditions:

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

(b) No provision in this Trust Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or indemnity satisfactory to it against such risk or liability is not reasonably assured to it.

(c) The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder either directly or by or through attorneys, receivers or agents and shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder and shall

be absolutely protected in relying thereon. The Trustee shall not be responsible for the misconduct of such persons selected by it with reasonable care.

(d) The Trustee shall not be responsible for any recital herein, in the Assignment Agreement or in the Certificates, or for any of the supplements thereto or instruments of further assurance, or for the sufficiency of the security for the Certificates delivered hereunder or intended to be secured hereby and the Trustee shall not be bound to ascertain or inquire as to the observance or performance of any covenants, conditions or agreements on the part of the Corporation or the City under the Lease Agreement.

(e) The Trustee shall not be accountable for the use of any Certificates delivered hereunder or the proceeds thereof. The Trustee, in its individual or any other capacity, may become the Owner or pledgee of Certificates secured hereby with the same rights which it would have if it were not the Trustee; may acquire and dispose of other bonds or evidence of indebtedness of the City with the same rights it would have if it were not the Trustee; and may act as a depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners of Certificates, whether or not such committee shall represent the Owners of the majority in principal amount of the Certificates then Outstanding.

(f) In the absence of bad faith on its part, the Trustee shall be protected in acting or refraining from acting upon any notice, request, consent, requisition, certificate, order, affidavit, facsimile, letter, telegram or other paper or document believed by it to be genuine and to have been signed or sent by the proper person or persons. Any action taken or omitted to be taken by the Trustee in good faith pursuant to this Trust Agreement upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Owner of any Certificate, shall be conclusive and binding upon all future Owners of the same Certificate and upon Certificates executed and delivered in exchange therefor or in place thereof. The Trustee shall not be bound to recognize any person as an Owner of any Certificate or to take any action at his request unless such person is the registered owner as shown on the Registration Books.

(g) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a certificate signed by a Corporation Representative or a City Representative as sufficient evidence of the facts therein contained and prior to the occurrence of an Event of Default of which the Trustee has been given notice or is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient. The Trustee may accept a certificate of a Corporation Representative or a City Representative to the effect that an authorization in the form therein set forth has been adopted by the Corporation or the City, as the case may be, as conclusive evidence that such authorization has been duly adopted, and is in full force and effect.

(h) The permissive right of the Trustee to do things enumerated in this Trust Agreement shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful misconduct. The immunities and exceptions from liability of the Trustee shall extend to its officers, directors, employees, affiliates and agents.

(i) The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default hereunder except failure by the City to make any of the Lease Payments to the Trustee required to be made by the City pursuant to the Lease Agreement or failure by the Corporation or the City to file with the Trustee any document required by this Trust Agreement or a Lease Agreement to be so filed on a date certain subsequent to the delivery of the

Certificates, unless the Trustee shall be specifically notified in writing of such default by the Corporation, the City or by the Owners of at least five percent (5%) in aggregate principal amount of Certificates then Outstanding and all notices or other instruments required by this Trust Agreement to be delivered to the Trustee must, in order to be effective, be delivered at the Designated Corporate Trust Office, and in the absence of such notice so delivered the Trustee may conclusively assume there is no Event of Default except as aforesaid.

(j) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(k) Notwithstanding anything elsewhere in this Trust Agreement with respect to the execution of any Certificates, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Trust Agreement, the Trustee shall have the right, but shall not be required, to demand any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action, deemed desirable by the Trustee for the purpose of establishing the right of the City to the withdrawal of any cash, or the taking of any other action by the Trustee.

(l) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of moneys made by it in accordance with Article VII of this Trust Agreement.

(m) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of a majority in aggregate principal amount of the Outstanding Certificates relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Trust Agreement.

(n) Before taking any action under Article XII hereof or this Section 8.02 at the request or direction of the Certificate Owners, the Trustee may require payment or reimbursement of its reasonable fees and expenses, including reasonable fees and expenses of counsel and receipt of an indemnity satisfactory to it from the Certificate Owners to protect it against all liability, except liability which is adjudicated to have resulted from its own negligence or willful misconduct in connection with any action so taken. Before being required to take any action, the Trustee may require an opinion of Independent Counsel acceptable to the Trustee, which opinion shall be made available to the other parties hereto upon request, which counsel may be counsel to any of the parties hereto, or a verified certificate of any party hereto, or both, concerning the proposed action. If it does so in good faith, the Trustee shall be absolutely protected in relying thereon.

(o) Under no circumstances shall the Trustee be liable for the obligations evidenced by the Certificates.

(p) The Trustee shall not be accountable for the use or application by the City or the Corporation or any other party of any funds which the Trustee has released in accordance with the terms of this Trust Agreement.

(q) The Trustee has no obligation or duty to insure compliance by the City with the Code.

(r) The Trustee makes no representation or warranty, express or implied, as to the title, value, design, compliance with specifications or legal or environmental requirements, quality, durability, operation, condition, merchantability or fitness for any particular purpose or fitness for the use contemplated by the City or the Corporation of the Property. In no event shall the Trustee be liable for incidental, indirect, special, punitive or consequential damages in connection with or arising from the Lease Agreement or this Trust Agreement for the existence, furnishing or use of the Property.

(s) The Trustee makes no representations as to the validity or sufficiency of the Certificates and shall incur no responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Certificates assigned to or imposed upon it. The Trustee shall not be responsible for the validity or sufficiency of the Lease Agreement or the assignment under the Assignment Agreement. The Trustee shall not be liable for the sufficiency or collection of any Lease Payments or other moneys required to be paid to it under the Lease Agreement (except as provided in this Trust Agreement), its right to receive moneys pursuant to the Lease Agreement, or the value of or title to the premises upon which the Property is located or the Property. The Trustee makes no representations and shall have no responsibility for any official statement or other offering material prepared or distributed with respect to the Certificates.

(t) In accepting the trust hereby created, the Trustee acts solely as Trustee for the Owners and not in its individual capacity and all persons, including without limitation the Owners and the City or the Corporation having any claim against the Trustee arising from this Trust Agreement shall look only to the funds and accounts held by the Trustee hereunder for payment except as otherwise provided herein.

(u) The Trustee is authorized and directed to execute the Assignment Agreement in its capacity as Trustee hereunder.

(v) The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Trust Agreement and delivered using Electronic Means ("Electronic Means" means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the Corporation and/or the City, as applicable, shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Corporation and/or the City, as applicable, whenever a person is to be added or deleted from the listing. If the Corporation and/or the City, as applicable, elects to give the Trustee Instructions using Electronic Means and the Trustee elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The Corporation and the City understand and agree that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Corporation and the City shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Corporation, the City and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Corporation and/or the City, as applicable. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a

subsequent written instruction. The Corporation and the City agree: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Corporation and/or the City, as applicable; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

(w) In acting or omitting to act pursuant to the Lease Agreement, the Site and Facility Lease or any other document contemplated or executed in connection herewith, the Trustee shall be entitled to all of the rights, immunities and indemnities accorded to it under this Trust Agreement and the Lease Agreement, including, but not limited to, this Article VIII.

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

(y) The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct.

(z) The Trustee may consult with counsel, who may be counsel of or to the City or the Corporation, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

(aa) Whenever in the administration of the trusts imposed upon it by this Trust Agreement the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of the City, and such certificate shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Trust Agreement in reliance upon such certificate, but the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

Section 8.03. Fees, Charges and Expenses of Trustee. The City shall pay and reimburse the Trustee for such fees for its services rendered hereunder as shall be agreed upon in writing and under the Assignment Agreement and all advances and expenditures, including but not limited to, advances to and reasonable fees and expenses of independent appraisers, accountants, consultants, counsel, agents and attorneys or other experts employed by the Trustee in connection with such services and the Trustee shall, in the Event of Default, have a first and prior lien on the funds held hereunder to secure the same. The Trustee's rights hereunder, including its rights under Section 11.03 hereof, shall survive its resignation or removal and final payment of the Certificates. When the Trustee incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

Section 8.04. Notice to Certificate Owners of Default. If an Event of Default occurs of which the Trustee has been given or is deemed to have notice pursuant to Section 8.02(i) hereof, then the Trustee shall, within ninety (90) days of the occurrence thereof, give written notice thereof at the expense of the City by first class mail, postage prepaid, to the Owner of each Certificate, unless such Event of Default shall have been cured before the giving of such notice; *provided, however* that unless such Event of Default consists of the failure by the City to make any Lease Payment when due, the Trustee may elect not to give such notice if and so long as the Trustee in good faith determines that it is in the best interests of the Certificate Owners not to give such notice.

Section 8.05. Intervention by Trustee. In any judicial proceeding to which the Corporation or the City is a party which, in the opinion of the Trustee and its counsel, has a substantial bearing on the interests of Owners of the Certificates, the Trustee may intervene on behalf of the Certificate Owners and shall do so if requested in writing by the Owners of at least twenty-five percent (25%) of the aggregate principal amount of Certificates then Outstanding, provided the Trustee shall have no duty to take such action unless it has received payment or reimbursement and has been indemnified to its satisfaction as provided in Section 8.02(n) hereof against all risk or liability arising from such action.

Section 8.06. Removal of Trustee. Upon thirty (30) days' notice, the City (so long as no Event of Default shall have occurred and be continuing) or the Owners of at least a majority of the aggregate principal amount of Certificates then Outstanding may, with the consent of the Corporation, remove the Trustee initially appointed, and any successor thereto, by an instrument or concurrent instruments in writing delivered to the Trustee and the Corporation, and may appoint a successor or successors thereto; provided that any such successor shall be a corporation or association meeting the requirements set forth in Section 8.01 hereof.

Section 8.07. Resignation by Trustee. The Trustee and any successor Trustee may, at any time, resign by giving thirty (30) days' written notice by registered or certified mail to the City and the Corporation.

Section 8.08. Appointment of Successor Trustee. In the event of the removal or resignation of the Trustee pursuant to Sections 9.06 or 9.07 hereof, the City shall promptly appoint a successor Trustee. In the event the City shall, for any reason whatsoever, fail to appoint a successor Trustee within thirty (30) days following the delivery to the Trustee of the instrument described in Section 8.06 hereof or within thirty (30) days following the receipt of notice by the City pursuant to Section 8.07 hereof, the Trustee may apply to a court of competent jurisdiction at the expense of the City, for the appointment of a successor Trustee meeting the requirements of Section 8.01 hereof. Any such successor Trustee appointed by such court shall become the successor Trustee hereunder notwithstanding any action by the City purporting to appoint a successor Trustee following the expiration of such thirty (30) day period. Any resignation or removal of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee.

Section 8.09. Merger or Consolidation. Any company or association into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company or association to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided that such company or association shall be eligible under Section 8.01 hereof, shall be the successor to the Trustee and vested with all of the title to the trust estate and all of the trusts, powers, discretions, immunities, privileges and all other

matters as was its predecessor, without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

Section 8.10. Concerning any Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its or his predecessor and also the Corporation and the City an instrument in writing accepting such appointment hereunder and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessors; but such predecessor shall, nevertheless, on the written request of the City, or of its successor, execute and deliver an instrument transferring to such successor all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as the Trustee hereunder to its successor. Upon such acceptance, the City shall mail, by first class mail, postage prepaid, or cause the mailing of, notice thereof to the Certificate Owners at their respective addresses set forth on the Registration Books. Should any instrument in writing from the City be required by any successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the City. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article VIII, shall be filed or recorded by the successor Trustee in each recording office where the Assignment Agreement shall have been filed or recorded.

ARTICLE IX

MODIFICATION OR AMENDMENT OF AGREEMENTS

Section 9.01. Amendments Permitted. This Trust Agreement and the rights and obligations of the Owners of the Certificates, the Lease Agreement and the rights and obligations of the parties thereto, the Site and Facility Lease and the rights and obligations of the parties thereto and the Assignment Agreement and the rights and obligations of the parties thereto, may be modified or amended at any time by a supplemental agreement which shall become effective when the written consent of the Owners of the Owners of at least sixty percent (60%) in aggregate principal amount of the Certificates then Outstanding, exclusive of Certificates disqualified as provided in Section 9.03 hereof, shall have been filed with the Trustee. No such modification or amendment shall (1) extend or have the effect of extending the fixed maturity of any Certificate or reducing the interest rate with respect thereto or extending the time of payment of interest, or reducing the amount of principal thereof, without the express consent of the Owner of such Certificate; or (2) reduce or have the effect of reducing the percentage of Certificates required for the affirmative vote or written consent to an amendment or modification of a Lease Agreement; or (3) modify any of the rights or obligations of the Trustee without its written assent thereto. Any such supplemental agreement shall become effective as provided in Section 9.02 hereof.

This Trust Agreement and the rights and obligations of the Owners of the Certificates and the Lease Agreement and the rights and obligations of the respective parties thereto, and the Assignment Agreement and the rights and obligations of the parties thereto, may be modified or amended at any time by a supplemental agreement, without the consent of any such Owners, but only to the extent permitted by law and only (1) to add to the covenants and agreements of the Corporation or the City; (2) to cure, correct or supplement any ambiguous or defective provision contained herein or therein and which shall not, in the opinion of nationally recognized bond counsel, materially adversely affect the interests of the Owners of the Certificates; (3) in regard to questions arising hereunder or thereunder, as the parties hereto or thereto may deem necessary or desirable and which shall not, in the opinion of nationally recognized bond counsel, materially adversely affect the interests of the Owners of the Certificates; (4) to make such additions, deletions or modifications as may be necessary or appropriate in the opinion of bond counsel to assure the exclusion from gross income for federal income tax purposes of the interest component of Lease Payments and the interest payable with respect to the Certificates; (5) to add to the rights of the Trustee; or (6) to maintain the rating or ratings assigned to the Certificates. Any such supplemental agreement shall become effective upon execution and delivery by the parties hereto or thereto, as the case may be.

This Trust Agreement and the Lease Agreement may not be modified or amended at any time by a supplemental agreement which would modify any of the rights and obligations of the Trustee without its written assent thereto.

The Trustee shall receive an opinion of Independent Counsel that any amendment entered into hereunder complies with the provisions of this Article IX and the Trustee may rely conclusively on such opinion.

Section 9.02. Procedure for Amendment with Written Consent of Certificate Owners. This Trust Agreement and the Lease Agreement may be amended by supplemental agreement as provided in this Section 9.02 in the event the consent of the Owners of the Certificates is required pursuant to Section 9.01 hereof. A copy of such supplemental agreement (or a

summary thereof), together with a request to the Certificate Owners for their consent thereto, shall be mailed by first class mail, postage prepaid, by the Trustee at the expense of the City, to each Owner of a Certificate at his address as set forth on the Registration Books, but failure to mail copies of such supplemental agreement and request shall not affect the validity of the supplemental agreement when assented to as in this Section 9.02 provided.

Such supplemental agreement shall not become effective unless there shall be filed with the Trustee the written consent of the Owners of at least sixty percent (60%) in aggregate principal amount of the Certificates then Outstanding (exclusive of Certificates disqualified as provided in Section 9.03 hereof) and a notice shall have been mailed as hereinafter in this Section 9.02 provided. Each such consent shall be effective only if accompanied by proof of ownership of the Certificates for which such consent is given, which proof shall be such as is permitted by Section 2.11 hereof. Any such consent shall be binding upon the Owner of the Certificate giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice hereinafter in the following paragraph of this Section 9.02 provided for has been mailed.

After the Owners of the required percentage of Certificates shall have filed their consents to such supplemental agreement, the Trustee shall mail by first class mail, postage prepaid, a notice at the expense of the City, to the Owners of the Certificates in the manner hereinbefore provided in this Section 9.02 for the mailing of such supplemental agreement of the notice of adoption thereof, stating in substance that such supplemental agreement has been consented to by the Owners of the required percentage of Certificates and will be effective as provided in this Section 9.02 (but failure to mail copies of said notice shall not affect the validity of such supplemental agreement or consents thereto). A record, consisting of the papers required by this Section 9.02 to be filed with the Trustee, shall be conclusive proof of the matters therein stated. Such supplemental agreement shall become effective upon the mailing of such last-mentioned notice, and such supplemental agreement shall be deemed conclusively binding upon the parties hereto and the Owners of all Certificates at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty (60) day period.

Section 9.03. Disqualified Certificates. Certificates owned or held by or for the account of the City or by any person directly or indirectly controlled or controlled by, or under direct or indirect common control with the City (except any Certificates held in any pension or retirement fund) shall not be deemed Outstanding (unless all such Certificates are owned or held, in which case all such Certificates shall be deemed Outstanding) for the purpose of any vote, consent, waiver or other action or any calculation of Outstanding Certificates provided for in this Trust Agreement, and shall not be entitled to vote upon, consent to, or take any other action provided for in this Trust Agreement; *provided, however*, that the Trustee shall not be liable for determining whether Certificates are owned or held by the City or any such other person unless such Certificates are registered in the name of the City on the Registration Books.

Section 9.04. Effect of Supplemental Agreement. From and after the time any supplemental agreement becomes effective pursuant to this Article IX, this Trust Agreement or a Lease Agreement, as the case may be, shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties hereto or thereto and all Owners of Certificates Outstanding, as the case may be, shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any supplemental agreement shall be deemed

to be part of the terms and conditions of this Trust Agreement or a Lease Agreement, as the case may be, for any and all purposes.

Section 9.05. Endorsement or Replacement of Certificates Delivered After Amendments. The City may determine that Certificates delivered after the effective date of any action taken as provided in this Article IX shall bear a notation, by endorsement or otherwise, in form approved by the City, as to such action. In that case, upon demand of the Owner of any Certificate Outstanding at such effective date and presentation of his Certificate for such purpose at the Designated Corporate Trust Office, a suitable notation shall be made on such Certificate. The City may determine that the delivery of substitute Certificates, so modified as in the opinion of the City is necessary to conform to such Certificate Owners' action, is necessary and such substitute Certificates shall thereupon be prepared, executed and delivered. In that case, upon demand of the Owner of any Certificate then Outstanding, such substitute Certificate shall be exchanged at the Designated Corporate Trust Office, at the expense of the City, for a Certificate of the same character then Outstanding, upon surrender of such Outstanding Certificate.

Section 9.06. Amendatory Endorsement of Certificates. The provisions of this Article IX shall not prevent any Certificate Owner from accepting any amendment as to the particular Certificates held by him, provided that proper notation thereof is made on such Certificates.

ARTICLE X

COVENANTS

Section 10.01. Compliance with and Enforcement of Lease Agreement. The City covenants and agrees with the Owners of the Certificates to perform all obligations and duties imposed on it under the Lease Agreement. The Corporation covenants and agrees with the Owners of the Certificates to perform all obligations and duties imposed on it under the Lease Agreement.

The City will not do or permit anything to be done, or omit or refrain from doing anything, in any case where any such act done or permitted to be done, or any such omission of or refraining from action, would or might be a ground for cancellation or termination of their respective Lease Agreement by the Corporation thereunder. The Corporation and the City, immediately upon receiving or giving any notice, communication or other document in any way relating to or affecting their respective estates, or either of them, in the Property, which may or can in any manner affect such estate of the City or the Corporation, will deliver the same, or a copy thereof, to the Trustee.

Section 10.02. Observance of Laws and Regulations. The City and the Corporation will well and truly keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on them by contract, or prescribed by any law of the United States, or of the State, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired by the City or the Corporation, respectively, including its right to exist and carry on business as a public entity, to the end that such rights, privileges and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired.

Section 10.03. Prosecution and Defense of Suits. The City shall promptly, upon request of the Trustee or any Certificate Owner, from time to time take such action as may be necessary or proper to remedy or cure any defect in or cloud upon the title to the Property, whether now existing or hereafter developing and shall prosecute all such suits, actions and other proceedings as may be appropriate for such purpose and shall indemnify and save the Trustee and every Certificate Owner harmless from all loss, cost, damage and expense, including reasonable attorneys' fees and expenses, which they or any of them may incur by reason of any such defect, cloud, suit, action or proceeding.

Section 10.04. Recordation and Filing. The City shall record and file, or cause to be recorded and filed, the Site and Facility Lease, the Lease Agreement (or a memorandum thereof), the Assignment Agreement and all such documents as may be required by law (and shall take all further actions which may be necessary or be reasonably required by the Trustee), all in such manner, at such times and in such places as may be required by law in order fully to preserve, protect and perfect the security of the Trustee and the Certificate Owners.

Section 10.05. Budgets. The City shall supply to the Trustee as soon as practicable, but not later than July 1 in each year, a written determination by a City Representative that the City has made adequate provision in its annual budget for the payment of Lease Payments due under the Lease Agreement in the Fiscal Year covered by such budget. The determination given by the City to the Trustee shall be that the amounts so budgeted are fully adequate for the payment of all Lease Payments and Additional Payments due under the Lease Agreement in the annual period covered by such budget.

Section 10.06. Further Assurances. The Corporation and the City will make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Trust Agreement and the Lease Agreement, or as may be requested by the Trustee and for the better assuring and confirming unto the Owners of the Certificates and the Trustee the rights and benefits provided herein.

Section 10.07. Satisfaction of Conditions Precedent. The City hereby certifies, recites and declares that all acts, conditions and things required by the constitution and statutes of the State, the Lease Agreement and this Trust Agreement to exist, to have happened and to have been performed precedent to and in the delivery of the Certificates, do exist, have happened and have been performed in due time, form and manner as required by law.

Section 10.08. Continuing Disclosure. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Trust Agreement, failure of the City to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default; however, the holders of at least 25% aggregate principal amount of Outstanding Certificates, or any holder or beneficial owner of the Certificates may, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

ARTICLE XI

LIMITATION OF LIABILITY

Section 11.01. Limited Liability of City. Except for the payment of Lease Payments when due in accordance with the Lease Agreement and the performance of the other covenants and agreements of the City contained in the Lease Agreement and this Trust Agreement, the City shall have no pecuniary obligation or liability to any of the other parties or to the Owners of the Certificates with respect to this Trust Agreement or the terms, execution, delivery or transfer of the Certificates, or the distribution of Lease Payments to the Owners by the Trustee, except as expressly set forth herein.

Section 11.02. No Liability of City or Corporation for Trustee Performance. Neither the City nor the Corporation shall have any obligation or liability to any of the other parties or to the Owners of the Certificates with respect to the performance by the Trustee of any duty imposed upon it under this Trust Agreement.

Section 11.03. Indemnification of Trustee. The City shall to the extent permitted by law indemnify and save the Trustee, its officers, employees, directors, affiliates and agents harmless from and against all claims, losses, costs, expenses, liability and damages, including reasonable legal fees and expenses (including allocated costs of internal counsel), arising out of (i) the use, maintenance, condition or management of, or from any work or thing done on, the Property by the Corporation or the City; (ii) any breach or default on the part of the Corporation or the City the performance of any of their respective obligations under the Lease Agreement, the Assignment Agreement, this Trust Agreement and any other agreement made and entered into for purposes of the Property; (iii) any act of the Corporation or the City or of any of their respective agents, contractors, servants, employees, licensees with respect to the Property; (iv) any act of any assignee of, or purchaser from the Corporation or the City or of any of its or their respective agents, contractors, servants, employees or licensees with respect to the Property; (v) the authorization of payment of Delivery Costs; (vi) the actions of any other party, including but not limited to the ownership, operation or use of the Property by the Corporation or the City including, without limitation, the use, storage, presence, disposal or release of any Hazardous Substances on or about the Property; (vii) the Trustee's exercise and performance of its powers and duties hereunder or as assigned to it under the Assignment Agreement or any other documents contemplated or executed in connection herewith or therewith; (viii) the offering and sale of the Certificates; (ix) the presence under or about or release from the Property, or any portion thereof, of any substance, material or waste which is or becomes regulated or classified as hazardous or toxic under State, local or federal law, or the violation of any such law by the City; or (x) any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements made, in the light of the circumstances under which they were made, not misleading, in any official statement or other offering document utilized in connection with the sale of the Certificates. Such indemnification shall include the costs and expenses of defending against any claim or liability arising under this Trust Agreement. No indemnification will be made under this Section 11.03 or elsewhere in this Trust Agreement for willful misconduct or negligence under this Trust Agreement by the Trustee, its officers, affiliates or employees. The City's obligations hereunder shall remain valid and binding notwithstanding maturity and payment of the Certificates or resignation or removal of the Trustee. This Section 11.03 shall survive the termination of this Trust Agreement and the earlier removal or resignation of the Trustee.

Section 11.04. Limitation of Rights to Parties and Certificate Owners. Nothing in this Trust Agreement or in the Certificates expressed or implied is intended or shall be construed to give any person other than the City, the Corporation, the Trustee and the Owners of the Certificates, any legal or equitable right, remedy or claim under or in respect of this Trust Agreement or any covenant, condition or provision hereof; and all such covenants, conditions and provisions are and shall be for the sole and exclusive benefit of the City, the Corporation, the Trustee and said Owners.

ARTICLE XII

EVENTS OF DEFAULT AND REMEDIES OF
CERTIFICATE OWNERS

Section 12.01. Assignment of Rights. Pursuant to the Assignment Agreement, the Corporation has transferred, assigned and set over to the Trustee all of the Corporation's rights in and to the Lease Agreement (excepting only the Corporation's rights to give approvals and consents, and its rights under Sections 5.8, 7.3 and 9.4 and its obligations thereof), including without limitation all of the Corporation's rights to exercise such rights and remedies conferred on the Corporation pursuant to the Lease Agreement as may be necessary or convenient (i) to enforce payment of the Lease Payments and any other amounts required to be deposited in the Lease Payment Fund or the Insurance and Condemnation Fund, and (ii) otherwise to exercise the Corporation's rights and take any action to protect the interests of the Trustee or the Certificate Owners in an Event of Default.

Section 12.02. Remedies. If an Event of Default shall happen, then and in each and every such case during the continuance of such Event of Default, the Trustee may, and shall upon request of the Owners of a majority in aggregate principal amount of the Certificates then Outstanding, and upon payment of its reasonable fees and expenses, including reasonable counsel fees, and being indemnified to its satisfaction therefor shall, exercise any and all remedies available pursuant to law or granted pursuant to the Lease Agreement; provided, however, that notwithstanding anything herein or in the Lease Agreement to the contrary, there shall be no right under any circumstances to accelerate the maturities of the Certificates or otherwise to declare any Lease Payment not then in default to be immediately due and payable.

Section 12.03. Application of Funds. All moneys held by the Trustee in the funds and accounts held hereunder and all moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article XII or Article IX of the Lease Agreement shall be applied by the Trustee in the following order upon presentation of the several Certificates:

First, to the payment of the fees, costs and expenses of the Trustee in declaring such Event of Default, and collecting moneys owed hereunder, including reasonable compensation to its agents, attorneys and counsel (including allocated costs of internal counsel), including all fees, indemnity and expenses past due, and then fees, costs and expenses of the Certificate Owners in declaring such Event of Default, and collecting moneys owed hereunder, including reasonable compensation to its agents, attorneys and counsel; and

Second, to the payment of the whole amount then owing and unpaid with respect to the Certificates for principal and interest, with interest on the overdue principal and installments of interest at the rate per annum payable with respect to the Certificates (but such interest on overdue installments of interest shall be paid only to the extent funds are available therefor following payment of principal and interest and interest on overdue principal, as aforesaid), and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid with respect to the Certificates, then to the payment of such principal and interest without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and interest.

Section 12.04. Institution of Legal Proceedings. If one or more Events of Default shall happen and be continuing, or if there shall be nonpayment of principal or interest with respect to the Certificates, the Trustee shall, upon the written request of the Owners of a majority in

principal amount of the Certificates then Outstanding, and upon payment of its fees and expenses, including counsel fees and expenses, and being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of the Owners of Certificates by a suit in equity or action at law, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or by mandamus or other appropriate proceeding for the enforcement of any other legal or equitable remedy as shall be deemed most effectual in support of any of its rights or duties hereunder. If one or more Events of Default shall occur and be continuing, the Trustee shall be entitled as a matter of right to the appointment of a receiver or receivers for the Property and for any property securing the Certificates and the revenues, income, produce, and profits thereon. In the case of any receivership, insolvency, bankruptcy, reorganization, or other judicial proceedings affecting the City or the Property, the Trustee shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of the Trustee and Owners allowed in such proceedings for the entire amount due and payable under this Trust Agreement at the time of the institution of such proceedings, and also for any additional amount which may become due and payable thereafter, without prejudice to the right of any Owner to file a claim on his or her own behalf. The Trustee shall not be obligated to take any such action unless offered compensation, indemnity for its potential liability, and reimbursement for its reasonable legal fees and expenses in accordance with this Section 12.04. Nothing herein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Certificate Owner any plan of reorganization, arrangement, adjustment, or composition affecting the Certificates or the rights of any Owner thereof, or to authorize the Trustee to vote in respect of the claim of any Owner in any such proceeding without the approval of the Certificate Owners so affected.

Section 12.05. Non-waiver. Nothing in this Article XII or in any other provision of this Trust Agreement or in the Certificates, shall affect or impair the obligation of the City to pay or prepay the Lease Payments as provided in the Lease Agreement, or affect or impair the right of action, which is absolute and unconditional, of the Certificate Owners to institute suit to enforce and collect such payment. No delay or omission of the Trustee or of any Owner of any of the Certificates to exercise any right or power arising upon the happening of any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein, and every power and remedy given by this Article XII to the Trustee or to the Owners of Certificates may be exercised from time to time and as often as shall be deemed expedient by the Trustee or the Certificate Owners.

Section 12.06. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Certificate Owners is intended to be exclusive of any other remedy, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise.

Section 12.07. Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, upon the request of the Owners of a majority in principal amount of the Certificates then Outstanding, it shall have full power, for the best interests of the Owners of the Certificates, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; *provided, however*, that the Trustee shall not discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, without the consent of a majority in aggregate principal amount of the Certificates Outstanding.

Section 12.08. Limitation on Certificate Owners' Right to Sue. No Owner of any Certificate executed and delivered hereunder shall have the right to institute any suit, action or

proceeding at law or in equity, for any remedy under or upon this Trust Agreement, unless (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default hereunder; (b) the Owners of at least twenty-five percent (25%) in aggregate principal amount of all the Certificates then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

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

The right of any Owner of any Certificate to receive payment of said Owner's fractional interest in the Lease Payments as the same become due, or to institute suit for the enforcement of such payment, shall not be impaired or affected without the consent of such Owner, notwithstanding the foregoing provisions of this Section 12.08 or any other provision of this Trust Agreement.

Section 12.09. Parties Interested Herein. Nothing in this Trust Agreement expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the City, the Corporation and the Trustee, their officers, employees and agents, and the Owners any right, remedy or claim under or by reason of this Trust Agreement, or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Trust Agreement contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Corporation and the Trustee, their officers, employees and agents, and the Owners.

ARTICLE XIII

MISCELLANEOUS

Section 13.01. Defeasance. If and when all Outstanding Certificates shall be paid and discharged and all other amounts due and owing hereunder have been paid (as set forth below) then, notwithstanding that any Certificates shall not have been surrendered for payment, all obligations of the Corporation, the Trustee and the City with respect to all Outstanding Certificates shall cease and terminate, except only the obligations of the City under Section 11.03 hereof and to pay or cause to be paid, from Lease Payments paid by or on behalf of the City from funds deposited pursuant to paragraphs (b) or (c) of this Section 13.01, to the Owners of the Certificates not so surrendered and paid all sums due with respect thereto, and in the event of deposits pursuant to paragraphs (b) or (c), the Certificates shall continue to represent direct and fractional interests of the Owners thereof in Lease Payments under the Lease Agreement.

Such payment and discharge may be accomplished in either of the following ways:

(a) by well and truly paying or causing to be paid the principal, and interest with respect to all Certificates Outstanding, as and when the same become due and payable;

(b) by irrevocably depositing with the Trustee or an escrow agent security for the payment of Lease Payments as more particularly described in Section 10.1 of the Lease Agreement, to be applied to pay the Lease Payments as the same become due and payable and prepay the Lease Payments in full on any prepayment date, pursuant to Section 10.1 of the Lease Agreement.

(c) by irrevocably depositing with the Trustee or an escrow agent, Defeasance Obligations in such amount as an Accountant (hereinafter defined) shall determine will, together with the interest to accrue thereon and available moneys then on deposit in the funds and accounts established pursuant to this Trust Agreement, be fully sufficient to pay and discharge the City's obligations with respect to all Certificates or the applicable portion of (including all principal, interest and redemption premiums) at or before maturity.

Any funds held by the Trustee, at the time of one of the events described in paragraphs (a), (b) or (c) of this Section 13.01, which are not required for the payment to be made to Owners shall, after payment of all fees and expenses of the Trustee, including attorneys' fees and expenses (including allocated costs of internal counsel), be paid over to the City.

Certificates shall be deemed Outstanding under this Trust Agreement unless and until they are in fact paid and retired or the above criteria are met.

Section 13.02. Records. The Trustee shall keep records in accordance with corporate trust industry standards of all moneys received and disbursed by it under this Trust Agreement, which shall be available for inspection by the City, the Corporation and any Owner of at least five percent (5%) of the Outstanding principal amount of the Certificates, or the agent of any of them, at any time during regular business hours on any Business Day upon reasonable prior notice.

Section 13.03. Notices. All written notices to be given under this Trust Agreement shall be given by first class mail, postage prepaid, overnight mail, courier, and if the information is included below by fax or email to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. Notice

shall be effective upon deposit in the United States first class mail, postage prepaid to the address set forth below:

If to the Corporation:	Public Property Financing Corporation of California 2945 Townsgate Road, Suite 200 Westlake Village, CA 91361 Attention: Treasurer Phone: (805) 267-7140
To the City:	City of Marina 211 Hillcrest Avenue Marina, CA 93933 Attention: City Manager Phone: (831) 884-1224
To the Trustee:	U.S. Bank Trust Company, National Association One California Street, Suite 1000 San Francisco, CA 94111 Attention: Global Corporate Trust Phone: (415) 774-2273

The Corporation, the City and the Trustee, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications will be sent.

Section 13.04. Governing Law. This Trust Agreement shall be construed and governed in accordance with the laws of the State.

Section 13.05. Binding Effect; Successors. This Trust Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Whenever in this Trust Agreement the Corporation, the City or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Trust Agreement contained by or on behalf of the Corporation, the City or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 13.06. Execution in Counterparts. This Trust Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement. The exchange of copies of this Trust Agreement and of signature pages by facsimile or pdf transmission shall constitute effective execution and delivery of this Trust Agreement to the parties hereto and may be used in lieu of the original Trust Agreement and signature pages for all purposes.

Section 13.07. Destruction of Canceled Certificates. Whenever in this Trust Agreement provision is made for the surrender to or cancellation by the Trustee and the delivery to the City of any Certificates, the Trustee may, in lieu of such cancellation and delivery, destroy such Certificates and shall deliver a certificate of such destruction to the City.

Section 13.08. Headings. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Trust Agreement. All references herein to "Articles," "Sections," and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Trust Agreement; and the words "herein," "hereof," "hereunder" and other words of similar import refer to this Trust Agreement as a whole and not to any particular Article, Section or subdivision hereof.

Section 13.09. Waiver of Notice. Whenever in this Trust Agreement the giving of notice by first class mail, postage prepaid, or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 13.10. Payments Due on Other than Business Day. If the date for making any payment as provided in this Trust Agreement is not a Business Day, such payment may be made on the next succeeding Business Day with the same force and effect as if done on the date provided therefore herein.

Section 13.11. Payment of Unclaimed Moneys. Notwithstanding any provisions of this Trust Agreement and subject to the escheat laws of the State, any moneys held by the Trustee in trust for the payment of the principal or interest due with respect to any Certificates and remaining unclaimed two years from the date of deposit of such funds, or if the law shall have been changed and the City has notified the Trustee of such change or the Trustee notifies the City, then on the date thirty (30) days prior to the then applicable escheat provision of State law, shall, on such date, be repaid to the City (without liability for interest) free from the trusts created by this Trust Agreement, and all liability of the Trustee with respect to such moneys shall thereupon cease; *provided, however*, that before the repayment of such moneys to the City as aforesaid, the Trustee may (at the cost and request of the City) first mail to the Owners to whom such amounts have not yet been paid, at the addresses shown on the Registration Books, a notice, in such form as may be deemed appropriate by the Trustee with respect to the amounts so payable and with respect to the provisions relating to the repayment to the City of the moneys held for the payment thereof. The Trustee shall not be liable for any interest on funds held by it. The City shall not be liable for any interest on the sums paid to it pursuant to this Section 13.11 and shall not be regarded as a trustee of such money.

Section 13.12. U.S.A. Patriot Act. The parties hereto acknowledge that in accordance with section 326 of the U.S.A. Patriot Act, the Trustee, like all financial institutions and in order to help fight the funding of terrorism and money laundering, is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Trustee. The parties to this Trust Agreement agree that they will provide the Trustee with such information as it may request in order for the Trustee to satisfy the requirements of the U.S.A. Patriot Act.

Section 13.13. Waiver of Jury Trial. EACH OF THE CORPORATION, THE CITY AND THE TRUSTEE HEREBY IRREVOCABLY WAIVE TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THE LEASE AGREEMENT, THIS TRUST AGREEMENT, THE CERTIFICATES OR THE TRANSACTION CONTEMPLATED HEREBY.

Section 13.14. Separability of Invalid Provisions. In case any one or more of the provisions contained in this Trust Agreement or in the Certificates shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such invalidity, illegality or unenforceability shall not affect any other provision of this Trust Agreement, and this Trust Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The parties hereto hereby declare that they would have entered into this Trust Agreement and each and every other section, paragraph, sentence, clause or phrase hereof and authorized the delivery of the Certificates pursuant thereto irrespective of the fact that any

one or more sections, paragraphs, sentences, clauses or phrases of this Trust Agreement may be held illegal, invalid or unenforceable.

[Remainder of this page is intentionally left blank]

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

U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION, as Trustee

By _____
Authorized Signatory

CITY OF MARINA

By _____
Name _____
Title _____

PUBLIC PROPERTY FINANCING
CORPORATION OF CALIFORNIA

By _____
Stefan A. Morton
Treasurer

EXHIBIT A

DEFINITIONS

"*Additional Payments*" means the payments so designated and required to be paid by the City pursuant to Section 4.7 of the Lease Agreement.

"*Assignment Agreement*" means the Assignment Agreement, dated as of June 1, 2022, by and between the Corporation and the Trustee, together with any duly authorized and executed amendments thereto.

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

"*Business Day*" means a day which is not a Saturday, Sunday or legal holiday on which banking institutions in the state in which the Designated Corporate Trust Office is located or in the State are closed or are required to close or a day on which the New York Stock Exchange is closed.

"*Certificate of Completion*" means the certificate of a City Representative certifying that the Project has been completed by the City and that all costs relating thereto have been paid.

"*Certificates*" means the $_____ aggregate principal amount of certificates of participation to be executed and delivered pursuant to the Trust Agreement which evidence direct, undivided fractional Interests of the Owners thereof in Lease Payments.

"*City*" means City of Marina, a municipal corporation and general law city, duly organized and existing under and by virtue of the laws of the State.

"*City Representative*" means the Mayor, the City Manager, the Finance Director or any other person authorized by resolution of the Council delivered to the Trustee to act on behalf of the City under or with respect to the Site and Facility Lease, the Lease Agreement and the Trust Agreement.

"*Closing Date*" means June 16, 2022, the date upon which there is a physical delivery of the Certificates in exchange for the amount representing the purchase price of the Certificates by the Original Purchaser.

"*Code*" means the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced in the Lease Agreement or the Trust Agreement) as it may be amended to apply to obligations issued on the Closing Date, together with applicable temporary and final regulations promulgated under the Code.

"*Continuing Disclosure Certificate*" shall mean that certain Continuing Disclosure Certificate executed by the City and dated the date of execution and delivery of the Certificates, as it may be amended from time to time in accordance with the terms thereof.

"*Corporation*" means the Public Property Financing Corporation of California, a nonprofit public benefit corporation organized and existing under and by virtue of the laws of the State.

"*Corporation Representative*" means the President, the Executive Director, the Treasurer and the Secretary of the Corporation, or the designee of any such official, or any other person authorized by resolution delivered to the Trustee to act on behalf of the Corporation under or with respect to the Site and Facility Lease, the Lease Agreement, the Assignment Agreement and the Trust Agreement.

"*Council*" means the City Council of the City.

"*County*" means Monterey County, a political subdivision of the State.

"*Defeasance Obligations*" means (a) cash, (b) direct non-callable obligations of the United States of America, (c) securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, to which direct obligation or guarantee the full faith and credit of the United States of America has been pledged, (d) Refcorp interest strips, (e) CATS, TIGRS, STRPS, and (f) defeased municipal bonds rated AAA by S&P or Aaa by Moody's (or any combination of the foregoing).

"*Delivery Costs*" means all items of expense directly or indirectly payable by or reimbursable to the City or the Corporation relating to the execution and delivery of the Site and Facility Lease, the Lease Agreement, the Trust Agreement and the Assignment Agreement or the execution, sale and delivery of the Certificates, including but not limited to filing and recording costs, settlement costs, printing costs, reproduction and binding costs, costs for statistical data, initial fees and charges of the Trustee (including the fees and expenses of its counsel), financing discounts, legal fees and charges, insurance fees and charges (including title insurance), financial and other professional consultant fees, costs of rating agencies for credit ratings, fees for execution, transportation and safekeeping of the Certificates, and charges and fees in connection with the foregoing.

"*Delivery Costs Fund*" means the fund by that name established and held by the Trustee pursuant to Section 3.01 of the Trust Agreement.

"*Designated Corporate Trust Office*" means the corporate trust office of the Trustee as designated in Section 10.13 of the Trust Agreement or such other office designated by the Trustee from time to time except that with respect to presentation of Certificates for payment or for registration of transfer and exchange or surrender and cancellation, such term shall mean the office or agency of the Trustee at which, at any particular time, its corporate trust agency business shall be conducted.

"*Event of Default*" means an event of default under the Lease Agreement, as defined in Section 9.1 thereof.

"*Facility*" means, collectively, those facilities described in Exhibit B to the Site and Facility Lease and in Exhibit B to the Lease Agreement.

"Federal Securities" means (a) Cash, and (b) obligations of, or obligations guaranteed as to principal and interest by, the United States or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States including: (i) United States treasury obligations, (ii) all direct or fully guaranteed obligations, (iii) General Services

Administration, (iv) Guaranteed Title XI financing, (v) Government National Mortgage Association (GNMA), and (vi) State and Local Government Series.

"*Fiscal Year*" means the twelve-month period beginning on July 1 of any year and ending on June 30 of the next succeeding year, or any other twelve-month period selected by the City as its fiscal year.

"*Independent Counsel*" means an attorney duly admitted to the practice of law before the highest court of the state in which such attorney maintains an office and who is not an employee of the Corporation, the City or the Trustee.

"Information Services" means the Electronic Municipal Market Access System (referred to as "EMMA"), a facility of the Municipal Securities Rulemaking Council (at http://emma.msrb.org) or, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other national information services providing information or disseminating notices of redemption of obligations similar to the Certificates.

"*Insurance and Condemnation Fund*" means the fund by that name established and held by the Trustee pursuant to Section 6.01 of the Trust Agreement.

"*Interest Payment Date*" means the first (1st) day of May and November in each year, commencing November 1, 2022, so long as any Certificates are Outstanding.

"*Lease Agreement*" means that certain agreement for the lease of the Property by the Corporation to the City, dated as of June 1, 2022, together with any duly authorized and executed amendments thereto.

"*Lease Payment Date*" means the fifteenth (15th) day of April and October in each year during the Term of the Lease Agreement, commencing October 15, 2022.

"*Lease Payment Fund*" means the fund by that name established and held by the Trustee pursuant to Section 5.02 of the Trust Agreement.

"*Lease Payments*" means the total payments required to be paid by the City pursuant to Section 4.4 of the Lease Agreement, including any prepayment thereof pursuant to Article X of the Lease Agreement, which payments consist of an interest component and a principal component, as set forth in Exhibit C to the Lease Agreement.

"*Moody's*" means Moody's Investors Service, New York, New York, or its successors.

"*Net Proceeds*," when used with respect to insurance or condemnation proceeds, means any insurance proceeds or condemnation award paid with respect to the Property, to the extent remaining after payment therefrom of all expenses incurred in the collection thereof.

"*Original Purchaser*" means the first purchaser of the Certificates upon their delivery by the Trustee on the Closing Date.

"*Outstanding*," when used as of any particular time with respect to Certificates, means (subject to the provisions of Section 9.03 of the Trust Agreement) all Certificates theretofore executed and delivered by the Trustee under the Trust Agreement except:

(a) Certificates theretofore canceled by the Trustee or surrendered to the Trustee for cancellation;

(b) Certificates for the payment or redemption of which funds or Defeasance Obligations in the necessary amount shall have theretofore been deposited with the Trustee or an escrow holder (whether upon or prior to the maturity or redemption date of such Certificates), provided that, if such Certificates are to be redeemed prior to maturity, notice of such redemption shall have been given as provided in Section 4.03 of the Trust Agreement or provision satisfactory to the Trustee shall have been made for the giving of such notice;

(c) Certificates in lieu of or in exchange for which other Certificates shall have been executed and delivered by the Trustee pursuant to Section 2.09 of the Trust Agreement; and

(d) Certificates paid pursuant to Section 2.09 of the Trust Agreement.

"*Owner*" or "*Certificate Owner*" or "*Owner of a Certificate*," or any similar term, when used with respect to a Certificate means the person in whose name such Certificate shall be registered on the Registration Books.

"*Participating Underwriter*" shall have the meaning ascribed thereto in the Continuing Disclosure Certificate.

"*Permitted Encumbrances*" means, as of any particular time: (a) liens for general *ad valorem* taxes and assessments, if any, not then delinquent, or which the City may, pursuant to provisions of Article V of the Lease Agreement, permit to remain unpaid; (b) the Site and Facility Lease; (c) the Lease Agreement; (d) the Assignment Agreement; (e) any right or claim of any mechanic, laborer, materialman, supplier or vendor not filed or perfected in the manner prescribed by law; (f) easements, rights-of-way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record as of the Closing Date and which the City certifies in writing will not materially impair the use of the Property; and (g) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions established following the date of recordation of the Lease Agreement and to which the Corporation and the City agree in writing do not reduce the value of the Property.

"*Permitted Investments*" means any of the following:

(a) Federal Securities;

(b) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including: (i) Export-Import Bank, (ii) Rural Economic Community Development Administration, (iii) U.S. Maritime Administration, (iv) Small Business Administration, (v) U.S. Department of Housing & Urban Development (PHAs), and (vi) Federal Housing Administration;

(c) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America: (i) senior debt obligations issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC), (ii) obligations of the Resolution Funding Corporation (REFCORP), and (iii) senior debt obligations of the Federal Home Loan Bank System;

(d) U.S. dollar denominated deposit accounts, demand deposits, including interest bearing money market accounts, time deposits, trust funds, trust accounts, overnight bank

deposits, interest-bearing deposits, other deposit products, certificates of deposit, including those placed by a third party pursuant to an agreement between the Trustee and the City,, federal funds and bankers' acceptances with domestic commercial banks, which may include the Trustee and its affiliates, which have a rating on their short-term certificates of deposit on the date of purchase of "P-1" by Moody's and "A-1" or "A-1+" by S&P and maturing not more than 360 calendar days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank);

(e) Commercial paper which is rated at the time of purchase in the single highest classification, "P-1" by Moody's and "A-1+" by S&P and which matures not more than 270 calendar days after the date of purchase;

(f) Investments in a money market fund rated "AAAm" or "AAAm-G" or better by S&P, including funds for which the Trustee, its parent holding company, if any, or any affiliate or subsidiary of the Trustee, receives and retains a fee for services provided to the fund whether as custodian, transfer agent investment advisor or otherwise;

(g) Pre-refunded municipal obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and (A) which are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of Moody's or S&P or any successors thereto; or (B) (i) which are fully secured as to principal, interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph (a) above, which escrow may be applied only to the payment of such principal, interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal, interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate;

(h) Municipal obligations rated "Aaa/AAA" or general obligations of states with a rating of "A2/A" or higher by both Moody's and S&P (excluding those with a floating net asset value);

(i) The Local Agency Investment Fund maintained by the State;

(j) Investment agreements, including guaranteed investment contracts, repurchase agreements and forward delivery agreements, that are obligations of an entity rated, or whose obligations are rated, or guaranteed by an entity which is rated or whose obligations are rated, (at the time the investment is entered into) not lower than A3 by Moody's or its equivalent from another Nationally Recognized Rating Agency; and

(k) The Monterey County Investment Pool

"*Proceeds*," when used with reference to the Certificates, means the face amount of the Certificates, less original issue discount.

"*Project*" means the transportation infrastructure improvements to be completed within the geographic boundaries of the City, more particularly described in Exhibit C to the Trust Agreement.

"*Project Costs*" means all costs of payment of, or reimbursement for, the Project.

"*Project Fund*" means the fund by that name established and held by the Trustee pursuant to Section 3.03 of the Trust Agreement.

"*Property*" means, collectively, the Site and the Facility.

"*Rating Category*" means, with respect to any Permitted Investment, one of the generic categories of rating by Moody's or S&P applicable to such Permitted Investment, without regard to any refinement or graduation of such rating category by a plus or minus sign or a numeral.

"*Registration Books*" means the records maintained by the Trustee pursuant to Section 2.12 of the Trust Agreement for registration of the ownership and transfer of ownership of the Certificates.

"*Regular Record Date*" means the close of business on the fifteenth (15th) day of the month preceding each Interest Payment Date, whether or not such fifteenth (15th) day is a Business Day.

"*Rental Period*" means each twelve-month period during the Term of the Lease Agreement commencing on May 2 in any year and ending on May 1 in the next succeeding year; *provided, however*, that the first Rental Period shall commence on the Closing Date and shall end on May 1, 2023.

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

"*Securities Depositories*" means The Depository Trust Company, 55 Water Street, 50th Floor, New York, NY 10041 Attention: Call Notification Department; or to such other addresses and/or such other registered securities depositories holding substantial amounts of obligations of types similar to the Certificates.

"*Site*" means, collectively, that certain real property more particularly described in Exhibit A to the Site and Facility Lease and in Exhibit A to the Lease Agreement.

"*Site and Facility Lease*" means the Site and Facility Lease, dated as of June 1, 2022, by and between the City, as lessor, and the Corporation, as lessee, together with any duly authorized and executed amendments thereto.

"*State*" means the State of California.

"*Term of the Lease Agreement*" means the time during which the Lease Agreement is in effect, as provided in Section 4.2 of the Lease Agreement.

"*Trust Agreement*" means the Trust Agreement, dated as of June 1, 2022, by and among the City, the Corporation and the Trustee, together with any duly authorized amendments thereto.

"*Trustee*" means U.S. Bank Trust Company, National Association, or any successor thereto, acting as Trustee pursuant to the Trust Agreement.

EXHIBIT B

FORM OF THE CERTIFICATES

Certificate of Participation
(2022 Transportation Infrastructure Financing Project)
Evidencing a Direct, Undivided Fractional Interest of the
Owners Hereof in Lease Payments to be Made by the
CITY OF MARINA
As the Rental for Certain Property Pursuant to a Lease Agreement
with the Public Property Financing Corporation of California

RATE OF INTEREST	MATURITY DATE	DATED DATE	CUSIP
_____%	May 1, ____	June 16, 2022	___

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

THIS IS TO CERTIFY THAT the registered owner identified above, or registered assigns (the "Owner"), as the registered owner of this Certificate of Participation (the "Certificate"), is the owner of a direct, undivided, fractional interest in a portion of the lease payments (the "Lease Payments") to be paid by the City of Marina, a municipal corporation and general law city, duly organized and existing under the laws of the State of California (the "City"), pursuant to that certain Lease Agreement, dated as of June 1, 2022, by and between the Public Property Financing Corporation of California, a nonprofit public benefit corporation organized and existing under the laws of the State of California (the "Corporation") and the City (the "Lease Agreement"), which Lease Payments, prepayments and certain other rights and interests under the Lease Agreement have been assigned to U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), having a corporate trust office in San Francisco, California, or any other such location so designated by the Trustee (the "Designated Corporate Trust Office").

The Owner is entitled to receive, subject to the terms of the Lease Agreement, on the Maturity Date identified above, the Principal Amount identified above, representing a direct, undivided fractional portion of the Lease Payments designated as principal coming due on such date, and to receive on May 1 and November 1 of each year, commencing November 1, 2022 (each, an "Interest Payment Date"), until payment in full of said Principal Amount, the Owner's direct, undivided fractional share of the Lease Payments designated as interest coming due during the six months immediately preceding each of the Interest Payment Dates; provided that interest represented hereby shall be payable from the Interest Payment Date next preceding the date of execution of this Certificate unless (i) this Certificate is executed on an Interest Payment Date, in which event interest shall be payable from such Interest Payment Date, or (ii) this Certificate is executed after the close of business on the fifteenth (15th) day of the month immediately preceding an Interest Payment Date, and prior to such Interest Payment Date, in which event interest shall be payable from such Interest Payment Date, or (iii) this Certificate is executed on or before October 15, 2022, in which event interest shall be payable from the Dated Date stated above; *provided, however*, that if, as of the date of execution of any Certificate, interest is in default with respect to any Outstanding Certificates, interest represented by such

Certificate shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment with respect to the Outstanding Certificates. Payment of defaulted interest shall be paid by check of the Trustee mailed to the registered owners of the Certificates as of a special record date to be fixed by the Trustee, notice of which shall be given to the registered owners of the Certificates not less than ten (10) days prior to such special record date. Said direct, undivided fractional share of the portion of the Lease Payments designated as interest is the result of the multiplication of the aforesaid portion of the Lease Payments designated as principal by the Rate of Interest per annum identified above. Interest represented hereby is payable in lawful money of the United States of America by check mailed by the Trustee on each Interest Payment Date by first class mail to the Owner at his address as it appears on the registration books of the Trustee, as of the close of business on the fifteenth (15th) day of the month immediately preceding each Interest Payment Date or, upon written request filed with the Trustee prior to the fifteenth (15th) day of the month immediately preceding the Interest Payment Date by a registered owner of at least $1,000,000 in aggregate principal amount of Certificates, by wire transfer in immediately available funds to an account in the United States designated by each registered owner in such written request. Principal represented hereby is payable in lawful money of the United States of America by check of the Trustee upon presentation and surrender hereof at the Designated Corporate Trust Office.

This Certificate has been executed and delivered by the Trustee pursuant to the terms of a Trust Agreement by and among the Trustee, the Corporation and the City, dated as of June 1, 2022 (the "Trust Agreement"). The City is authorized to enter into the Lease Agreement and the Trust Agreement under the laws of the State of California. Reference is hereby made to the Lease Agreement and the Trust Agreement (copies of which are on file at the Designated Corporate Trust Office) for a description of the terms on which the Certificates are delivered, the rights thereunder of the registered owners of the Certificates, the rights, duties and immunities of the Trustee and the rights and obligations of the City under the Lease Agreement, all of the provisions of which the Owner of this Certificate, by acceptance hereof, assents and agrees.

The City is obligated under the Lease Agreement to pay Lease Payments from any source of legally available moneys and the City has covenanted in the Lease Agreement to make the necessary annual appropriations therefor. The obligation of the City to pay the Lease Payments does not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. The obligation of the City to pay Lease Payments does not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

To the extent and in the manner permitted by the terms of the Trust Agreement, the provisions of the Trust Agreement may be amended by the parties thereto with the written consent of the registered owners of at least sixty percent (60%) in aggregate principal amount of the Certificates then outstanding and may be amended without such consent under certain circumstances; provided that no such amendment shall impair the right of any registered owner to receive, in any case, such registered owner's fractional share of any Lease Payment or prepayment thereof in accordance with such registered owner's Certificate, without the consent of such registered owner.

This Certificate is transferable and exchangeable by the Owner, in person or by his attorney duly authorized in writing, at the Designated Corporate Trust Office, but only in the manner, subject to the limitations and upon payment of any charges provided in the Trust Agreement and upon surrender and cancellation of this Certificate. Upon such transfer, a new Certificate or Certificates of an authorized denomination or denominations for the same aggregate principal amount will be delivered to the transferee in exchange for this Certificate.

The City, the Corporation and the Trustee may treat the Owner as the absolute owner hereof for all purposes, whether or not the payments represented by this Certificate shall be overdue and the City, the Corporation and the Trustee shall not be affected by any notice to the contrary.

The Certificates maturing on or before May 1, ____, are not subject to optional redemption. Certificates maturing on and after May 1, ____, are subject to redemption prior to their respective stated maturity dates, at the option of the City, from the proceeds of optional prepayments of Lease Payments made by the City pursuant to the Lease Agreement, in whole or in part, on any date on or after May 1, ____, at a redemption price equal to the principal amount to be redeemed, together with accrued interest to the date fixed for redemption, from the proceeds of the optional prepayment of Lease Payments made by the City pursuant to the Lease Agreement, without premium.

The Certificates maturing on May 1, ____, are subject to mandatory redemption in part on May 1 in each year on and after May 1, ____, to and including May 1, ____ from the principal components of scheduled Lease Payments required to be paid by the City pursuant to the Lease Agreement with respect to each such redemption date, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, as follows:

Year (May 1)	Principal Amount of Certificates to be Redeemed

†Maturity.

The Certificates are subject to extraordinary redemption, in whole or in part, on any Interest Payment Date, in an order of maturity determined by the City, from the Net Proceeds of insurance or eminent domain proceedings credited towards the redemption of the Lease Payments pursuant to the Lease Agreement, at a redemption price equal to 100% of the principal amount to be redeemed, together with accrued interest represented thereby to the date fixed for redemption, without premium.

Notice of redemption is to be given by the Trustee by mailing a redemption notice by first class mail at least twenty (20) days and not more than sixty (60) days prior to the date fixed for redemption to the registered owner of the Certificate or Certificates to be redeemed at the address shown on the Certificate registration books maintained by the Trustee. Notice of redemption having been given as aforesaid, the Certificates or portions of Certificates so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) interest with respect to such Certificates or portions of Certificates shall cease to accrue and be payable. Neither the failure to receive such notice nor any defect in any notice shall affect the sufficiency of the proceedings for the redemption of Certificates.

Notwithstanding the foregoing, in the case of any optional redemption of the Certificates, the notice of redemption shall state that the redemption is conditioned upon receipt by the Trustee of sufficient moneys to redeem the Certificates on the scheduled redemption date, and that the optional redemption shall not occur if, by no later than the scheduled redemption date, sufficient moneys to redeem the Certificates have not been deposited with the

Trustee. In the event that the Trustee does not receive sufficient funds by the scheduled optional redemption date to so redeem the Certificates to be optionally redeemed, such event shall not constitute an Event of Default; the Trustee shall send written notice to the Owners, to the Securities Depositories and to one or more of the Information Services to the effect that the redemption did not occur as anticipated, and the Certificates for which notice of optional redemption was given shall remain Outstanding for all purposes of the Trust Agreement.

The Trustee has no obligation or liability to the registered owners of the Certificates to make payments of principal or interest with respect to the Certificates. The Trustee's sole obligations are to administer, for the benefit of the registered owners of the Certificates, the various funds and accounts established under the Trust Agreement. The Trustee makes no representation concerning the recitals contained in the Trust Agreement or in this Certificate.

The City has certified, recited and declared that all conditions, things and acts required by the constitution and statutes of the State of California, the Lease Agreement and the Trust Agreement to exist, to have happened and to have been performed precedent to and in the delivery of this Certificate, do exist, have happened and have been performed in due time, form and manner as required by law.

Unless this Certificate is presented by an authorized representative of The Depository Trust Company, a New York Corporation ("DTC"), to the City or its agent for registration of transfer, exchange, or payment, and any Certificate executed is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

IN WITNESS WHEREOF, this Certificate has been executed by U.S. Bank Trust Company, National Association, as Trustee, acting pursuant to the Trust Agreement.

Date of Execution:

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee

By _____
Authorized Signatory

ASSIGNMENT

For value received, the undersigned do(es) hereby sell, assign and transfer unto

_____

_____

_____

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within Certificate and do(es) hereby irrevocably constitute and appoint

_____,

attorney, to transfer the same on the registration books of the Trustee, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

_____

NOTICE: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

_____

NOTICE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Certificate in every particular, without alteration or enlargement or any change whatsoever.

EXHIBIT C

DESCRIPTION OF THE PROJECT

$_____
CERTIFICATES OF PARTICIPATION
(2022 Transportation Infrastructure Financing Project)
Evidencing the Direct, Undivided Fractional Interests
of the Owners Thereof in Lease Payments to be Made by the
CITY OF MARINA
(Monterey County, California),
As the Rental for Certain Property Pursuant to a Lease Agreement with the
Public Property Financing Corporation of California

CERTIFICATE PURCHASE AGREEMENT

June 2, 2022

City of Marina
211 Hillcrest Avenue
Marina, CA 93933
Attention: City Manager

Ladies and Gentlemen:

The undersigned, Stifel, Nicolaus & Company, Incorporated, as underwriter (the "Underwriter"), hereby offers to enter into this Certificate Purchase Agreement (this Certificate Purchase Agreement, together with the exhibits hereto, being herein called the "Purchase Agreement") with the City of Marina (the "City"), which, upon acceptance, will be binding upon the City and the Underwriter. This offer is made subject to the acceptance by the City, by execution of this Purchase Agreement and its delivery to the Underwriter prior to 11:59 P.M., Pacific Standard time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the City at any time prior to such acceptance.

Capitalized terms used in this Purchase Agreement and not otherwise defined herein shall have the meanings given to such terms as set forth in Trust Agreement, dated as of June 1, 2022 (the "Trust Agreement") by and among Trust Agreement by and among the Public Property Financing Corporation of California (the "Corporation"), the City, and U.S. Bank Trust Company, National Association, as trustee (the "Trustee").

The City hereby acknowledges and agrees that (a) the Underwriter has financial and other interests that differ from those of the City, (b) the primary role of the Underwriter is to purchase securities for sale to investors in an arm's-length commercial transaction between the City and the Underwriter, (c) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as the agent or fiduciary of the City, (d) the Underwriter is not acting as a municipal advisor, financial advisor or fiduciary to the City and has not assumed any advisory or fiduciary responsibility to the City with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading

thereto (irrespective of whether the Underwriter has provided or is currently providing other services to the City on other matters), (e) the only obligations the Underwriter has to the City with respect to the transaction contemplated hereby are expressly set forth in this Certificate Purchase Agreement, and (f) the City has consulted its own financial, municipal, legal, accounting, tax and/or other advisors, as applicable, to the extent it has deemed appropriate in connection with the issuance of the Certificates and the other matters contemplated by this Certificate Purchase Agreement. The City has a municipal advisor in this transaction that has legal fiduciary duties to the City.

The City hereby acknowledges receipt from the Underwriter of disclosures required by the Municipal Securities Rulemaking Board ("MSRB") Rule G-17 (as set forth in MSRB Notice 2012-25 (May 7, 2012), relating to disclosures concerning the Underwriter's role in the transaction, disclosures concerning the Underwriter's compensation, conflict disclosures, if any, and disclosures concerning complex municipal securities financing, if any.

Section 1. **Purchase and Sale**. Upon the terms and conditions and upon the basis of the representations, warranties and agreements herein set forth, the City hereby agrees to sell and deliver to the Underwriter all of the $_____ aggregate principal amount of City of Marina Certificates of Participation (2022 Transportation Infrastructure Financing Project) (the "Certificates"), evidencing the direct, undivided fractional interests of the owners thereof in lease payments (the "Lease Payments") to be made by the City pursuant to a Lease Agreement, dated as of June 1, 2022 (the "Lease Agreement"), with the Corporation. The purchase price of the Certificates shall be $_____ (representing an aggregate principal amount of the Certificates of $_____, plus a net original issue premium of $_____, less an Underwriter's discount of $_____).

Section 2. **The Certificates**. The Certificates will be dated their date of delivery and will be substantially in the form described in, shall be authorized, executed and delivered under the provisions of, and shall be payable as provided in, the Trust Agreement. The Certificates are being executed and delivered to provide funds to: (a) to finance the cost of transportation infrastructure improvements within the geographic boundaries of the City that are eligible for application of Measure X revenues, and (b) pay costs incurred in connection with executing and delivering the Certificates.

The City will lease certain property and the site thereof (the "Property") to the Corporation pursuant to a Site and Facility Lease, dated as of June 1, 2022 (the "Site Lease"). The Corporation will sublease the Property back to the City pursuant to the Lease Agreement. The Corporation will assign its right to receive Lease Payments from the City under the Lease to the Trustee pursuant to an Assignment Agreement, dated as of June 1, 2022 (the "Assignment Agreement").

The City will also enter into a Continuing Disclosure Certificate, dated the Closing Date (the "Continuing Disclosure Certificate"). The Trust Agreement, the Site Lease, the Lease Agreement, the Assignment Agreement, the Continuing Disclosure Certificate and this Purchase Agreement are hereinafter referred to as the "Legal Documents."

Section 3. **Public Offering and Establishment of Issue Price**.

(a) The Underwriter agrees to assist the City in establishing the issue price of the Certificates and shall execute and deliver to the City at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the City and Special

Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Certificates.

(b) Except as otherwise set forth in Schedule I to Exhibit B, the City will treat the first price at which 10% of each maturity of the Certificates (the "10% test") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the City the price or prices at which it has sold to the public each maturity of Certificates. If at that time the 10% test has not been satisfied as to any maturity of the Certificates, the Underwriter agrees to promptly report to the City the prices at which it sells the unsold Certificates of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Certificates of that maturity or until all Certificates of that maturity have been sold to the public.

(c) The Underwriter confirms that it has offered the Certificates to the public on or before the date of this Purchase Agreement at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Schedule I to Exhibit B, except as otherwise set forth therein. Schedule I to Exhibit B also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Certificates for which the 10% test has not been satisfied and for which the City and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the City to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Certificates, the Underwriter will neither offer nor sell unsold Certificates of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(i) the close of the fifth (5th) business day after the sale date; or

(ii) the date on which the Underwriter has sold at least 10% of that maturity of the Certificates to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the City when it has sold 10% of that maturity of the Certificates to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

(d) The Underwriter confirms that any selling group agreement and any retail distribution agreement relating to the initial sale of the Certificates to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Certificates of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Certificates of that maturity or all Certificates of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter. The City acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Certificates to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a retail distribution agreement was employed in connection with the initial sale of the Certificates to the public, the agreement

of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the retail distribution agreement and the related pricing wires. The City further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Certificates.

(e) The Underwriter acknowledges that sales of any Certificates to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Certificates to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Certificates to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Certificates to the public),

(iii) a purchaser of any of the Certificates is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date of execution of this Purchase Agreement by all parties.

Section 4. **The Official Statement**.

(a) By its acceptance of this proposal, the City ratifies, confirms and approves of the use and distribution by the Underwriter prior to the date hereof of the preliminary official statement, dated May 23, 2022, relating to the Certificates (including the cover page, the inside cover page, all appendices and all information incorporated therein, the "Preliminary Official Statement"). The City hereby certifies that such Preliminary Official Statement is deemed final as of its date, for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 ("Rule 15c2-12") except for certain omissions with respect to the pricing of the Certificates permitted to be omitted therefrom by Rule 15c2-12, and has executed and delivered a certificate in substantially the form attached hereto as Exhibit B.

The City hereby agrees to deliver or cause to be delivered to the Underwriter, within seven business days of the date hereof, copies of the final official statement, dated the date hereof, relating to the Certificates (including all information previously permitted to have been omitted by Rule 15c2-12, the cover page, the inside cover page all appendices, all information incorporated therein and any amendments or supplements as have been approved by the City

and the Underwriter, the "Official Statement") in such quantity as the Underwriter shall reasonably request. The City has approved the use and distribution by the Underwriter of the Official Statement, and the City hereby authorizes the use by the Underwriter of the Legal Documents in connection with the offer and sale of the Certificates.

Section 5. **Closing**. At 8:00 A.M., Pacific Daylight time, on June 16, 2022, or at such other time and date as may be agreed upon by the City and the Underwriter (the "Closing Date"), (i) the City will cause to be delivered to the Underwriter the Certificates in definitive form, bearing CUSIP numbers and fully registered, through the book-entry system of The Depository Trust Company, New York, New York ("DTC"); and (ii) the City will cause to be delivered to the Underwriter the other documents herein mentioned at the offices of Quint & Thimmig LLP in Larkspur, California, or another place to be agreed upon by the City and the Underwriter. The Underwriter will accept such delivery and pay the purchase price of the Certificates as set forth in Section 1 hereof in immediately available funds to the order of the Trustee on behalf of the City. This payment and delivery, together with the delivery of the aforementioned documents, is herein called the "Closing." Notwithstanding the foregoing, neither the failure to print CUSIP numbers on any Certificate nor any error with respect thereto shall constitute cause for a failure or refusal by the Underwriter to accept delivery of and pay for the Certificates on the Closing Date in accordance with the terms of this Purchase Agreement.

Section 6. **Representation, Warranties and Covenants of the City**. The City represents, warrants and covenants to the Underwriter that:

(a) The City is a municipal corporation and general law city duly organized and validly existing under the Constitution and laws of the State of California (the "State"). The City has all necessary power and authority and has taken all official action necessary to enter into and perform its duties under the Site Lease, the Lease Agreement, the Trust Agreement and this Purchase Agreement (collectively, the "City Documents"). The City Documents and the Official Statement have been duly executed and delivered by the City and, assuming the due authorization, execution and delivery by the other respective parties thereto, the City Documents to the best knowledge of the City will constitute legally valid and binding obligations of the City enforceable against the City in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other similar laws or equitable principles relating to or limiting creditors' rights generally.

(b) To the best of its knowledge, except as may be required under Blue Sky or other securities laws of any state (as to which no representation is made), there is no consent, approval, authorization or other order of, or filing with, or certification by, any regulatory authority having jurisdiction over the City required for the execution, delivery and sale of the Certificates or the consummation by the City of the transactions contemplated by the City Documents and by the Official Statement, which has not been duly obtained or made on or prior to the date hereof.

(c) There is no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court or governmental or public entity pending, or to the best knowledge of the City, threatened against the City which affects or seeks to prohibit, restrain or enjoin the execution or delivery of the Certificates, or contesting the powers of the City to enter into or perform its obligations under any of the City Documents or the existence or powers of the City.

(d) the distribution of the Preliminary Official Statement and the Official Statement have been duly authorized by the City and as of the date hereof and at all times subsequent thereto up to and including the time of the Closing, the statements and information contained in the

Official Statement (excluding statements under the captions "THE CORPORATION," "UNDERWRITING," information relating to DTC and the book-entry only system and information as to bond prices on the cover of the Official Statement, as to which no opinion or view is expressed) are and will be true, correct and complete in all material respects and the Official Statement does not and will not omit to state a material fact required to be stated therein or necessary to make such statements and information therein, in the light of the circumstances under which they were made, not misleading in any material respect;

(e) The City agrees that, if at any time before the Closing Date any event of which it has knowledge occurs, as a result of which the Official Statement as then in effect would include any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading, the City shall promptly prepare or cooperate in the preparation of an amendment or supplement to the Official Statement if in the opinion of the City and the Underwriter or their respective counsel, such event requires the preparation and publication of a supplement or amendment to the Official Statement. The City shall advise the Underwriter promptly of any proposal to so amend or supplement the Official Statement and shall effect such amendment or supplement in a form and manner approved by the Underwriter. The City shall promptly advise the Underwriter of the institution of any action, suit, proceeding, inquiry or investigation seeking to prohibit, restrain or otherwise affect the use of the Official Statement in connection with the offering, sale or distribution of the Certificates.

If any information relating to the City contained in the Official Statement is amended or supplemented pursuant to the immediately preceding subparagraph, at the time of each supplement or amendment thereto and (unless subsequently supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the date of the Closing, the portions of the Official Statement so supplemented or amended (including any financial and statistical data contained therein) will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such information therein concerning the City or the City's affairs, in the light of the circumstances under which it was presented, not misleading.

(f) The City shall furnish or cause to be furnished to the Underwriter, in such quantities as shall be reasonably required by the Underwriter, copies of the Official Statement and all amendments and supplements thereto, in each case as soon as available.

(g) The proceeds from the sale to the Underwriter of the Certificates will be applied in the manner and for the purposes specified in the Trust Agreement.

(h) The resolution of the City approving the execution and delivery of the City Documents and the Official Statement has been duly adopted by the City, has not been amended, modified or repealed and is in full force and effect on the date hereof.

(i) To the best of its knowledge, neither the execution and delivery by the City of the City Documents nor the City's adoption of the resolution, nor the City's compliance with such documents or such resolution, nor the consummation of the transactions contemplated by such documents, such resolution or the Official Statement, conflicts with or constitutes a breach of or default under, or will conflict with or constitute a breach of or default under, any term or provision of any applicable law or any administrative rule or regulation of the State or the United States or any applicable judgment, decree, order, license, permit, agreement or instrument to which the City is subject or is otherwise bound has or will have a material adverse effect on the ability of the City to perform its obligations under the City Documents,

and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instruments.

(j) The City agrees to cooperate with the Underwriter in endeavoring to qualify the Certificates for offer and sale under the securities or Blue Sky laws of as many jurisdictions of the states of the United States as the Underwriter may request; provided, however, that the City will not be required to expend any of its own funds in connection with such qualifications and will not be required to consent to service of process in any such jurisdiction in which it is not now subject to service of process or to qualify as a broker or a foreign corporation in connection with any such qualification in any jurisdiction.

(k) The City covenants that it will not take any action which would cause interest payable with respect to the Certificates to be subject to federal income taxation or State personal income taxation.

(l) Other than as described in the Preliminary Official Statement and the Official Statement, the City has not failed to comply with any previous continuing disclosure undertaking within the prior 5 years.

Section 7. **Conditions to the Obligations of the Underwriter**. The Underwriter has entered into this Purchase Agreement in reliance upon the representations and warranties of the City contained herein. The obligations of the Underwriter to accept delivery of and pay for the Certificates on the Closing Date shall be subject, at the option of the Underwriter, to the performance by the City of its obligations, to be performed hereunder and to the performance by the City and the Corporation of their obligations, to be performed under the Legal Documents, at or prior to the Closing Date and the following additional conditions:

(a) The representations, warranties and covenants of the City contained herein shall be true and correct at the date hereof and at the time of the Closing, as if made on the Closing Date;

(b) At the time of Closing, the Legal Documents shall be in full force and effect as valid and binding agreements between or among the various parties thereto and the Legal Documents and the Official Statement shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter, and all such reasonable actions as, in the opinion of Special Counsel or counsel to the Underwriter, shall reasonably deem necessary in connection with the transactions contemplated hereby;

(c) Between the date hereof and the Closing Date, the market price or marketability, at the initial public offering prices set forth on the inside cover page of the Official Statement, of the Certificates shall not have been materially adversely affected, in the reasonable judgment of the Underwriter, by reason of any of the following:

(i) the marketability of the Certificates or the market price thereof, in the opinion of the Underwriter, has been materially adversely affected by an amendment to the Constitution of the United States or by any legislation in or by the Congress of the United States or by the State, or the amendment of legislation pending as of the date of the Purchase Agreement in the Congress of the United States, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee or by any member thereof, or the

presentment of legislation for consideration as an option by either such Committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States, or the favorable reporting for passage of legislation to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or any decision of any federal or state court or any ruling or regulation (final, temporary or proposed) or official statement on behalf of the United States Treasury Department, the Internal Revenue Service or other federal or state authority affecting the federal or state tax status of the Corporation or the City, or the interest with respect to bonds or notes (including the Certificates);

(ii) the declaration of war or engagement in major military hostilities by the United States or the occurrence or escalation of any other national emergency or calamity relating to the normal operation of the government of or the financial community in the United States;

(iii) the declaration of a general banking moratorium by federal, New York or California authorities, or the general suspension of trading on any national securities exchange;

(iv) the imposition by the New York Stock Exchange or other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Certificates or obligations of the general character of the Certificates or securities generally, or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or the charge to the net capital requirements of, underwriters;

(v) an order, decree or injunction issued by any court of competent jurisdiction, or order, ruling, regulation (final, temporary or proposed), official statement or other form of notice or communication issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that (i) obligations of the general character of the Certificates, or the Certificates, including any or all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended, or that the Trust Agreement is not exempt from qualification under the Trust Indenture Act of 1939, as amended, or (ii) the execution and delivery, offering or sale of obligations of the general character of the Certificates, or the execution and delivery, offering or sale of the Certificates, including any or all underlying obligations, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws as amended and then in effect;

(vi) any event shall occur which makes untrue any material statement or results in an omission to state a material fact that is necessary to make the statements in the Official Statement, in the light of the circumstances under which they were made, not misleading, which event, in the reasonable opinion of the Underwriter would materially or adversely affect the ability of the Underwriter to market the Certificates

(vii) any legislation, ordinance, rule or regulation shall be enacted by any governmental body, department or authority of the State, or a decision by any court of competent jurisdiction within the State shall be rendered which materially adversely affects the market price of the Certificates;

(viii) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, to the effect that obligations of the general character of the Certificates, or the Certificates, are not exempt from

registration under or other requirements of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or that the Trust Agreement is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended and as then in effect;

(ix) any rating of the Certificates or the rating of any obligations of the City shall have been downgraded or withdrawn by a national rating service, which, in the opinion of the Underwriter, materially adversely affects the market price of the Certificates; or

(x) the commencement of any action, suit or proceeding described in Section 6(c).

(d) at or prior to the Closing, the Underwriter shall receive the following documents, in each case to the reasonable satisfaction in form and substance of the Underwriter:

(i) the Legal Documents duly executed and delivered by the respective parties thereto, with only such amendments, modifications or supplements as may have been agreed to in writing by the Underwriter;

(ii) the approving opinion of Special Counsel, dated the Closing Date and addressed to the City, in substantially the form attached as Appendix B to the Official Statement, together with a reliance letter addressed to the Underwriter;

(iii) a supplemental opinion of Special Counsel dated the Closing Date and addressed to the Underwriter and the City, in form and substance acceptable to each of them to the effect that:

(A) the statements in the Official Statement under the captions, "INTRODUCTION," "THE CERTIFICATES," "CONTINUING DISCLOSURE," "LEGAL MATTERS—Tax Matters," "APPENDIX A–SUMMARY OF PRINCIPAL LEGAL DOCUMENTS," "APPENDIX C–FORM OF CONTINUING DISCLOSURE CERTIFICATE" AND "APPENDIX D–FORM OF SPECIAL COUNSEL OPINION," insofar as such statements purport to summarize certain provisions of the Certificates, security for the Certificates, the Trust Agreement, the Site Lease, the Lease, the Assignment Agreement, the Continuing Disclosure Certificate and the legal opinion of Special Counsel with respect thereto concerning the validity and tax status of interest with respect to the Certificates, are accurate in all material respects; but excluding therefrom information about DTC and the book-entry only system;

(B) the Purchase Agreement has been duly authorized, executed and delivered by the City and, assuming due authorization, execution and delivery by the other respective parties thereto, constitutes the valid and binding agreement of the City and is enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other similar laws affecting enforcement of creditors' rights and by the application of equitable principles if equitable remedies are sought; and

(C) the Certificates are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Trust Agreement is exempt from qualification as an Trust Agreement pursuant to the Trust Indenture Act of 1939, as amended;

(iv) the letter of Quint & Thimmig LLP, in its capacity as Disclosure Counsel, dated the Closing Date and addressed to the City and the Underwriter, to the effect that, based upon its participation in the preparation of the Official Statement as Disclosure Counsel and upon the information made available to it in the course of the foregoing, but without having undertaken to determine or verify independently or assuming any responsibility for the accuracy, completeness or fairness of the statements contained in the Official Statement (except to the extent expressly set forth in the opinion referred to in Section 7(c)(iii) above), nothing has come to the attention of the personnel directly involved in rendering legal advice and assistance in connection with the preparation of the Official Statement that causes them to believe that the Official Statement as of its date or as of the Closing Date contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, are not misleading (except for the description of any litigation, any information relating to information relating to the Municipal Bond Insurer, the Municipal Bond Insurance Policy, the Reserve Fund Insurance Policy, DTC, Cede & Co., the book-entry system, any financial statements, forecasts, projections, estimates, assumptions and expressions of opinions and the other financial and statistical data included therein, as to all of which they express no view);

(v) the opinion of the City Attorney, dated the Closing Date, and addressed to the Underwriter, to the effect:

(A) the City is a municipal corporation and general law city organized and existing under and by virtue of the laws and the Constitution of the State and has full legal power and lawful authority to execute and deliver and perform all obligations under the City Documents and to participate in the transactions contemplated by the Official Statement;

(B) the resolution adopted by the City Council of the City approving the form and authorizing the execution of the City Documents has been duly adopted at a meeting of the City Council of the City, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout and such Resolution is in full force and effect and has not been modified, amended or rescinded;

(C) the City has duly authorized, executed and delivered the City Documents and, assuming due authorization, execution and delivery by the parties thereto other than the City, the City Documents constitute the legally valid and binding obligations of the City enforceable against the City in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles, if equitable remedies are sought.

(D) there is no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court, government agency, public board or body, pending or, to our knowledge after reasonable investigation, threatened: (1) which would materially adversely affect the financial position of the City; (2) affecting, contesting or seeking to prohibit, restrain or enjoin the execution and delivery of any of the Certificates or the City Documents, or in any way contesting or affecting the validity of or security for the Certificates or the City Documents or the consummation of the transactions contemplated thereby, or

contesting the powers of the City or its authority to execute and deliver the City Documents or perform its obligations thereunder; or (3) contesting the completeness or accuracy of the Official Statement or asserting that the Official Statement contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and to our knowledge there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in subparagraphs (1) through (3) of this paragraph (D);

(E) the City is not in material breach of or default under any applicable constitutional provision, law or administrative regulation of the State or the United States of America or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or to which the City or any of its property or assets is otherwise subject, and no event has occurred or is continuing which with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument; and the execution and delivery of the City Documents and compliance with the provisions thereof by the City, will not result in a violation of, a breach of, or a default under the articles of incorporation or bylaws of the City or any statute, indenture, mortgage, deed of trust, note agreement, or other agreement or instrument to which the City is a party or by which it or any of its property is bound, or any order, rule, law or regulation of any court or other governmental body having jurisdiction of the City;

(F) no authorization, approval, consent or order of the State or any other governmental authority or agency within the State, other than the governing body of the City, is required for the valid authorization, execution and delivery by the City of the City Documents and the performance by the City of its obligations thereunder.

(G) as of the date hereof, nothing has come to such attorney's attention causing us to believe that the information contained in the Official Statement relating to the City under the caption "THE CITY" as of its date or as of the date hereof contained any untrue statement of material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(vi) a certificate, dated the Closing Date, signed by a duly authorized official of the City satisfactory in form and substance in the reasonable judgment of the Underwriter to the effect that:

(A) the City is a municipal corporation and chartered city, duly organized and existing under the laws of the State and has all necessary power and authority to enter into and perform its duties under the City Documents;

(B) by official action of the City, the City has approved the execution and delivery of and the performance by the City of the obligations on its part contained in the City Documents;

(C) the execution and delivery of the City Documents to which it is a party, compliance with the provisions thereof and performance of its duties thereunder, will not conflict with or constitute a breach of or default under the City's duties under any law, administrative regulation, judgment, decree, note, resolution, charter, by-law or other agreement to which the City is a party or is otherwise subject or by which its properties may be affected;

(D) the information relating to the City contained in the Official Statement does not contain any untrue or misleading statement of a material fact or omit to state any material fact which is necessary to make such statements therein, in the light of the circumstances under which they were made, not misleading;

(E) to the best knowledge of the City, there is no consent, approval, authorization or other order of, or filing with, or certification by, any regulatory authority having jurisdiction over the City required for the execution, delivery and sale of the Certificates or the consummation by the City of the transactions on its part contemplated by the City Documents;

(F) to the best knowledge of the City, the City is not in breach of or default under any applicable law or administrative regulation of the State or the United States or any applicable judgment or decree, agreement or other instrument to which the City is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument, which breach or default has or may have a material adverse effect on the ability of the City to perform its obligations under the City Documents;

(G) there is no action, suit, proceeding, inquiry or investigation, at law or in equity before or by any court or governmental agency or body, pending or, to the best knowledge of the City, threatened against the City, except as disclosed in the Official Statement, to restrain or enjoin the execution or delivery of the Certificates, or in any way contesting or affecting the validity or enforceability of the Certificates or the City Documents or contesting the powers of the City to enter into or perform its obligations under any of the foregoing; and

(H) the City covenants that it will not take any action which would cause interest with respect to the Certificates to be subject to federal income taxation or California personal income taxes;

(vii) a certificate, dated the Closing Date, signed by a duly authorized official of the Corporation satisfactory in form and substance in the reasonable judgment of the Underwriter to the effect that:

(A) the Corporation is nonprofit, public benefit corporation, duly organized and validly existing under the laws of the State;

(B) the Corporation has all necessary power and authority and has taken all official actions necessary to execute, deliver and perform its duties under each of the Corporation Documents and each of the Legal Documents has been duly authorized, executed and delivered by the Corporation and, assuming the due authorization, execution and delivery by the other respective parties thereto, will constitute legally valid and binding obligations of the Corporation enforceable

against the Corporation in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or limiting creditors' rights generally or principles of equity involving judicial discretion;

(C) the Corporation is not in material breach of, or default under, any applicable constitutional provision, law or administrative rule or regulation of the State or the United States of America material to the conduct of its functions or any applicable judgment or decree or any loan agreement, indenture, bond, certificate, note, resolution or other agreement or instrument to which the Corporation is a party or to which the Corporation or any of its properties is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any of the foregoing; and the authorization, execution and delivery of the Legal Documents, and compliance with the provisions thereof, will not conflict with or constitute a breach of or default under any constitutional provision, law, administrative rule or regulation, or any judgment, decree, license, permit, loan agreement, indenture, bond, certificate, note, resolution, agreement or other instrument to which the Corporation (or any of its officers in their respective capacities as such) is subject or by which it or any of its properties is bound, nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument except as may be provided by the Legal Documents;

(D) there is no consent, approval, authorization or other order of, or filing with, or certification by, any regulatory entity having jurisdiction over the Corporation required for the execution and delivery of the Legal Documents, or the consummation by the Corporation of the transactions contemplated in the Official Statement or in the Legal Documents, which has not been duly obtained or made on or prior to the date hereof;

(E) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or governmental or public entity pending or, to the knowledge of the Corporation, threatened against the Corporation which affects or seeks to prohibit, restrain or enjoin the execution or delivery of the Certificates or any of the Legal Documents, or contesting the validity of the Certificates or any of the Legal Documents or the powers of the Corporation to enter into or perform its obligations under the Legal Documents or the existence or powers of the Corporation;

(F) no event affecting the Corporation has occurred since the date of the Official Statement which either makes untrue or incorrect in any material respect as of the Closing Date the statements or information regarding the Corporation contained in the Official Statement or is not reflected in the Official Statement but should be reflected therein in order to make the statements and information therein regarding the Corporation not misleading in any material respect;

(viii) a certificate of the Trustee, dated the Closing Date, signed by a duly authorized officer of the Trustee, and in form and substance satisfactory to the Underwriter, to the effect that:

(A) the Trustee is a national banking association duly organized and existing under and by virtue of the laws of the United States of America authorized to carry out corporate trust powers and has all necessary power and authority to enter into and perform its duties under the Trust Agreement and the Assignment Agreement and to execute the Certificates;

(B) the representations of the Trustee in the Trust Agreement and the Assignment Agreement are true and correct in all material respects as of the Closing Date;

(C) to the best of its knowledge, no litigation is pending or threatened (either in state or federal courts) (1) to restrain or enjoin the execution or delivery of any of the Certificates, or (2) in any way contesting or affecting any authority for the execution or delivery of the Certificates or the validity or enforceability of the Trust Agreement or the Assignment Agreement;

(D) the Trustee is duly authorized to execute and deliver the Certificates to the Underwriter upon instruction by the City pursuant to the terms of the Trust Agreement, and the Trust Agreement and the Assignment Agreement constitute legal, valid and binding obligations of the Trustee enforceable in accordance with its respective terms;

(E) to the best of its knowledge, the execution and delivery of the Trust Agreement and the Assignment Agreement, and compliance with the provisions thereof, will not conflict with, or constitute a breach of or default under, the Trustee's duties under said documents or any law, administrative regulation, court decree, resolution, charter, bylaws or other agreement to which the Trustee is subject or by which it is bound; and

(F) the Certificates have been validly executed and delivered by the Trustee;

(ix) the opinion of counsel to the Trustee, addressed to the Underwriter and the City, dated the Closing Date, to the effect that;

(A) the Trustee has been duly organized and is validly existing in good standing as a national banking association under the laws of the United States of America, with full corporate power to enter into the Trust Agreement and the Assignment Agreement and to accept the trust as provided therein, and to perform its obligations under the Trust Agreement and the Assignment Agreement;

(B) the Trustee has duly authorized, executed and delivered the Trust Agreement and the Assignment Agreement and by all proper corporate action has authorized the acceptance of the trust of the Trust Agreement;

(C) assuming the due authorization, execution and delivery by the other party to the Trust Agreement and the Assignment Agreement, the Trust Agreement and the Assignment Agreement, constitute legally valid and binding agreements of the Trustee, enforceable against the Trustee in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, moratorium or other similar laws or equitable principles relating to or limiting creditors' rights generally;

(D) the Certificates have been validly executed by the Trustee; and

(E) to the best of such counsel's knowledge, no authorization, approval, consent or order of any governmental agency or any other person or corporation is required for the valid authorization, execution and delivery of the Trust Agreement and the Assignment Agreement by the Trustee or the authentication by the Trustee of the Certificates;

(x) the opinion of Stradling Yocca Carlson & Rauth, as counsel to the Underwriter, dated the Closing Date and addressed to the Underwriter, in form and substance acceptable to the Underwriter.

(xi) a copy of the Official Statement, executed on behalf of the City;

(xii) a copy of the general resolution of the Trustee authorizing the execution and delivery of the Trust Agreement and the Assignment Agreement;

(xiii) copies of all resolutions relating to the Certificates, the Official Statement and the Legal Documents adopted by the Corporation and the City, as applicable, and certified by an authorized official of the Corporation and the City;

(xiv) a tax certificate by the City in form and substance acceptable to Special Counsel;

(xv) a letter from S&P Global Ratings, a Standard & Poor's Financial Services LLC business, indicating that the Certificates have been assigned a rating of "___."

(xvi) evidence of good standing of the Corporation with the State; and

(xvii) such additional legal opinions, certificates, proceedings, instruments or other documents as Special Counsel and counsel to the Underwriter, if any, may reasonably request to evidence compliance by the Corporation and the City with legal requirements, the truth and accuracy, as of the Closing Date, of the representations and warranties of the Corporation and the City contained herein, and the due performance or satisfaction by the Corporation and the City at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Corporation and the City.

Section 8. **Changes in Official Statement**. After the Closing, the City will not adopt any amendment of or supplement to the Official Statement to which the Underwriter shall object in writing. Within 90 days after the Closing or within 25 days following the end of the underwriting period, whichever occurs first, if any event relating to or affecting the Certificates, the Trustee, the Corporation or the City shall occur as a result of which it is necessary, in the opinion of the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in any material respect in the light of the circumstances existing at the time it is delivered to a purchaser, the City will forthwith prepare and furnish to the Underwriter an amendment or supplement that will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to purchaser, not misleading. The City shall cooperate with the Underwriter in the filing by the Underwriter of such amendment or supplement to the Official Statement with a nationally recognized municipal securities

repository. For the purposes of this section the Trustee, the Corporation and the City will each furnish such information with respect to itself as the Underwriter may reasonably request from time to time during such period.

Section 9. **Expenses**. Whether or not the transactions contemplated by this Purchase Agreement are consummated, the Underwriter shall be under no obligation to pay, and the City shall pay from the proceeds of the Certificates or otherwise, all expenses and costs of the City and the Corporation incident to the performance of their obligations in connection with the authorization, execution, sale and delivery of the Certificates to the Underwriter, including, without limitation, printing costs, rating agency fees and charges, initial fees of the Trustee, including fees and disbursements of its counsel, if any, fees and disbursements of Special Counsel and Disclosure Counsel and other professional advisors employed by the City or the Corporation, the fee of counsel to the Underwriter and costs of preparation, printing, signing, transportation, delivery and safekeeping of the Certificates. The Underwriter shall pay all out-of-pocket expenses of the Underwriter, including, without limitation, advertising expenses, the California Debt and Investment Advisory Commission fee, CUSIP Service Bureau charges, regulatory fees imposed on new securities issuers and any and all other expenses incurred by the Underwriter in connection with the public offering and distribution of the Certificates, shall be paid by the Underwriter.

Section 10. **Notices**. Any notice or other communication to be given to the City under this Purchase Agreement may be given by delivering the same in writing to the City and the Corporation at the addresses set forth on the first page of this Purchase Agreement, and any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to: Stifel, Nicolaus & Company, Incorporated, One Montgomery Street, 35th Floor, San Francisco, CA 94104, Attention: Ms. Eileen Gallagher, Managing Director.

The approval of the Underwriter when required hereunder or the determination of the Underwriter's satisfaction as to any document referred to herein shall be in writing signed by the Underwriter and delivered to you.

Section 11. **Parties in Interest**. This Purchase Agreement is made solely for the benefit of the City and the Underwriter (including the successors or assigns thereof) and no other person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties and agreements of the City in this Purchase Agreement shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriter and shall survive the delivery of and payment of the Certificates.

Section 12. **Counterparts**. This Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 13. **Governing Law**. This Purchase Agreement shall be governed by the laws of the State of California.

STIFEL, NICOLAUS & COMPANY,
INCORPORATED, as Underwriter

By _____
Managing Director

Accepted and Agreed to:

CITY OF MARINA

By _____
Title _____

Time of Execution: _____

EXHIBIT A

MATURITY SCHEDULE

$_____
CERTIFICATES OF PARTICIPATION
(2022 Transportation Infrastructure Financing Project)
Evidencing the Direct, Undivided Fractional Interests
of the Owners Thereof in Lease Payments to be Made by the
CITY OF MARINA
(Monterey County, California),
As the Rental for Certain Property Pursuant to a Lease Agreement with the
Public Property Financing Corporation of California

MATURITY SCHEDULE

Maturity Date (May 1)	Principal Amount	Interest Rate	Yield	Price

c Priced to the May 1, ____, par call date.
T Term Certificates.

Optional Redemption. The Certificates maturing on and after May 1, ____, are subject to optional redemption in whole or in part on any date on and after May 1, ____, in such order of maturity as shall be designated by the City (or, if the City shall fail to so designate the order of redemption, in *pro rata* among maturities) and by lot within a maturity, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium, from the proceeds of the optional prepayment of Lease Payments made by the City pursuant to the Lease Agreement.

Extraordinary Redemption. The Certificates are subject to extraordinary redemption, in whole or in part, on any Interest Payment Date, in an order of maturity determined by the City, from the Net Proceeds of insurance or eminent domain proceedings credited towards the redemption of the Lease Payments pursuant to the Lease Agreement, at a redemption price equal to 100% of the principal amount to be redeemed, together with accrued interest represented thereby to the date fixed for redemption, without premium.

Sinking Fund Redemption. The Certificates maturing on May 1, ____, are subject to mandatory redemption in part on May 1 in each year on and after May 1, ____, to and including May 1, ____, from the principal components of scheduled Lease Payments required to be paid by the City pursuant to the Lease Agreement with respect to each such redemption date (subject to abatement, as set forth in the Lease Agreement), at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, as follows:

Year (May 1)	Principal Amount of Certificates to be Redeemed

†Maturity.

EXHIBIT B

FORM OF ISSUE PRICE CERTIFICATE

$_____
CERTIFICATES OF PARTICIPATION
(2022 Transportation Infrastructure Financing Project)
Evidencing the Direct, Undivided Fractional Interests
of the Owners Thereof in Lease Payments to be Made by the
CITY OF MARINA
(Monterey County, California),
As the Rental for Certain Property Pursuant to a Lease Agreement with the
Public Property Financing Corporation of California

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Stifel, Nicolaus & Company, Incorporated ("Stifel"), based on the information available to it, hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Certificates").

I. General

1. Stifel and the City of Marina (the "Issuer") have executed a certificate purchase agreement in connection with the Certificates on the Sale Date. Stifel has not modified the certificate purchase agreement since its execution on the Sale Date.

II. Price

1. Stifel offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule I (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Certificates is attached to this certificate as Schedule II.

2. As set forth in the certificate purchase agreement, Stifel has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Certificates of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement would contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement would contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule.

3. No Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity during the Holding Period.

III. Defined Terms

1. *General Rule Maturities* means those Maturities of the Certificates not listed in Schedule I hereto as the "Hold-the-Offering-Price Maturities."

2. *Hold-the-Offering-Price Maturities* means those Maturities of the Certificates listed in Schedule I hereto as the "Hold-the-Offering-Price Maturities."

3. *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the Underwriter has sold at least 10% of such Hold-the-Offering-Price

Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

4. *Maturity* means Certificates with the same credit and payment terms. Certificates with different maturity dates, or Certificates with the same maturity date but different stated interest rates, are treated as separate maturities.

5. *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.

6. A person is a *"Related Party"* to an Underwriter if the Underwriter and the person are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

7. *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Certificates. The Sale Date of the Certificates is June 2, 2022.

8. *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with Stifel to form an underwriting syndicate) to participate in the initial sale of the Certificates to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Certificates to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Certificates to the Public).

All terms not defined herein shall have the same meanings as in the Tax Exemption Certificate and Agreement with respect to the Certificates, to which this Certificate is attached. The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Stifel' interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in its documents and with respect to compliance with the federal income tax rules affecting the Certificates, and by Quint & Thimmig LLP in connection with rendering its opinion that the interest on the Certificates is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the Issuer from time to time relating to the Certificates.

Dated: June 16 2022

STIFEL, NICOLAUS & COMPANY,
INCORPORATED, as Underwriter

By _____
Authorized Officer

SCHEDULE I TO ISSUE PRICE CERTIFICATE

$_____
CERTIFICATES OF PARTICIPATION
(2022 Transportation Infrastructure Financing Project)
Evidencing the Direct, Undivided Fractional Interests
of the Owners Thereof in Lease Payments to be Made by the
CITY OF MARINA
(Monterey County, California),
As the Rental for Certain Property Pursuant to a Lease Agreement with the
Public Property Financing Corporation of California

Hold-the-Offering Price Maturities (if Marked)	General Rule Maturities (if Marked)	Maturity Date (May 1)	Principal Amount	Interest Rate	Price

T Term Certificates
c Priced to the May 1, ____, par call date.

SCHEDULE II TO ISSUE PRICE CERTIFICATE

PRICING WIRE OR EQUIVALENT COMMUNICATION

PRELIMINARY OFFICIAL STATEMENT DATED MAY 23, 2022

NEW ISSUE—FULL BOOK-ENTRY

RATING:
S&P: "___"
(See "RATING" herein)

In the opinion of Quint & Thimmig LLP, Larkspur, California, Special Counsel, subject to compliance by the City with certain covenants, interest with respect to the Certificates is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals. In addition, in the opinion of Special Counsel, interest with respect to the Certificates is exempt from personal income taxation imposed by the State of California. See "TAX MATTERS" herein.

**$_____*
CERTIFICATES OF PARTICIPATION
(2022 Transportation Infrastructure Financing Project)
Evidencing the Direct, Undivided Fractional Interests
of the Owners Thereof in Lease Payments to be Made by the
CITY OF MARINA
(Monterey County, California),
As the Rental for Certain Property Pursuant to a Lease Agreement
with the Public Property Financing Corporation of California**

Dated: Date of Delivery **Due: May 1, as shown below**

The $_____* Certificates of Participation (2022 Transportation Infrastructure Financing Project) (the "Certificates"), are being sold to provide funds, together with other available moneys, to (a) finance certain infrastructure projects throughout the geographic boundaries of the City (the "City"), and (b) pay delivery costs incurred in connection with the execution, delivery and sale of the Certificates. See "PLAN OF FINANCING" herein.

The Certificates will evidence direct, undivided fractional interests of the owners thereof in Lease Payments (as defined herein) to be made by the City to the Public Property Financing Corporation of California (the "Corporation") for the use and occupancy of certain existing property of the City under and pursuant to a Lease Agreement, dated as of June 1, 2022, by and between the Corporation and the City (the "Lease Agreement"). The Corporation will assign its right to receive Lease Payments from the City under the Lease Agreement and its right to enforce payment of the Lease Payments when due or otherwise protect its interest in the event of a default by the City thereunder to U.S. Bank Trust Company, National Association, San Francisco, California, as trustee (the "Trustee"), for the benefit of the registered owners of the Certificates.

The Certificates will be executed and delivered in book-entry form only, and will be initially registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (referred to herein as "DTC"). Purchasers of the Certificates (the "Beneficial Owners") will not receive physical certificates representing their interest in the Certificates. Interest with respect to the Certificates accrues from their date of delivery, and is payable semiannually by check mailed on each May 1 and November 1, commencing November 1, 2022. The Certificates may be executed and delivered in denominations of $5,000 or any integral multiple thereof. Payments of principal and interest with respect to the Certificates will be paid by the Trustee to DTC for subsequent disbursement to DTC Participants who will remit such payments to the Beneficial Owners of the Certificates. See "THE CERTIFICATES—Book-Entry-Only System."

A reserve fund will not be funded for the Certificates.

The Certificates are subject to optional and mandatory redemption, as described herein. See "THE CERTIFICATES—Redemption."

NEITHER THE CERTIFICATES NOR THE OBLIGATION OF THE CITY TO MAKE LEASE PAYMENTS UNDER THE LEASE AGREEMENT CONSTITUTES A DEBT OR INDEBTEDNESS OF THE CITY OR THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATIONS OR RESTRICTION OR AN OBLIGATION FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION.

MATURITY SCHEDULE*

$_____ Serial Certificates

CUSIP Prefix: _____†

Maturity (May 1)	Principal Amount	Interest Rate	Yield	CUSIP Suffix†	Maturity (May 1)	Principal Amount	Interest Rate	Yield	CUSIP Suffix†

$_____ _____% Term Certificates maturing May 1, _____; Price: _____% to Yield _____%—CUSIP: _____ _____†

The cover page contains certain information for general reference only. It is not a summary of all the provisions of the Certificates. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. See "RISK FACTORS" herein for a discussion of special risk factors that should be considered, in addition to the other matters set forth herein, in evaluating the investment quality of the Certificates.

The Certificates will be offered when, as and if delivered and received by the Underwriter subject to approval by Quint & Thimmig LLP, Larkspur, California, as Special Counsel. Certain matters will be passed upon for the City by Quint & Thimmig LLP, Larkspur, California, as Disclosure Counsel, and by the City Attorney, and for the Underwriter by Stradling Yocca Carlson & Rauth, Newport Beach, California. It is anticipated that the Certificates will be available for delivery to DTC in New York, New York, on or about June 16, 2022.

STIFEL

Dated: May __, 2022

*Preliminary, subject to change.

†Copyright 2022, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, operated by Standard & Poor's. This data is not intended to create a database and does not serve in any way as a substitute for CUSIP Global Services. CUSIP numbers have been assigned by an independent company not affiliated with the City and are included solely for the convenience of the registered owners of the Certificates. Neither the City nor the Underwriter is responsible for the selection or uses of these CUSIP numbers and no representation is made as to their correctness on the Certificates or as included herein. The CUSIP number for a specific maturity is subject to being changed after the delivery of the Certificates as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Certificates.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission, as amended ("Rule 15c2-12"), this Preliminary Official Statement constitutes an "official statement" of the City with respect to the Certificates that has been deemed "final" by the City as of its date except for the omission of no more than the information permitted by Rule 15c2-12.

No dealer, broker, salesperson or other person has been authorized to give any information or to make any representation other than those contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any sale of the Certificates by a person in any jurisdiction in which it is unlawful for such person to make an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Certificates. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of facts.

The information set forth herein has been obtained from the City and from other sources and is believed to be reliable but is not guaranteed as to accuracy or completeness. The information and expressions of opinions herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. This Official Statement is submitted in connection with the sale of the Certificates referred to herein and may not be reproduced or used, in whole or in part, for any other purpose, unless authorized in writing by the City. All summaries of the Certificates, the Lease Agreement, the Trust Agreement, the Assignment Agreement, the Site and Facility Lease (each as defined herein), or other documents, are made subject to the provisions of such documents and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the Director of Finance for further information. See "INTRODUCTION—Other Information."

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE CERTIFICATES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE CERTIFICATES TO CERTAIN DEALERS, INSTITUTIONAL INVESTORS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF AND SUCH PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. No assurance is given that actual results will meet the City's forecasts in any way. Neither the City nor the Corporation is obligated to issue any updates or revisions to the forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based occur or do not occur.

The execution, sale and delivery of the Certificates has not been registered under the Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, in reliance upon exemptions provided thereunder by Sections 3(a)(2) and 3(a)(12), respectively, for the issuance and sale of municipal securities.

The City maintains a website. Unless specifically indicated otherwise, the information presented on such website is ***not*** incorporated by reference as part of this Official Statement and should not be relied upon in making investment decisions with respect to the Certificates.

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MARINA • CALIFORNIA
San Jose
101
Gilroy
Salinas
Monterey
Carmel-By-The-Sea
San Francisco
Marina
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CITY OF MARINA

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CITY COUNCIL MEMBERS

Bruce Carlos Delgado, *Mayor*
Lisa Berkley, *Councilmember, District 4*
Kathy Y. Biala, *Councilmember, District 2*
David Burnett, *Councilmember, District 1*
Cristina Medina Dirksen, *Councilmember, District 3*

CITY OFFICIALS

Layne P. Long, *City Manager*
Matthew Morgansen, *Assistant City Manager*
Juan Lopez, *Finance Director*
Brian McMinn, P.E., P.L.S., *Public Works Director/City Engineer*
Antia Sharp, *City Clerk*
Karen Tiedemann, Esq., *City Attorney*

PROFESSIONAL SERVICES

KNN Public Finance, LLC
Berkeley, California
Municipal Advisor

Quint & Thimmig LLP
Larkspur, California
Special Counsel and Disclosure Counsel

U.S. Bank Trust Company, National Association
San Francisco, California
Trustee

$_____*
CERTIFICATES OF PARTICIPATION
(2022 Transportation Infrastructure Financing Project)
Evidencing the Direct, Undivided Fractional Interests
of the Owners Thereof in Lease Payments to be Made by the
CITY OF MARINA
(Monterey County, California),
As the Rental for Certain Property Pursuant to a Lease Agreement
with the Public Property Financing Corporation of California

INTRODUCTION

This introduction does not purport to be complete, and reference is made to the body of this Official Statement, appendices and the documents referred to herein for more complete information with respect to matters concerning the captioned Certificates. Potential investors are encouraged to read this entire Official Statement. Capitalized terms used and not defined in this Introduction shall have the meanings assigned to them elsewhere in this Official Statement and in APPENDIX E—SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS—DEFINITIONS.

General

This Official Statement, including the cover page, the inside cover page and appendices hereto, is provided to furnish information in connection with the execution, sale and delivery of $_____* City of Marina Certificates of Participation (2022 Transportation Infrastructure Financing Project) (the "Certificates"). The Certificates are being executed and delivered pursuant to a Trust Agreement, dated as of June 1, 2022 (the "Trust Agreement"), by and among the City of Marina (the "City"), the Public Property Financing Corporation of California (the "Corporation") and U.S. Bank Trust Company, National Association, as trustee (the "Trustee").

The proceeds of the Certificates will provide funds to (a) finance certain transportation infrastructure improvements throughout the geographic boundaries of the City (the "Project"), and (b) pay delivery costs incurred in connection with the execution, delivery and sale of the Certificates. See "THE PROJECT."

The City will lease certain existing property and the improvements thereon (the "Property") to the Corporation pursuant to a Site and Facility Lease, dated as of June 1, 2022 (the "Site and Facility Lease"). The Corporation will lease the Property back to the City pursuant to a Lease Agreement, dated as of June 1, 2022 (the "Lease Agreement"). The Certificates are payable solely from and secured by the lease payments (the "Lease Payments") to be made by the City to the Corporation pursuant to the Lease Agreement. See "SOURCE OF PAYMENT FOR THE CERTIFICATES" and "THE PROPERTY."

Interest with respect to the Certificates is payable on May 1 and November 1 of each year, commencing November 1, 2022. The Certificates will mature in the amounts and on the dates and be payable at the interest rates shown on the cover of this Official Statement. See "THE CERTIFICATES."

* Preliminary, subject to change.

The Certificates will be delivered in fully registered form only, in the name of Cede & Co., as nominee of the Depository Trust Company, New York, New York ("DTC"). DTC will act as the depository for the Certificates and all payments due with respect to the Certificates will be made to Cede & Co., DTC's nominee. Ownership interests in the Certificates may be purchased only in book-entry form. See "THE CERTIFICATES—Book-Entry System" and APPENDIX F—DTC'S BOOK-ENTRY ONLY SYSTEM.

Source of Payment for the Certificates

The Certificates represent direct, undivided interests of the Owners thereof in the Lease Payments to be paid by the City to the Corporation pursuant to the Lease Agreement. The Lease Payments are payable by the City from its general fund for the right to use and possess the Property. The Lease Payments are subject to abatement during any period in which by reason of damage or destruction there is substantial interference with the use and occupancy by the City of the Property or any portion thereof. The City will covenant under the Lease Agreement to take such action as necessary to include the Lease Payments in its annual budget and to make all necessary appropriations therefor (subject to abatement under certain circumstances described in the Lease Agreement). Pursuant to an Assignment Agreement, dated as of June 1, 2022 (the "Assignment Agreement"), by and between the Corporation and the Trustee, the Corporation will assign to the Trustee, for the benefit of the Owners of the Certificates, certain of its rights under the Lease Agreement, including its right to receive Lease Payments from the City. See "SOURCE OF PAYMENT FOR THE CERTIFICATES—Lease Payments; Covenant to Appropriate "—Measure X Sales Tax Receipts," "—Risk Factors Related to the City's Measure X Sales Tax Receipts" and "RISK FACTORS."

A reserve fund will *not* be funded for the Certificates.

NEITHER THE CERTIFICATES NOR THE OBLIGATION OF THE CITY TO MAKE LEASE PAYMENTS UNDER THE LEASE AGREEMENT CONSTITUTES A DEBT OR INDEBTEDNESS OF THE CITY OR THE STATE OF CALIFORNIA (THE "STATE") OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATIONS OR RESTRICTION OR AN OBLIGATION FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION.

Redemption

The Certificates are subject to optional and mandatory redemption. See "THE CERTIFICATES—Redemption."

The City

The City, located in Monterey County (the "County"), was incorporated on November 13, 1975 as a charter city under the laws of the State. The City is located on California State Route 1 along the central coast of California, 8 miles (13 km) west of the city of Salinas, 8 miles (13 km) north of the city of Monterey, and adjacent to the city of Seaside and unincorporated Monterey County. The City includes an area of approximately 9.6 square miles and has a current population of approximately 22,000 residents.

The City's economy is influenced by tourism in the Monterey Bay region generally and by Cal State University Monterey Bay. A major regional shopping center for Monterey Bay region is located in the City. The City is also home to part of the California State University, Monterey Bay campus, the UC Santa Cruz Monterey Bay Education, Science and Technology Center, and the Veterans Transition Center. The City has significant land assets from the Fort Ord's closure that will support future housing and commercial development.

The City operates under a council-manager form of government. The five-member City Council (the "City Council") is comprised of a mayor elected on an at large basis by the City's voters and four other council members elected by district from within the City. Council members serve four-year terms, with two members elected every two years. The Mayor is elected for a four-year term. The City Council appoints the City Manager and the City Attorney. The City Manager is responsible for directing, coordinating and carrying out City Council policies.

The City provides police and fire protection; traffic control; on- and off-street parking; building inspections; licenses and permits; the construction and maintenance of highways, streets, and other infrastructure; recreational and cultural activities; low-income housing; and general aviation services. Water and sewer services are provided through legally separate entities.

For additional information about the City, see "THE CITY," "CITY FINANCIAL INFORMATION," APPENDIX A—GENERAL, ECONOMIC AND DEMOGRAPHIC INFORMATION RELATING TO THE CITY AND THE COUNTY and APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY FOR THE YEAR ENDED JUNE 30, 2021.

Continuing Disclosure

The City will covenant in a continuing disclosure certificate to prepare and deliver annual reports to the Municipal Securities Rulemaking Board (the "MSRB") through the MSRB's Electronic Municipal Market Access system. See "CONTINUING DISCLOSURE" and APPENDIX G—FORM OF CONTINUING DISCLOSURE CERTIFICATE.

Summaries of Documents

This Official Statement contains descriptions of the Certificates, the Trust Agreement, the Site and Facility Lease, the Lease Agreement, the Assignment Agreement and various other agreements and documents. The descriptions and summaries of documents herein do not purport to be comprehensive or definitive and reference is made to each such document for the complete details of all terms and conditions. All statements herein are qualified in their entirety by reference to each such document and, with respect to certain rights and remedies, to laws and principles of equity relating to or affecting creditors' rights generally.

Other Information

This Official Statement speaks only as of its date and the information contained herein is subject to change. Copies of documents referred to herein and information concerning the Certificates are available for inspection at the office of the City Clerk, City of Marina, 211 Hillcrest Avenue, Marina, CA 93933, Telephone: (831) 884-1278. The City may impose a charge for copying, mailing and handling.

This Official Statement is not to be construed as a contract with the purchasers of the Certificates. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. The summaries and references to documents, statutes and constitutional provisions referred to herein do not purport to be comprehensive or definitive and are qualified in their entireties by reference to each of such documents, statutes and constitutional provisions.

The information set forth herein has been obtained from sources which are believed to be reliable. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. This Official Statement is submitted in connection with the sale of the Certificates referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

ESTIMATED SOURCES AND USES OF FUNDS

The following table shows the estimated sources and uses of the proceeds from the sale of the Certificates and other moneys:

Sources	
Par Amount of the Certificates	
Plus: Original Issue Premium	
Total Sources	
Uses	
Deposit to the Project Fund [1]	
Costs of Issuance [2]	
Total Uses	

[1] Amounts deposited in the Project Fund will be used to finance a portion of the cost of the Project. See "THE PROJECT."

[4] Costs of Issuance include the Underwriter's discount, fees and expenses of the municipal advisor, special counsel, disclosure counsel and the Trustee, printing expenses, rating fees, title insurance and other costs.

THE PROJECT

A portion of the proceeds of the Certificates will be deposited into a project fund and applied to finance the Project which includes but is not limited to the construction, rehabilitation, and resurfacing of the City's street and road systems under the City's sustainable pavement management program. The City's sustainable pavement management program prioritizes sustainable construction processes and reuse of existing pavement sections while minimizing traffic disruption, reducing the number of off-haul trucking trips, and reducing costs and carbon footprint of the construction, maintenance and rehabilitation of the City's street and road systems.

THE PROPERTY

Pursuant to the Site and Facility Lease, the City will lease the Property to the Corporation. Pursuant to the Lease Agreement, the Corporation will, in turn, lease the Property back to the City. See APPENDIX E—SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS—Site and Facility Lease and APPENDIX E—SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS—Lease Agreement.

The Property consists of the Marina Public Library and the site thereof.

The library, an 18,000 square foot, wood framed facility, built in 2007, located at 190 Seaside Circle in the City. The library provides the following services: (1) books, talking books on CD, DVDs and magazines for all ages, (2) newspapers: *Monterey County Herald, Salinas Californian, Korea Times, New York Times, (3)* materials in English, Spanish, Korean and Vietnamese, (4) E-Books and E-Audio, (5) public computers with Internet, Microsoft Office, fax, scan, print, and copy, (6) public meeting rooms(s) reservation at the library front desk and online, (7) access to Westlaw, (8) two study rooms, (9) a homework Center, (10) a veterans resource center, (11) free wireless internet, (12) programs and events for children and adults, and (13) a telescope.

The library was financed from the proceeds of the City's General Obligation Bonds, Election of 2002, Series 2005, refinanced for savings in 2015. The library is operated for the City by the County pursuant to a 50-year agreement executed in 2004.

The current insured value of the library, excluding the land value, is $11,270,920.

For a description of certain terms of the Lease Agreement see "SOURCE OF PAYMENT FOR THE CERTIFICATES" and APPENDIX E—SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS—LEASE AGREEMENT.

Pursuant to the Lease Agreement, the City may substitute the Property, in whole or in part, with other properties, upon the satisfaction of certain conditions. For more information regarding the substitution of property see "SOURCE OF PAYMENT FOR THE CERTIFICATES—Substitution or Removal of Property" and APPENDIX E—SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS—LEASE AGREEMENT.

The City has not granted any security interest in the Property for the benefit of the Certificates and there is no remedy of foreclosure on the Property upon the occurrence of an Event of Default under the Lease Agreement. For a discussion of remedies upon an Event of Default under the Lease Agreement, see "RISK FACTORS—Limitations on Remedies."

DEBT SERVICE SCHEDULE

The following table shows the scheduled annual debt service for the Certificates:

Principal Payment Date (May 1)	Principal* (1)	Interest (2)	Total
Total	$_____		

*Preliminary, subject to change.

(1) Principal payments with respect to the Certificates on each May 1 are derived from Lease Payments made by the City on the preceding April 15. Includes sinking fund payments.

(2) Interest payments with respect to the Certificates on each May 1 and November 1 are derived from Lease Payments made by the City on the preceding April 15 and October 15, respectively.

THE CERTIFICATES

General

The Certificates will be executed and delivered in the aggregate principal amount and will mature on the dates and interest with respect thereto will be payable at the rates per annum as set forth on the cover page of this Official Statement. The Certificates will be delivered in the form of fully registered Certificates without coupons in the denomination of $5,000 or any integral multiple thereof. Interest with respect to the Certificates will be calculated on the basis of a 360-day year of twelve 30-day months and will be payable on May 1 and November 1 of each year, commencing November 1, 2022 (each an "Interest Payment Date"), until maturity or earlier redemption thereof. The Certificates will be initially executed, delivered and registered in the name of "Cede & Co." as nominee of DTC and will be evidenced by one Certificate maturing on each of the maturity dates in a denomination corresponding to the total principal therein designated to mature on such date. See "THE CERTIFICATES—Book-Entry System" and APPENDIX F—DTC'S BOOK-ENTRY ONLY SYSTEM.

Interest with respect to the Certificates will be payable from the Interest Payment Date next preceding the date of execution thereof, unless: (i) it is executed as of an Interest Payment Date, in which event interest with respect thereto shall be payable from such Interest Payment Date; or (ii) it is executed after a Record Date (i.e., the close of business on the 15th day of the month preceding each Interest Payment Date, whether or not such 15th day is a Business Day) and before the following Interest Payment Date, in which event interest with respect thereto shall be payable from such Interest Payment Date; or (iii) it is executed on or before March 15, 2022, in which event interest with respect thereto will be payable from its dated date; *provided, however*, that if, as of the date of execution of any Certificate, interest is in default with respect to any Outstanding Certificates, interest represented by such Certificate shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment with respect to the Outstanding Certificates. Payment of defaulted interest shall be paid by check mailed to the Owners as of a special record date to be fixed by the Trustee in its sole discretion, notice of which shall be given to the Owners not less than ten (10) days prior to such special record date.

Payment of interest due with respect to any Certificate on any Interest Payment Date will be made to the person appearing on the Registration Books as the Owner thereof as of the Record Date immediately preceding such Interest Payment Date, such interest to be paid by check mailed on the Interest Payment Date by first class mail to such Owner at his or her address as it appears on the Registration Books as of such Record Date or, upon written request filed with the Trustee prior to the Record Date by an Owner of at least $1,000,000 in aggregate principal amount of Certificates, by wire transfer in immediately available funds to an account in the United States designated by such Owner in such written request. Any such written request shall remain in effect until rescinded in writing by the Owner. The principal and redemption price with respect to the Certificates at maturity or upon prior redemption shall be payable by check denominated in lawful money of the United States of America upon surrender of the Certificates at the Principal Corporate Trust Office.

Redemption

Optional Redemption. The Certificates maturing on or before May 1, _____, are not subject to optional redemption. Certificates maturing on and after May 1, _____, are subject to redemption prior to their respective stated maturity dates, at the option of the City, from the proceeds of optional prepayments of Lease Payments made by the City pursuant to the Lease Agreement, in whole or in part, on any date on

or after May 1, _____, at a redemption price equal to the principal amount to be redeemed, together with accrued interest to the date fixed for redemption, without a premium, from the proceeds of the optional prepayment of Lease Payments made by the City pursuant to the Lease Agreement.

Mandatory Sinking Fund Redemption. The Certificates maturing on May 1, _____, are subject to mandatory redemption in part on May 1, _____, and on each May 1 thereafter, to and including May 1, _____, from the principal components of scheduled Lease Payments required to be paid by the City pursuant to the Lease Agreement with respect to each such redemption date (subject to abatement, as set forth in the Lease Agreement), at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, as follows:

Year (May 1)	Principal Amount of Certificates to be Redeemed

†Maturity.

Redemption from Net Proceeds of Insurance and Condemnation. The Certificates are subject to mandatory redemption in whole or in part on any date from the Net Proceeds of an insurance, title insurance, condemnation, or eminent domain award to the extent credited towards the prepayment of the Lease Payments by the City pursuant to the Lease Agreement, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium.

Selection of Certificates for Redemption. Whenever provision is made in the Trust Agreement for the redemption of Certificates and less than all Outstanding Certificates within a maturity are to be redeemed, Certificates of that maturity shall be selected for redemption in accordance with the rules of the Securities Depositories. For the purposes of such selection, Certificates shall be deemed to be composed of $5,000 portions and any such portion may be separately redeemed.

Notice of Redemption. The City shall be required to give the Trustee written notice of its intention to redeem Certificates at least thirty (30) days prior to the date fixed for redemption unless the Trustee otherwise agrees to a shorter period for such notice. Unless waived in writing by any Owner of a Certificate to be redeemed, notice of any such redemption shall be given by the Trustee on behalf and at the expense of the City, by mailing a copy of a redemption notice by first class mail, postage prepaid, at least twenty (20) days and not more than sixty (60) days prior to the date fixed for redemption to such Owner of the Certificate or Certificates to be redeemed at the address shown on the Registration Books maintained by the Trustee or at such other address as is furnished in writing by such Owner to the Trustee; *provided, however*, that neither the failure to receive such notice nor any defect in any notice shall affect the sufficiency of the proceedings for the redemption of the Certificates.

All notices of redemption shall be dated and shall state: (i) the redemption date; (ii) the redemption price; (iii) if less than all Outstanding Certificates of a maturity are to be redeemed, the Certificate numbers (and, in the case of partial redemption, the respective principal amounts) of the Certificates to be redeemed; (iv) that on the redemption date the redemption price will become due and payable upon each such

Certificate or portion thereof called for redemption and that interest with respect thereto shall cease to accrue from and after said date; (v) the place where such Certificates are to be surrendered for payment of the redemption price, which place of payment shall be the Designated Corporate Trust Office; (vi) the CUSIP numbers of all Certificates being redeemed; (vii) the original date of execution and delivery of the Certificates; (viii) the rate of interest payable with respect to each maturity of Certificates being redeemed; (ix) the maturity date of each Certificate being redeemed; and (x) any other descriptive information needed to identify accurately the Certificates being redeemed.

Notwithstanding the foregoing, in the case of any optional redemption of the Certificates, the notice of redemption shall state that the redemption is conditioned upon receipt by the Trustee of sufficient moneys to redeem the Certificates on the scheduled redemption date, and that the optional redemption shall not occur if, by no later than the scheduled redemption date, sufficient moneys to redeem the Certificates have not been deposited with the Trustee. In the event that the Trustee does not receive sufficient funds by the scheduled optional redemption date to so redeem the Certificates to be optionally redeemed, such event shall not constitute an Event of Default; the Trustee shall send written notice to the Owners, to the Securities Depositories and to one or more of the Information Services to the effect that the redemption did not occur as anticipated, and the Certificates for which notice of optional redemption was given shall remain Outstanding for all purposes of the Trust Agreement.

Notice of redemption having been given as aforesaid and the deposit of the redemption price having been made by the City, the Certificates or portions of Certificates so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date interest with respect to such Certificates or portions of Certificates shall cease to be payable. Upon surrender of such Certificates for redemption in accordance with said notice, such Certificates shall be paid by the Trustee at the redemption price. Upon the payment of the redemption price of Certificates being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Certificates being redeemed with the proceeds of such check or other transfer, to the extent possible. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. All Certificates which have been redeemed shall be canceled by the Trustee, shall not be redelivered and shall be destroyed pursuant to the Trust Agreement.

In addition to the foregoing notice to the Owners, notice shall also be given by the Trustee, by telecopy or other electronic transmission, registered, certified or overnight mail, to all Securities Depositories and to an Information Service which shall state the information set forth above, but no defect in said notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption.

The Trustee shall have no responsibility for a defect in the CUSIP number that appears on any Certificate or in the redemption notice. The redemption notice may provide that the CUSIP numbers have been assigned by an independent service and are included in the notice solely for the convenience of Certificate Owners and that the Trustee and the City shall not be liable in any way for inaccuracies in said numbers.

Partial Redemption of Certificate. Upon surrender of any Certificate redeemed in part only, the Trustee shall execute and deliver to the Owner thereof, at the expense of the City, a new Certificate or Certificates of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Certificate surrendered and of the same interest rate and the same maturity.

Purchase of Certificates. In lieu of redemption of Certificates, amounts held by the Trustee for such redemption may also be used on any Interest Payment Date, upon receipt by the Trustee at least ninety (90) days prior to the next scheduled Interest Payment Date of the written request of a City Representative, for the purchase of Certificates at public or private sale as and when and at such prices (including brokerage, accrued interest and other charges) as the City may in its discretion direct. Such purchases may be effected through the investment department of the Trustee or of an affiliate of the Trustee. The aggregate principal amount of Certificates of the same maturity purchased in lieu of redemption shall not exceed the aggregate principal amount of Certificates of such maturity which would otherwise be subject to such redemption. Remaining moneys, if any, shall be deposited in the Lease Payment Fund. All Certificates purchased in lieu of redemption shall be canceled by the Trustee.

Transfer and Exchange of Certificates

The registration of any Certificate may, in accordance with its terms, be transferred upon the Registration Books by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Certificate for cancellation at the Designated Corporate Trust Office of the Trustee, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed. Whenever any Certificate or Certificates shall be surrendered for registration of transfer, the Trustee shall execute and deliver a new Certificate or Certificates of the same maturity and aggregate principal amount, in any authorized denominations.

Certificates may be exchanged at the Corporate Trust Office of the Trustee, for a like aggregate principal amount of Certificates of other authorized denominations of the same maturity. The City shall pay any costs of the Trustee incurred in connection with such exchange, except that the Trustee may require the payment by the Certificate Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

Book-Entry System

The Certificates will be initially executed, delivered and registered as one fully registered certificate for each maturity, without coupons, in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository of the Certificates. Individual purchases may be made in book-entry form only, in the principal amount of $5,000 and integral multiples thereof. Purchasers will not receive physical certificates representing their interest in the Certificates purchased. Principal and interest will be paid to DTC which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Certificates as described herein. So long as DTC's book-entry system is in effect with respect to the Certificates, notices to Owners of the Certificates by the City or the Trustee will be sent to DTC. Notices and communication by DTC to its participants, and then to the beneficial owners of the Certificates, will be governed by arrangements among them, subject to then effective statutory or regulatory requirements. See APPENDIX F—DTC'S BOOK-ENTRY ONLY SYSTEM.

In the event that such book-entry system is discontinued with respect to the Certificates, the City will cause the Trustee to execute and deliver replacements in the form of registered certificates and, thereafter, the Certificates will be transferable and exchangeable on the terms and conditions provided in the Trust Agreement.

SOURCE OF PAYMENT FOR THE CERTIFICATES

General

Each Certificate represents a direct, undivided fractional interest in the Lease Payments. Pursuant to the Lease Agreement, the City will lease the Property from the Corporation and agree to make Lease Payments. See "THE PROPERTY." Upon satisfaction of certain conditions set forth in the Lease Agreement, the City may substitute the Property with other properties. See "Substitution or Removal of Property" and "Abatement" below.

As security for the Certificates, the Corporation will assign to the Trustee for the payment of principal and interest with respect to the Certificates, the Corporation's rights, title and interest in the Lease Agreement (with certain exceptions), including the right to receive Lease Payments to be made by the City under the Lease Agreement. The Lease Payments are designed to be sufficient, in both time and amount, to pay when due, the principal and interest with respect to the Certificates. The Lease Payments are payable by the City from any source of legally available funds.

THE OBLIGATION OF THE CITY TO MAKE LEASE PAYMENTS UNDER THE LEASE AGREEMENT DOES NOT CONSTITUTE AN OBLIGATION OF THE CITY FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. NEITHER THE CERTIFICATES NOR THE OBLIGATION OF THE CITY TO MAKE LEASE PAYMENTS UNDER THE LEASE AGREEMENT CONSTITUTES AN INDEBTEDNESS OF THE CITY OR THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATIONS.

Lease Payments; Covenant to Appropriate

Pursuant to the Lease Agreement, the City has agreed to make Lease Payments for the lease of the Property. Lease Payments will be made by the City to the Trustee on April 15 and October 15 in each year, in advance of the corresponding May 1 and November 1 Interest Payment Dates. The City will also pay as additional payments ("Additional Payments"), amounts required for the payment of all costs and expenses incurred by the Corporation to comply with the provisions of the Trust Agreement or in connection with the execution and delivery of the Certificates. The City has covenanted under the Lease Agreement to take such action as may be necessary to include all Lease Payments in its annual budget and to make the necessary annual appropriations for all such payments. Under certain circumstances described under the Lease Agreement, however, Lease Payments are subject to abatement during periods of substantial interference with the City's use and occupancy of the Property or any portion thereof. See "SOURCE OF PAYMENT FOR THE CERTIFICATES—Abatement."

Measure X Sales Tax Receipts

While all legally available funds of the City, primarily moneys in its general fund, are available to make Lease Payments, assuming the compliance of the Project with the Measure X Ordinance and the Measure X Guidelines (as such terms are defined herein), the City intends to use its Measure X Sales Tax receipts and the fund balance in its Transportation Safety and Investment Fund to make the Lease Payments when due.

Measure X is a three-eighths of one-percent (3/8%) transactions and use tax (the "Measure X Sales Tax") imposed on transactions in the County pursuant to Part 1.6 of Division 2 of the California Revenue and Taxation Code and the Measure X Ordinance. The "Measure X Ordinance" is Ordinance No. 2016-01 of the Board of Directors of the Transportation Agency for Monterey County ("TAMC"), originally adopted on June 24, 2015, approved by 67.7% of the voters in the County voting on such proposition in the November 8, 2016, election, as amended. The Measure X Sales Tax was approved for a 30-year duration. Collection of the Measure X Sales Tax commenced on April 1, 2017, and will terminate on April 1, 2047, if not renewed beforehand by the voters of the County. The Certificates mature on May 1, 20_____.

The Measure X Sales Tax is generally imposed upon the same transactions and items that are subject to the sales or use tax levied Statewide (the "State Sales Tax"), with generally the same exceptions. Action by the State Legislature or by voter initiative could change the transactions and items upon which the State Sales Tax and the Measure X Sales Tax are imposed. Such changes or amendments could have either an adverse or beneficial effect on Measure X Revenues.

Measure X Sales Tax collections are divided and distributed between three categories: 60% of collections are pledged to Local Road Maintenance, Pothole Repairs & Safety, 27% of collections are pledged to Regional Road Safety & Congestion Improvements, and 13% are pledged to Pedestrian & Bike Safety and Mobility Projects, in accordance with the Measure X Ordinance.

All cities within the County and the County itself are eligible to receive a portion of the 60% portion of the Measure X Sales Tax collections dedicated to Local Road Maintenance, Pothole Repairs & Safety (the "Local Pool") granted that each local jurisdiction enters into a tax sharing agreement with TAMC that mandates that certain requirements are met (the "Local Pool Requirements").

The Local Pool Requirements in the tax sharing agreements must include, among other things, (1) the submission of an annual compliance report to TAMC, (2) a maintenance of effort ("MOE") requirement that requires each local jurisdiction to annually expend an amount for streets and highways purposes not less than the annual average of its expenditures for streets and highways purposes from its general fund during the fiscal years 2010, 2011 and 2012 but not less than what was expended in fiscal year 2017 when the Measure X Sales Tax was passed (the baseline amount, as indexed to the Engineering News Record construction index), (3) that each local jurisdiction account for Measure X Sales Tax collections in a separate "Transportation Safety & Investment Plan Account" not to be comingled with other funds, and (4) the development of or participation in a pavement management program to ensure timely repairs of streets and to keep the public informed.

TAMC divides the Local Pool among the eligible cities within the County and the County itself (for the benefit of the unincorporated areas in the County) according to a formula by proportion to 50% population/50% lane miles within each local jurisdiction. Eligible local jurisdiction shares are distributed to each city and the County by the County Auditor-Controller on a quarterly basis. TAMC annually updates the Local Pool distribution formula at the beginning of each fiscal year using up-to-date Department of Finance population figures and Association of Monterey Bay Area Governments (or equivalent) lane mile data. If the number of incorporated cities changes, the Local Pool distribution formula will account for changes in population and lane miles for the new and existing jurisdictions.

Distributions of the Measure X Sales Tax receipts from the Local Pool are restricted to funding transportation purposes, including critical safety, mobility, and maintenance projects and programs and are subject to full repayment for any misuse in accordance with the Measure X Ordinance. Failure to meet Local

Pool Requirements or to comply with the Measure X Ordinance will result in the suspension of the distribution of funds from the Local Pool to the deficient local jurisdiction to be held in trust for up to two years for said jurisdiction pending remediation, after which the funds will be distributed to the remaining local jurisdictions. For additional discussion, see "Risk Factors Related to the City's Measure X Sales Tax Receipts."

The Measure X Ordinance, together with policies and project descriptions approved by TAMC on in 2016 relating to the administration and use of the Measure X Sales Tax (the "Measure X Guidelines") allow for local agencies, such as the City to expend Measure X Sales Tax receipts for improvements authorized by the Measure X Ordinance.

The City has annually submitted a compliance report to TAMC affirming its satisfaction of the Local Pool Requirements and its compliance with the Measure X Ordinance and Measure X Guidelines. The City's compliance reports are available on the TAMC website at: https://www.tamcmonterey.org/city-and-county-annual-reports-on-measure-x-spending. Such website is not incorporated herein by this reference.

The City first received a share of the Local Pool of Measure X Sales Tax Receipts from TAMC during its 2017-18 fiscal year. The City accounts for its Measure X Sales Tax distributions in its Transportation Safety and Investment Fund. The City transfers amounts from its Transportation Safety and Investment Fund to its Measure X – Capital Projects Fund for reimbursement as expenditures are made for eligible Measure X capital improvement projects.

The following table sets forth a history the audited amount of Measure X Sales Tax Receipts the City has received from TAMC, the amounts transferred from the City's Transportation Safety and Investment Fund to the City's Measure X – Capital Projects Fund, the net change in the City's Transportation Safety and Investment Fund balance, and the end of year fund balances for the Transportation Safety and Investment Fund. No assurance can be provided that future Measure X Sales Tax Receipts.

Table 1
CITY OF MARINA
TRANSPORTATION SAFETY AND INVESTMENT FUND
MEASURE X SALES TAX RECEIPTS AND CHANGES IN FUND BALANCE

Fiscal Year Ending June 30,	Measure X Sales Tax Receipts [1]	Transfers to Measure X Capital Projects Fund [2]	Net Change in Fund Balance [3]	End of Year Fund Balance
2018	$618,260	$500,000	$118,260	$118,260
2019	886,241	503,500	429,134	547,394
2020	680,105	600,000	80,043	627,437
2021	847,410	600,000	243,772	871,209
2022[4]	954,000			

Sources: City of Marina Annual Comprehensive Financial Reports for fiscal years 2018-21.

(1) Amount represents the City's portion of the Measure X Sales Tax Local Pool distributed by TAMC to local jurisdictions within the County on a per capita and per lane mile basis. The City deposits Measure X Sales Tax receipts from TAMC in its Transportation Safety and Investment Fund.

(2) The City transfers amounts from its Transportation Safety and Investment Fund to its Measure X – Capital Projects Fund to reimburse expenditures on eligible transportation projects.

(3) Represents Measure X Sales Tax Receipts received, plus revenues from use of money and property, less public works expenditures for staff time and transfers out to the City's Measure X – Capital Projects Fund.

(4) Projected.

The City is permitted to use its Measure X Sales Tax receipts and the fund balances in its Transportation Safety and Investment Fund to make the Lease Payments.

Based upon estimated Measure X Sales Tax Receipts in fiscal year 2022-23 of $980,000 and estimated Lease Payments of $_____, Measure X Sales Tax Receipts will provide a debt service coverage ratio of _____%.

Risk Factors Related to the City's Measure X Sales Tax Receipts

Non-Compliance with Guidelines. In connection with the Measure X Ordinance, TAMC has adopted the Measure X Guidelines. The Measure X Guidelines include provisions that must be complied with by the City to ensure continued eligibility to receive Measure X Sales Tax distributions. Failure to follow these provisions could result in the suspension of distributions of Measure X Sales Tax, the return of such tax to TAMC or the requirement of the City to replenish its "Measure X Local Return" account with available funds other than Measure X Sales Tax. TAMC performs annual audits to monitor compliance with the provisions of the Measure X Guidelines.

Under the Measure X Guidelines, the City is permitted to expend Measure X Sales Tax monies only on those transportation purposes identified in the Measure X Guidelines. If the City is found to have expended funds on transportation purposes that do not meet the requirements of the Measure X Guidelines the City will be required to remit the amount of the unapproved expenditures to TAMC. If TAMC determines that Measure X Sales Tax was expended on projects that do not meet the Guidelines' definition of transportation purposes, then the City will be required to reimburse its Measure X Sales Tax account in an amount equal to the non-qualifying expenditures plus interest, and could also face a suspension of disbursements of Measure X Sales Tax for a period of three years. If such a suspension were imposed, the

City would not receive any Measure X Sales Tax during the term of the suspension, which may have an adverse impact on the City's ability to pay the Lease Payments on a timely basis.

In addition, the failure of the City to properly verify that all Measure X Sales Tax related revenue, including Measure X Sales Tax allocations to the City, project-generated revenues, and interest income, was properly credited to its Transportation Safety and Investment Fund could result in the suspension of Measure X Sales Tax disbursements until the City has demonstrated to TAMC that all such Measure X Sales Tax allocable to the City has been credited to the City's Transportation Safety and Investment Fund. If the City fails to properly credit its Measure X Sales Tax related revenue to its Transportation Safety and Investment Fund, TAMC could suspend the distribution of Measure X Sales Tax until the City has demonstrated compliance with the Measure X Ordinance and the Measure X Guidelines. of and interest on the 2019A Bonds on a timely basis.

The Measure X Guidelines also require the local agencies, including the City, to maintain their individual local commitment of funds for transportation projects and services that was expended prior to the receipt of the Measure X Sales Tax (the "MOE"). If the local agency fails to maintain the MOE, then such local agency will be required to reimburse its account with available funds other than Measure X Sales Tax monies.

The Measure X Guidelines additionally require that the City annually submit an expenditure plan and an expenditure report to TAMC to remain legally eligible to receive Measure X Sales Tax. If the City fails to submit these items to TAMC, the City may be determined to be legally ineligible to receive Measure X Sales Tax receipts to which it would otherwise be entitled.

The City has annually submitted compliance reports to TAMC affirming its satisfaction of the Local Pool Requirements and its compliance with the terms of the Measure X Ordinance and the Measure X Guidelines. For additional discussion, see "Measure X Sales Tax Receipts."

Economic, Political, Social and Environmental Conditions. The collection of Measure X Sales Tax depends on the level of taxable sales transactions within the County, which, in turn, depends on the level of general economic activity in the County and the State generally. Changes in economic, political, social or environmental conditions on a local, State, federal or international level may adversely affect investment risk generally. Such conditional changes may include (but are not limited to) the reduction or elimination of previously available State or federal revenues, fluctuations in business production, consumer prices or financial markets, unemployment rates, technological advancements, shortages or surpluses in natural resources or energy supplies, changes in law, social unrest, fluctuations in the crime rate, political conflict, acts of war or terrorism environmental damage and natural disasters.

During fiscal year 2019-20 and fiscal year 2020-21, Measure X Sales Tax Receipts were affected by the COVID-19 Pandemic. Reductions in County-wide Measure X Sales Tax collections lead to a reduction of the amounts of Measure X Sales Tax Receipts in the Local Pool for distribution to the City and the other eligible local jurisdiction. While the City expects that Measure X Sales Tax collections will increase as the COVID-19 Pandemic wanes, the City is unable to predict with certainty whether its Measure X Sales Tax receipts will increase or decrease in the future.

Insurance

The City is required to keep or cause to be kept casualty insurance against loss or damage by fire and lightning, with extended coverage and vandalism and malicious mischief insurance, in an amount at least equal to the lesser of (i) 100% of the replacement cost (without deducting for depreciation) of the Property and (ii) the aggregate principal amount of Certificates at the time outstanding. Such insurance shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance.

To insure against loss of rental income caused by perils mentioned above, the City is required to maintain, or cause to be maintained throughout the term of the Lease Agreement, rental interruption or use and occupancy insurance to cover loss, total or partial, of the use of any part of the Property as a result of any of the hazards described above in an amount at least equal to the maximum Lease Payments coming due and payable during any two consecutive fiscal years during the remaining term of the Lease Agreement.

Public liability and property damage insurance coverage is required in the minimum liability limits of $1,000,000 for personal injury or death of each person and $3,000,000 for personal injury or deaths of two or more persons in each accident or event, and in a minimum amount of $150,000 (subject to a deductible clause of not to exceed $250,000, or such higher amount as the City shall determine, provided that such higher deductible shall be considered a self-insured retention) for damage to property resulting from each accident or event. Such public liability and property damage insurance may, however, be in the form of a single limit policy in the amount of $3,000,000 covering all such risks. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance coverage carried by the City and may be maintained in the form of insurance maintained through a joint exercise of powers authority created for such purpose or in the form of self-insurance by the City. The net proceeds of such liability insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which the insurance proceeds shall have been paid.

The City shall provide, from moneys in the Costs of Issuance Fund or at its own expense, on the Closing Date, a CLTA title insurance policy in the amount of not less than the principal amount of the Certificates, insuring the City's leasehold estate in the Property, subject only to Permitted Encumbrances.

See APPENDIX E—SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS—LEASE AGREEMENT—Insurance.

Abatement

Pursuant to the Lease Agreement, Lease Payments shall be abated during any period in which, by reason of damage or destruction, there is substantial interference with the use and occupancy by the City of the Property or any portion thereof (other than any modified portions of the Property as described in the Lease Agreement) to the extent to be agreed upon by the City and the Corporation and communicated by a City Representative to the Trustee. The parties agree that the amounts of the Lease Payments under such circumstances shall not be less than the amounts of the unpaid Lease Payments, unless such unpaid amounts are determined to be greater than the fair rental value of the portions of the Property not damaged or destroyed), based upon any appropriate method of valuation, in which event the Lease Payments shall be abated such that they represent said fair rental value. Such abatement shall continue for the period commencing with such damage or destruction and ending with the substantial completion of the work of repair or reconstruction as communicated by a City Representative to the Trustee. In the event of any such

damage or destruction, this Lease Agreement shall continue in full force and effect and the City waives any right to terminate this Lease Agreement by virtue of any such damage and destruction. Notwithstanding the foregoing, there shall be no abatement of Lease Payments to the extent that (a) the proceeds of rental interruption insurance or (b) amounts in the Insurance and Condemnation Fund and/or the Lease Payment Fund are available to pay Lease Payments which would otherwise be abated, it being hereby declared that such proceeds and amounts constitute special funds for the payment of the Lease Payments. If an abatement event has occurred but remedied, the City shall be required to extend the Term of this Lease Agreement, as described in the Lease Agreement, so that amounts abated are recouped. See "SOURCE OF PAYMENT FOR THE CERTIFICATES—Insurance," APPENDIX E—SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS—Lease Agreement—Insurance and APPENDIX E—SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS—Lease Agreement—Abatement of Rental Payments in the Event of Damage or Destruction.

Eminent Domain

Pursuant to the Lease Agreement, if all of the Property is taken permanently under the power of eminent domain or sold to a government threatening to exercise the power of eminent domain, the term of the Lease Agreement shall cease as of the day possession shall be so taken. If less than all of the Property is taken permanently, or if the Property or any part thereof shall be taken temporarily, under the power of eminent domain, (1) the Lease Agreement shall continue in full force and effect and shall not be terminated by virtue of such taking and the parties waive the benefit of any law to the contrary, and (2) there shall be a partial abatement of Lease Payments as a result of the application of the Net Proceeds of any eminent domain award to the prepayment of the Lease Payments, in an amount to be agreed upon by the City and the Corporation such that the resulting Lease Payments represent fair consideration for the use and occupancy of the remaining usable portion of the Property.

No Reserve Fund

A reserve fund will *not* be funded for the Certificates.

Optional Prepayment

Pursuant to the Lease Agreement, the City has an option to prepay the principal components of the Lease Payments in full, by paying the aggregate unpaid principal components of the Lease Payments, in whole or in part, in a prepayment amount equal to the principal amount of Lease Payments to be prepaid, together with accrued interest to the date fixed for prepayment, with a premium as described above for the redemption of Certificates. See "THE CERTIFICATES—Prepayment—Optional Prepayment."

Said option may be exercised by the City on any date on or after September 15, 2031. In the event of prepayment in part, the partial prepayment will be applied against Lease Payments in such order of payment date as will be selected by the City. Lease Payments due after any such partial prepayment will be in the amounts set forth in a revised Lease Payment schedule which will be provided by, or caused to be provided by, the City to the Trustee and which will represent an adjustment to the schedule set forth in the Lease Agreement taking into account said partial prepayment.

Prepayment from Net Proceeds of Insurance and Condemnation

The City shall be obligated to prepay the Lease Payments for the Property, in whole or in part on any date, from and to the extent of any Net Proceeds of insurance award or condemnation award with respect to the Property that have been deposited with the Trustee in the Lease Payment Fund for such purpose. Such proceeds shall be applied to the prepayment of the principal component of the Lease Payments and the prepayment of the Certificates. See "THE CERTIFICATES—Prepayment—Prepayment from Net Proceeds of Insurance and Condemnation."

Substitution of Property

Substitution of Site or Facility. The City shall have, and is hereby granted, the option at any time and from time to time during the Term of the Lease Agreement to substitute other land (a "Substitute Site") and/or a substitute facility (a "Substitute Facility") for the Site (the "Former Site"), or a portion thereof, and/or the Facility (the "Former Facility"), or a portion thereof, provided that the City shall satisfy all of the following requirements (to the extent applicable) which are hereby declared to be conditions precedent to such substitution:

(i) If a substitution of the Site, the City shall file with the Corporation and the Trustee an amended Exhibit A to the Site and Facility Lease which adds thereto a description of such Substitute Site and deletes therefrom the description of the Former Site;

(ii) If a substitution of the Site, the City shall file with the Corporation and the Trustee an amended Exhibit A to the Lease Agreement which adds thereto a description of such Substitute Site and deletes therefrom the description of the Former Site;

(iii) If a substitution of the Facility, the City shall file with the Corporation and the Trustee an amended Exhibit B to the Site and Facility Lease which adds thereto a description of such Substitute Facility and deletes therefrom the description of the Former Facility;

(iv) If a substitution of the Facility, the City shall file with the Corporation and the Trustee an amended Exhibit B to the Lease Agreement which adds thereto a description of such Substitute Facility and deletes therefrom the description of the Former Facility;

(v) The City shall certify in writing to the Corporation and the Trustee that such Substitute Site and/or Substitute Facility serve the purposes of the City, constitutes property that is unencumbered, subject to Permitted Encumbrances, and constitutes property which the City is permitted to lease under the laws of the State;

(vi) The City delivers to the Corporation and the Trustee an Officer's Certificate of the City based on insurance values or any other reasonable basis of valuation received by the City (which need not require an appraisal) that the value of the Property following such substitution is equal to or greater than the Outstanding principal amount of the Certificates and confirms in writing to the Trustee that the indemnification provided pursuant to the Trust Agreement applies with respect to the Substitute Site and/or Substitute Facility;

(vii) The Substitute Site and/or Substitute Facility shall not cause the City to violate any of its covenants, representations and warranties made herein and in the Trust Agreement, as evidenced by an officer's certificate delivered to the Trustee;

(viii) The City shall obtain an amendment to the title insurance policy required pursuant to the Lease Agreement which adds thereto a description of the Substitute Site and deletes therefrom the description of the Former Site;

(ix) The City shall provide notice of the substitution to any rating agency then rating the Certificates which rating was provided at the request of the City or the Corporation; and

(x) The City shall furnish the Corporation and the Trustee with a written opinion of Special Counsel, which shall be an Independent Counsel, stating that such substitution does not cause the interest components of the Lease Payments to become subject to federal income taxes or State personal income taxes.

Release of Site. The City shall have, and is hereby granted, the option at any time and from time to time during the Term of the Lease Agreement to release any portion of the Site, provided that the City shall satisfy all of the following requirements which are hereby declared to be conditions precedent to such release:

(i) The City shall file with the Corporation and the Trustee an amended Exhibit A to the Site and Facility Lease which describes the Site, as revised by such release;

(ii) The City shall file with the Corporation and the Trustee an amended Exhibit A to the Lease Agreement which describes the Site, as revised by such release;

(iii) The City delivers to the Corporation and the Trustee an Officer's Certificate of the City based on insurance values or any other reasonable basis of valuation received by the City (which need not require an appraisal) that the value of the Property, as revised by such release, is equal to or greater than the Outstanding principal amount of the Certificates and confirms in writing to the Trustee and the Corporation that the indemnification provided pursuant to the Trust Agreement applies with respect to the Site, as revised by such release;

(iv) Such release shall not cause the City to violate any of its covenants, representations and warranties made herein and in the Trust Agreement, as evidenced by an officer's certificate delivered to the Trustee;

(v) The City shall obtain an amendment to the title insurance policy required pursuant to the Lease Agreement which describes the Site, as revised by such release; and

(vi) The City shall provide notice of the release to any rating agency then rating the Certificates which rating was provided at the request of the City or the Corporation.

Release of Facility. The City shall have, and is hereby granted, the option at any time and from time to time during the Term of the Lease Agreement to release any portion of the Facility, provided that the City shall satisfy all of the following requirements which are hereby declared to be conditions precedent to such release:

(i) The City shall file with the Corporation and the Trustee an amended Exhibit B to the Site and Facility Lease which describes the Facility, as revised by such release;

(ii) The City shall file with the Corporation and the Trustee an amended Exhibit B to the Lease Agreement which describes the Facility, as revised by such release;

(iii) The City delivers to the Corporation and the Trustee an Officer's Certificate of the City based on insurance values or any other reasonable basis of valuation received by the City (which need not require an appraisal) that the value of the Property, as revised by such release, is equal to or greater than the Outstanding principal amount of the Certificates and confirms in writing to the Trustee and the Corporation that the indemnification provided pursuant to the Trust Agreement applies with respect to the Facility, as revised by such release;

(iv) Such release shall not cause the City to violate any of its covenants, representations and warranties made herein and in the Trust Agreement, as evidenced by an officer's certificate delivered to the Trustee; and

(v) The City shall provide notice of the release to any rating agency then rating the Certificates which rating was provided at the request of the City or the Corporation.

Events of Default and Remedies

The following shall be "events of default" under the Lease Agreement:

(a) Failure by the City to pay any Lease Payment or other payment required to be paid hereunder at the time specified herein.

(b) Failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed under the Lease Agreement (including failure to request appropriation pursuant thereunder) or under the Trust Agreement, other than as referred to in clause (a) above, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to the City by the Corporation, the Trustee or the Owners of not less than five percent (5%) in aggregate principal amount of Certificates then outstanding; provided, however, if the failure stated in the notice can be corrected, but not within the applicable period, the Corporation, the Trustee (as directed by such Owners of not less than 5% in aggregate principal amount of Certificates then Outstanding) and such Owners shall not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the City within the applicable period and diligently pursued until the default is corrected.

(c) The filing by the City of a voluntary petition in bankruptcy, or failure by the City promptly to lift any execution, garnishment or attachment, or adjudication of the City as a bankrupt, or assignment by the City for the benefit of creditors, or the entry by the City into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the City in any proceedings instituted under the provisions of the Federal Bankruptcy Act, as amended, or under any similar acts which may hereafter be enacted.

Whenever any event of default shall have happened and be continuing, it shall be lawful for the Corporation to exercise any and all remedies available pursuant to law or granted pursuant to the Lease

Agreement; *provided, however*, that notwithstanding anything in the Lease Agreement or in the Trust Agreement to the contrary, there shall be no right under any circumstances to accelerate the Lease Payments or otherwise declare any Lease Payments not then in default to be immediately due and payable. Each and every covenant to be kept and performed by the City under the Lease Agreement is expressly made a condition and upon the breach thereof the Corporation may exercise any and all rights of entry and re-entry upon the Property, and also, at its option, with or without such entry, may terminate the Lease Agreement. In the event of such default and notwithstanding any re-entry by the Corporation, the City shall, as expressly provided in the Lease Agreement, continue to remain liable for the payment of the Lease Payments and/or damages for breach of the Lease Agreement and the performance of all conditions contained in the Lease Agreement and, in any event, such rent and/or damages shall be payable to the Corporation at the time and in the manner as provided in the Lease Agreement.

Amendment of Lease Agreement

Except as provided below, without the prior written consent of the Trustee, the City will not alter, modify or cancel, or agree or consent to alter, modify or cancel the Lease Agreement, excepting only such alteration or modification as may be permitted by the Trust Agreement.

THE CITY

The City, located in the County, was incorporated on November 13, 1975 as a charter city under the laws of the State. The City is located on California State Route 1 along the central coast of California, 8 miles (13 km) west of the city of Salinas, 8 miles (13 km) north of the city of Monterey, and adjacent to the city of Seaside and unincorporated Monterey County. The City includes an area of approximately 9.6 square miles and has a current population of approximately 22,000 residents. The City is located adjacent to the former Fort Ord, a US Army installation which closed in 1994 during the country's base closure initiative.

The City operates under a council-manager form of government. The five-member City Council is comprised of a mayor elected on an at large basis by the City's voters and four other council members elected by district from within the City. Council members serve four-year terms, with two members elected every two years. The Mayor is elected for a four-year term. The City Council appoints the City Manager and the City Attorney. The City Manager is responsible for directing, coordinating and carrying out City Council policies.

The City provides police and fire protection; traffic control; on- and off-street parking; building inspections; licenses and permits; library services; the construction and maintenance of highways, streets, and other infrastructure; recreational and cultural activities; low-income housing; and general aviation services. Water and sewer services are provided through legally separate entities.

The City's economy is influenced by tourism in the Monterey Bay region generally and Cal State University Monterey Bay. A major regional shopping center for Monterey Bay region is located in the City. The City is also home to part of the California State University, Monterey Bay campus, the UC Santa Cruz Monterey Bay Education, Science and Technology Center, and the Veterans Transition Center. The City has significant land assets from the Fort Ord's closure that will support future housing and commercial development.

Numerous development projects in the City are currently ongoing, which, upon completion, will add thousands of residential units and hundreds of thousands of additional square feet of commercial retail and light industrial property. For additional information about development within the City, see the City's website at https://www.cityofmarina.org/186/Development-Projects-and-Opportunities. The contents of such website are not included herein by this reference.

See APPENDIX A—GENERAL, ECONOMIC AND DEMOGRAPHIC INFORMATION RELATING TO THE CITY AND THE COUNTY for an additional description of the City as well as certain demographic and statistical information.

CITY FINANCIAL INFORMATION

Financial Statements and Budgetary Process

The City's accounting policies conform to generally accepted accounting principles. The audited financial statements also conform to the principles and standards for public financial reporting established by the Governmental Accounting Standards Board.

Basis of Accounting and Financial Statement Presentation. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Audited Financial Statements. The City retained Chavan & Associates, LLP, San Jose, California (the "City's Auditor"), to examine the general-purpose financial statements of the City as of and for the year ended June 30, 2021. The audited financial statements for fiscal year ended June 30, 2021, are included in APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2021. The City has not requested, and the City's Auditor has not provided, any review or update of such financial statements in connection with their inclusion in this Official Statement.

Budget Process. The Council adopts a budget for the fiscal year by June 30 preceding the beginning of the fiscal year on July 1. The City has adopted a two-year budget process which includes two discrete single year budgets and is the foundation for the City's financial planning and control. The City's budgets are prepared by fund, function (e.g., public safety), and department (e.g., police). The City's proposed budgets must be balanced, with balanced being defined as the anticipated annual fiscal expenditures not exceeding the annual fiscal revenues less non-recurring fund transfers. Department heads may transfer resources within a department as they see fit. Transfers between departments, however, need special approval from the governing council. The City makes mid-cycle budget adjustments halfway through its two-year budget process.

Certain of the City's revenues are collected and dispersed by the State (such as sales tax and motor-vehicle license fees) or allocated in accordance with State law (most importantly, property taxes). Therefore, State budget decisions can have an impact on City finances. See "STATE BUDGET INFORMATION."

General Fund Balance Sheet

The following table shows the City's audited General Fund balance sheets for the five most recent fiscal years.

Table 2
CITY OF MARINA
GENERAL FUND BALANCE SHEET
Fiscal Years 2016-17 through 2020-21

	Fiscal Year Ending June 30,				
	2017 Audited	2018 Audited	2019 Audited	2020 Audited	2021 Audited
ASSETS					
Cash and investments	$ 8,655,971	$12,702,117	$17,090,572	$16,753,056	$26,186,143
Restricted cash and investments	702	1,719	4,065	547,977	235,609
Accounts receivable, net	2,276,226	2,120,618	3,075,664	2,932,187	3,154,752
Receivable from sale of land	-	-	-	6,283,000[(1)]	-
Due from Successor Agency	243,713	137,343	-	703,573	-
Advances to other funds	75,000	1,640,197	-	-	-
Prepaid expenses	12,000	12,000	12,000	-	-
Notes receivable	-	-	115,651	194,992	183,634
Total Assets	11,263,612	16,613,994	20,297,952	27,414,785	29,760,138
LIABILITIES					
Accounts payable	976,885	1,211,100	1,306,196	1,344,377	754,498
Accrued payroll and benefits	408,990	256,119	295,008	499,922	586,599
Deposits and other liabilities	285,441	500,938	585,326	468,521	815,666
Advances from other funds	50,000	1,640,197	-	-	-
Total Liabilities	1,721,316	3,608,354	2,186,530	2,312,820	2,156,763
DEFERRED INFLOWS					
Unavailable revenues	454,248	439,457	687,185	595,729	474,539
FUND BALANCES					
Nonspendable	530,713	530,713	12,000	-	-
Restricted	211,371	511,371	239,497	595,729	235,609
Committed	7,027,012	7,367,012	9,644,438	10,597,489	11,457,490
Unassigned	1,318,952	4,157,087	7,528,302	13,313,018	15,435,737
Total Fund Balances	9,088,048	12,566,183	17,424,237	24,506,236	27,128,836
Total Liabilities, Deferred Inflows and Fund Balances	11,263,612	16,613,994	20,297,952	27,414,785	29,760,138

Sources: City of Marina Annual Comprehensive Financial Reports for Fiscal Years 2016-17 through 2021-21.

(1) During 2020, the Fort Ord Reuse Authority ("FORA") sold parcels of land known collectively known as "The Dunes Phase 2" for $13,500,000. The City had a 50% interest in the parcels and received its cash share of the sales proceeds of $6,283,000 in July, 2020.

General Fund Revenues, Expenditures, and Changes in Fund Balances

The following tables shows the City's audited results for General Fund revenues and expenditures for fiscal years 2018-19 through 2020-21 and budgeted projections for fiscal years 2021-22 and 2022-23.

Table 3
CITY OF MARINA
GENERAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Fiscal Years 2018-19 through 2022-23

	Fiscal Year Ending June 30,				
	2019 Audited	2020 Audited	2021 Audited	2022 Budgeted [1]	2023 Budgeted [1]
REVENUES					
Taxes and assessments	$18,859,358	$19,520,453	$20,988,247	$23,002,770	$23,025,930
Licenses, permits and fees	2,346,192	1,962,170	2,446,456	2,091,500	2,096,390
Fines and forfeitures	102,543	60,958	95,186	63,050	63,063
Intergovernmental	718,985	1,091,046	1,626,524	675,700	385,700
Charges for services	3,313,868	3,858,109	3,802,810	3,534,715	3,536,932
Investment earnings	334,220	522,780	323,971	530,620	530,620
Other revenues	162,455	181,467	466,679	49,440	49,440
Total Revenues	25,837,621	27,226,983	29,749,873	29,947,795	29,688,075
EXPENDITURES					
General government	4,662,294	5,310,317	6,689,562	7,602,087	8,644,256
Public safety	10,300,132	11,281,745	12,046,544	12,224,080	11,808,685
Public works	1,356,463	1,611,913	1,687,981	1,952,679	1,970,187
Economic & community development	2,495,050	2,304,699	2,492,190	2,897,240	2,912,253
Recreation & cultural services	964,602	923,961	770,898	1,168,303	1,177,372
Capital outlay	183,192	1,114,823	921,593	70,000	40,000
Debt Service - Principal	145,000	154,692	188,516	186,000	186,000
Debt Service - Interest	7,787	30,656	27,295	-	-
Total Expenditures	20,114,520	22,732,806	24,824,579	26,100,389	26,738,753
REVENUES OVER EXPENDITURES	5,723,101	4,494,177	4,925,294	3,847,406	2,949,322
OTHER FINANCING SOURCES					
Sale of capital assets	-	6,283,000[2]	-	-	-
Proceeds from lease	-	-	277,704	-	-
Transfers in	148,202	343,147	148,102	148,102	148,102
Transfers out	(1,013,249)	(4,038,325)	(2,728,500)	(10,142,000)	(1,612,000)
Total Other Financing Sources	(865,047)	2,587,822	(2,302,694)	(9,993,898)	(1,463,898)
NET CHANGE IN FUND BALANCES	4,858,054	7,081,999	2,622,600	(6,146,492)	1,485,424
FUND BALANCES – BEGINNING OF YEAR	12,566,183	17,424,237	24,506,236	27,128,836	20,982,344
FUND BALANCES – END OF YEAR	17,424,237	24,506,236	27,128,836	20,982,344	22,467,768

Source: City of Marina Annual Comprehensive Financial Report for Fiscal Years 2017-18 through 2020-21 data and City of Marina for 2021-22 data.
(1) FY2021-22 and FY2022-23 budgeted data is from the City's Mid-Cycle Budget Adjustments, as adopted on May 3, 2022.
(2) Land donated to the City by FORA was sold as a part of FORA's dissolution.

General Fund Budget

The following table shows the City's General Fund budget figures for fiscal year 2019-20 and 2020-21, including a comparison of the City's initial budget, final budget, audited actual for each year.

Table 4
CITY OF MARINA
GENERAL FUND BUDGET COMPARISON
Fiscal Years 2019-20 and 2020-21

	Fiscal Year Ending June 30, 2020			Fiscal Year Ending June 30, 2021		
	Adopted Budget	Final Budget	Audited Actuals	Adopted Budget	Final Budget	Audited Actuals
REVENUES						
Taxes and assessments	$19,939,500	$19,939,500	$19,520,453	$16,392,500	$18,493,317	$20,988,247
Licenses, permits and fees	2,100,000	2,100,000	1,962,170	1,780,000	1,780,000	2,446,456
Fines and forfeitures	63,050	63,050	60,958	163,050	163,050	95,186
Intergovernmental	424,700	424,700	1,091,046	618,700	1,695,891	1,626,524
Charges for services	965,730[1]	965,730[1]	3,858,109[1]	2,956,830	2,958,830	3,802,810
Investment earnings	300,000	300,000	522,780	275,000	275,000	323,971
Other revenues	65,440	65,440	181,467	205,440	210,440	466,679
Total Revenues	23,858,420	23,858,420	27,226,983	22,391,520	25,576,528	29,749,873
EXPENDITURES						
General government	5,225,050	5,584,830	5,310,317	4,894,710	6,222,160	6,689,562
Public safety	11,234,190	11,234,190	11,281,745	11,282,100	12,027,006	12,046,544
Public works	2,090,250	2,090,250	1,611,913	1,651,800	1,651,800	1,687,981
Economic & community development	2,488,037	2,488,037	2,304,699	2,000,897	2,014,791	2,492,190
Recreation & cultural services	1,153,260	1,153,260	923,961	823,860	823,860	770,898
Capital outlay	597,300	1,633,533	1,114,823	865,500	865,500	921,593
Debt Service - Principal	185,000	185,000	154,692	185,000	185,000	188,516
Debt Service - Interest	-	-	30,656	-	-	27,295
Total Expenditures	22,973,087	24,369,100	22,732,806	21,703,867	23,790,117	24,824,579
REVENUES OVER EXPENDITURES	885,333	(510,680)	4,494,177	687,653	1,786,411	4,925,294
OTHER FINANCING SOURCES						
Sale of capital assets	-	-	6,283,000	-	-	-
Proceeds from lease	-	-	-	-	-	277,704
Transfers in	2,379,247[1]	2,379,247[1]	343,147[1]	148,102	148,102	148,102
Transfers out	(3,892,300)	(3,983,325)	(4,038,325)	(2,262,000)	(2,728,500)	(2,728,500)
Total Other Financing Sources	(1,513,053)	(1,604,078)	2,587,822	(2,113,898)	(2,580,398)	(2,302,694)
NET CHANGE IN FUND BALANCES	(627,720)	(2,114,758)	7,081,999	(1,426,245)	(793,987)	2,622,600
FUND BALANCES – BEGINNING OF YEAR			17,424,237			24,506,236
FUND BALANCES – END OF YEAR			24,506,236			27,128,836

Source: City of Marina Annual Comprehensive Financial Reports for Fiscal Year 2019-20 and Fiscal Year 2020-21.

(1) In FY2019-20 the City accounted for certain amounts related to revenues generated from services provided to the Preston Park and Abrams Park developments as "transfers in" for budgeting purposes but as "charges for services" in its audited actuals.

City Financial Management

The City Council has adopted a comprehensive set of financial management policies to provide for: (i) establishing targeted General Fund reserves; (ii) the prudent investment of City funds, and (iii) management of debt. The City's practice is to incur debt only after deliberation over the effect of such debt on the City's General Fund and other resources of the City, and in those circumstances where the use of debt would be appropriate to the scale and economic life of the asset being financed and the accumulation or availability of reserves to fund the capital requirement.

General Fund Reserve Policy. The City's Reserve Policy was most recently updated in 2020 and sets a goal of a 20% of budgeted General Fund revenues. The City achieved its reserve policy target in FY2020-21 and has budgeted to achieve maintain at reserves of at least 20% of budgeted general fund revenues in FY2021-22 and FY2022-23.

Investment Policy. The investment of funds of the City (except pension and retirement funds) is made in accordance with the City's Investment Policy, most recently approved on October 2, 2018 (the "Investment Policy"), prepared by the City Treasurer as authorized by section 53601 of the Government Code of California. The Investment Policy allows for the purchase of a variety of securities and provides for limitations as to exposure, maturity and rating which vary with each security type. The composition of the portfolio will change over time as old investments mature, or are sold, and as new investments are made. Invested funds are managed to ensure preservation of capital through high quality investments, maintenance of liquidity and then yield. Further, operating funds may not be invested in any investment with a maturity greater than five years.

Debt Management Policy. In accordance with section 8855(i) of the California Government Code the City adopted a debt management policy on May 1, 2018, to establish conditions for the use of debt; to ensure that debt capacity and affordability are adequately considered; to minimize the City's interest and issuance costs; to maintain the highest possible credit rating; to provide complete financial disclosure and reporting; and to maintain financial flexibility for the City.

Primary Sources of General Fund Revenues

The City relies on several sources to balance its General Fund budget. The most important of these revenue sources (based on percentage of the total revenue budget) are property taxes, which typically account for approximately 25% of the City's General Fund revenues. The City's second largest General Fund revenue source is sales and use taxes, which typically account for 25% of the City's General Fund revenues. Charges for services are the General Fund's third largest revenue source, typically accounting for approximately 13% of the City's General Fund Revenues. Transient occupancy taxes, the General Fund's fourth largest revenue source, typically account for 10% of the City's General Fund revenues. The City also levies taxes on franchises and cardrooms, which typically account for under 5% of the City's General Fund revenues. Together these five primary sources of General Fund revenues have constituted approximately 80% of the City's General Fund revenues in recent years.

The table below shows the City's primary general fund revenue sources for the three most recent fiscal years and budgeted projections for Fiscal Years 2021-22 and 2022-23. Following the table is a brief discussion of each of the City's primary sources of General Fund revenues.

Table 6
CITY OF MARINA
PRIMARY SOURCES OF GENERAL FUND REVENUES

	Fiscal Year Ending June 30,				
	2019 Audited	2020 Audited	2021 Audited	2022 Budgeted[2]	2023 Budgeted[2]
Property taxes incl. VLF	$ 6,728,679	$ 7,057,401	$ 7,471,843	$ 7,589,500	$ 7,813,290
Sales taxes[1]	6,862,925	7,740,865	8,793,254	9,375,000	9,575,000
Franchise & cardroom taxes	1,259,574	1,249,755	1,221,904	1,237,600	1,240,500
Transient occupancy taxes	4,008,180	3,472,431	3,501,246	4,200,000	4,284,000
Charges for services	3,313,868	3,858,109	3,802,810	3,534,715	3,536,932
Total Primary Sources	22,173,226	23,378,561	24,791,057	25,936,815	26,449,722
All Other General Fund Revenues	3,664,395	3,848,422	4,958,816	4,010,980	3,238,353
Total General Fund Revenues	$25,837,621	$27,226,983	$29,749,873	$29,947,795	$29,688,075

Source: City of Marina 2018-20 Annual Comprehensive Financial Report and City of Marina.

(1) Amount includes Measure N sales taxes but does not include Measure X Sales Taxes. Measure X Sales Tax Receipts are a restricted revenue source accounted for a separate fund. For additional discussion, see "Sales and Use Taxes" and "SOURCE OF PAYMENTS FOR THE CERTIFICATES—Measure X Sales Taxes."

(2) FY2021-22 and FY2022-23 budgeted data is from the City's Mid-Cycle Budget Adjustments, as adopted on May 3, 2022.

Property Taxes. Property taxes are one of the General Fund's two primary revenue source, together with sales and use taxes. The County levies a tax of 1% on the assessed valuation of property within the County. The City receives a share of this 1% levy for property located within the City limits. In Fiscal Year 2019-20, property taxes (including property taxes in-lieu of vehicle license fees) generated approximately $7.1 million. In Fiscal Year 2020-21 property taxes (including property taxes in-lieu of vehicle license fees) generated approximately $7.5 million. Property tax revenues are budgeted to generate $7.6 million and $7.8 million in Fiscal Years 2021-22 and 2022-23, respectively (including property taxes in-lieu of vehicle license fees). See "Property Taxes" below for additional information relating to the property taxes and the assessed valuation of property located in the City.

Sales and Use Taxes. Sales and use taxes are the General Fund's second primary revenue source. The City receives a 1% share of all taxable sales generated within its borders from the State. The City also receives sales and use taxes from a voter-approved 1.5% sales tax ("Measure N") on all taxable sales generated within its borders. Measure N is a general tax and Measure N collections are available to the City's General Fund for any lawful purpose. In Fiscal Year 2019-20, sales and use taxes (including Measure N taxes) generated approximately $7.7 million and in Fiscal Year 2020-21, sales and use taxes (including Measure N taxes) generated approximately $8.8 million. Sales and use taxes are budgeted to generate $9.4 million and $9.6 million in Fiscal Years 2021-22 and 2022-23, respectively. Sales and Use Tax revenues for Fiscal Years 2019-20 through 2022-23 have been impacted by the COVID-19 Pandemic. For additional discussion of the City's General Fund sales tax revenues and of Measure N, see "Sales and Use Taxes."

Charges for Services. The City's charges for services consist of planning services fees, residential building report fees and miscellaneous fees for the City's Library, Police, and Public Works. Together, the charges for services comprise the City's third largest source of General Fund revenues. In Fiscal Year 2019-20, charges for services generated approximately $3.9 million. In Fiscal Year 2020-21 charges for services

generated approximately $3.8 million. Charges for services revenues are budgeted to generate $3.5 million in Fiscal Years 2021-22 and 2022-23. The City's ability to set fees for services is limited under California law. Generally, a fee may not exceed the estimated reasonable cost of providing the particular service or product for which the fee is charged, plus overhead.

Transient Occupancy Taxes. The City currently imposes a voter-approved general transient occupancy tax upon the occupancy of any hotel room in the City, charged to the transient (or guest) who is entitled to such occupancy. The current rate of the City's transient occupancy tax is 14% of the rent charged by the hotel operator for the use of the hotel room. The current transient occupancy tax rate was approved by a majority of the voters in the City voting in an election on November 6, 2018 and became effective January 1, 2019, representing a 2% increase from the 12% prior rate. The City's transient occupancy tax is a general tax, which means that the transient occupancy tax proceeds are deposited into the City's general fund and may be used for any and all municipal purposes. In Fiscal Year 2019-20, transient occupancy taxes generated approximately $3.5 million and in Fiscal Year 2020-21 transient occupancy taxes generated approximately $3.5 million. Transient occupancy taxes are budgeted to generate $4.2 million and $4.3 million in Fiscal Years 2021-22 and 2022-23, respectively. Transient occupancy tax collections have been significantly impacted by the COVID-19 Pandemic, but are expected to return to historical norms.

Franchise & Cardroom Taxes. Since January 1, 2017 the City has levied a flat 0.2 percent tax on gross receipts for all businesses operating in the City that was approved by a majority of the voters in the City voting in an election on November 8, 2016. In addition, cardrooms operating within the City have been charged a 5% tax on their annual gross operating revenues since the City's voters approved a cardroom tax at an election on November 5, 2013 which became effective on January 1, 2014. In Fiscal Year 2019-20, franchise & cardroom taxes generated approximately $1.2 million and in Fiscal Year 2020-21 franchise & cardroom taxes generated approximately $1.2 million. Franchise & cardroom taxes are budgeted to generate $1.2 million in Fiscal Years 2021-22 and 2022-23. Franchise & cardroom taxes have been significantly impacted by the COVID-19 Pandemic, but are expected to return to historical norms.

Property Taxes

Under Proposition 13, an amendment to the California Constitution adopted in 1978 that added Article XIIIA of the California Constitution, the county assessor's valuation of real property is established as shown on the Fiscal Year 1975-76 tax bill, or, thereafter, as the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred. Assessed value of property may be increased annually to reflect inflation at a rate not to exceed 2% per year or reduced to reflect a reduction in the consumer price index or comparable data for the area under taxing jurisdiction or in the event of declining property value caused by substantial damage, destruction, market forces or other factors. As a result of these rules, real property that has been owned by the same taxpayer for many years can have an assessed value that is much lower than that of similar properties more recently sold and may be lower than its own market value. Likewise, changes in ownership of property and reassessment of such property to market value commonly will lead to increases in aggregate assessed value even when the rate of inflation or consumer price index would not permit the full 2% increase on any property that has not changed ownership.

Taxes are levied by the County for each fiscal year on taxable real and personal property which is situated in the County as of the preceding January 1. Real property which changes ownership or is newly constructed is revalued at the time the change in ownership occurs or the new construction is completed. The current year property tax rate will be applied to the reassessment, and the taxes will then be adjusted by a proration factor to reflect the portion of the remaining tax year for which taxes are due.

Local agencies and schools will share the growth of "base" sources from all tax rate areas in the County. Each year's growth allocation becomes part of each local agency's allocation in the following year. The availability of revenue from growth in the tax bases in such tax rate areas may be affected by the existence of redevelopment agencies (including their successor agencies) which, under certain circumstances, may be entitled to sources resulting from the increase in certain property values. State law exempts $7,000 of the assessed valuation of an owner-occupied principal residence. This exemption does not result in any loss of revenue to local agencies since an amount equivalent to the taxes that would have been payable on such exempt values is supplemented by the State.

For assessment and tax collection purposes, property is classified either as "secured" or "unsecured," and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State-assessed property and property (real or personal) for which there is a lien on real property sufficient, in the opinion of the county assessor, to secure payment of the taxes. All other property is "unsecured," and is assessed on the "unsecured roll." Secured property assessed by the SBE is commonly identified for taxation purposes as "utility" property.

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year, and if unpaid become delinquent on December 10 and April 10, respectively. A penalty of 10% attaches immediately to any delinquent payment. Property on the secured roll, with respect to which taxes are delinquent, becomes tax defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of delinquent taxes and the delinquency penalty, plus costs and prepayment penalty of one and one-half percent per month to the time of prepayment. If taxes are unpaid for a period of five years or more, the property is subject to sale by the county treasurer.

Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent, if unpaid, on August 31. A 10% penalty attaches to delinquent unsecured taxes. If unsecured taxes are unpaid at 5 p.m. on October 31, an additional penalty of one and one-half percent per month attaches to such taxes beginning the second month after the delinquent date, and on the first day of each month until paid. A county has four ways of collecting delinquent unsecured personal property taxes: (1) bringing a civil action against the taxpayer; (2) filing a certificate in the office of the County Clerk specifying certain facts in order to obtain a lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the County Clerk and County Recorder's office in order to obtain a lien on certain property of the taxpayer; and (4) seizing and selling personal property, improvements, or possessory interests belonging or assessed to the delinquent taxpayer.

Teeter Plan

The Board of Supervisors of the County has approved the implementation of the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan"), as provided for in section 4701 et seq. of the California Revenue and Taxation Code. The Teeter Plan guarantees distribution of 100% of the general taxes levied to the taxing entities within the County, with the County retaining all penalties and interest penalties affixed upon delinquent properties and redemptions of subsequent collections. Under the Teeter Plan, the County apportions secured property taxes on a cash basis to local political subdivisions, including the City, for which the County acts as the tax-levying or tax-collecting agency. At the conclusion of each fiscal year, the County distributes 100% of any taxes delinquent as of June 30th to the respective taxing entities.

The County cash position is protected by a special fund, known as the "Tax Loss Reserve Fund," which accumulates moneys from interest and penalty collections. In each fiscal year, the Tax Loss Reserve Fund is required to be funded to the amount of delinquent taxes plus one percent of that year's tax levy. Amounts exceeding the amount required to be maintained in the tax loss reserve fund may be credited to the County's general fund. Amounts required to be maintained in the tax loss reserve fund may be drawn on to the extent of the amount of uncollected taxes credited to each agency in advance of receipt.

The Teeter Plan is to remain in effect unless the County Board orders its discontinuance or unless, prior to the commencement of any fiscal year of the County (which commences on July 1), the County Board receives a petition for its discontinuance joined in by resolutions adopted by at least two-thirds of the participating revenue districts in the County, in which event the County Board is to order discontinuance of the Teeter Plan effective at the commencement of the subsequent fiscal year. The County Board may also, after holding a public hearing on the matter, discontinue the Teeter Plan with respect to any tax levying agency or assessment levying agency in the County if the rate of secured tax delinquency in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured roll in that agency. If the Teeter Plan is discontinued in the future, only those secured property taxes actually collected would be allocated to political subdivisions (including the City) for which the County acts as the tax-levying or tax-collecting agency, but penalties and interest would be credited to the political subdivisions.

The City is not aware of any petitions for the discontinuance of the Teeter Plan in the County.

Assessed Value

The assessed valuation of property in the City is established by the County Assessor, except for public utility property which is assessed by the SBE. Assessed valuations are reported at 100% of the "full value" of the property, as defined in Article XIIIA of the California Constitution.

Certain classes of property, such as churches, colleges, not-for-profit hospitals and charitable institutions, are exempt from property taxation and do not appear on the tax rolls. No reimbursement is made by the State for such exemptions. Property taxes allocated to the City are collected by the County at the same time and on the same tax rolls as are county and special district taxes. The valuation of secured property by the County Assessor is established as of January 1 and is subsequently equalized in September of each year.

The table below shows the assessed valuation of taxable property in the City for the ten most recent fiscal years.

Table 7
CITY OF MARINA
HISTORIC ASSESSED VALUATIONS
Fiscal Years 2012-13 to 2021-22

Fiscal Year Ending June 30,	Local Secured	Utility	Unsecured	Total Assessed Valuation	% Change
2013	$1,371,499,660	—	$57,668,881	$1,429,168,541	—
2014	1,418,248,413	—	57,344,875	1,475,593,288	3.25%
2015	1,515,813,610	—	58,325,346	1,574,138,956	6.68
2016	1,595,725,043	—	60,055,774	1,655,780,817	5.19
2017	1,747,849,048	—	68,005,667	1,815,854,715	9.67
2018	1,869,199,906	—	68,051,914	1,937,251,820	6.69
2019	2,114,703,321	—	66,708,434	2,181,411,755	12.60
2020	2,327,164,440	—	73,146,560	2,400,311,000	10.03
2021	2,539,791,621	—	74,243,355	2,614,034,976	8.90
2022	2,760,299,944	—	92,871,390	2,853,171,334	9.15

Source: California Municipal Statistics, Inc.

Assessments may be adjusted during the course of the year when real property changes ownership or new construction is completed. Assessments may also be appealed by taxpayers seeking a reduction as a result of economic and other factors beyond the City's control, such as a general market decline in property values, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes), or the complete or partial destruction of taxable property caused by natural or manmade disaster, such as earthquake, flood, fire, toxic dumping, etc. When necessitated by changes in assessed value in the course of a year, taxes are pro-rated for each portion of the tax year.

Appeals of Assessed Valuation; Blanket Reductions of Assessed Values. There are two basic types of property tax assessment appeals provided for under State law. The first type of appeal, commonly referred to as a base year assessment appeal, involves a dispute on the valuation assigned by the assessor immediately subsequent to an instance of a change in ownership or completion of new construction. If the base year value assigned by the assessor is reduced, the valuation of the property cannot increase in subsequent years more than 2% annually unless and until another change in ownership and/or additional new construction activity occurs.

The second type of appeal, commonly referred to as a Proposition 8 appeal (which Proposition 8 was approved by the voters in 1978), can result if factors occur causing a decline in the market value of the property to a level below the property's then current taxable value (escalated base year value). Pursuant to State law, a property owner may apply for a Proposition 8 reduction of the property tax assessment for such owner's property by filing a written application, in the form prescribed by the SBE, with the appropriate county board of equalization or assessment appeals board. A property owner desiring a Proposition 8 reduction of the assessed value of such owner's property in any one year must apply to the county assessment appeals board (the "Appeals Board"). Following a review of the application by the county assessor's office, the county assessor may offer to the property owner the opportunity to stipulate to a

reduced assessment or may confirm the assessment. If no stipulation is agreed to, and the applicant elects to pursue the appeal, the matter is brought before the Appeals Board (or, in some cases, a hearing examiner) for a hearing and decision. The Appeals Board generally is required to determine the outcome of appeals within two years of each appeal's filing date. Any reduction in the assessment ultimately granted applies only to the year for which application is made and during which the written application is filed. The assessed value increases to its pre-reduction level (escalated to the inflation rate of no more than 2%) following the year for which the reduction application is filed. However, the county assessor has the power to grant a reduction not only for the year for which application was originally made, but also for the then current year and any intervening years as well. In practice, such a reduced assessment may and often does remain in effect beyond the year in which it is granted.

In addition to the above-described taxpayer appeals, county assessors may independently reduce assessed valuations based on changes in the market value of property, or for other factors such as the complete or partial destruction of taxable property caused by natural or man-made disasters such as earthquakes, floods, fire, drought or toxic contamination pursuant to relevant provisions of the State Constitution.

In addition, Article XIIIA of the State Constitution provides that the full cash value base of real property used in determining taxable value may be adjusted from year to year to reflect the inflationary rate, not to exceed a 2% increase for any given year or may be reduced to reflect a reduction in the consumer price index or comparable local data. This measure is computed on a calendar year basis.

Risk of Decline in Property Values; Fire; Earthquake Risk. Property values could be reduced by factors beyond the City's control, including fire, earthquake and a depressed real estate market due to general economic conditions in the County, the region and the State.

Other possible causes for a reduction in assessed values include the complete or partial destruction of taxable property caused by other natural or manmade disasters, such as flood, fire, drought, toxic dumping, acts of terrorism, etc., or reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes).

No assurance can be given that property tax appeals and/or blanket reductions of assessed property values will not significantly reduce the assessed valuation of property within the City in the future.

Assembly Bill 102. On June 27, 2017, the Governor of the State (the "Governor") signed into law Assembly Bill 102 ("AB 102"). AB 102 restructured the functions of the SBE and created two new separate agencies: (i) the California Department of Tax and Fee Administration, and (ii) the Office of Tax Appeals. Under AB 102, the California Department of Tax and Fee Administration took over programs previously in the SBE Property Tax Department, such as the Tax Area Services Section, which is responsible for maintaining all property tax-rate area maps and for maintaining special revenue district boundaries. Under AB 102, the SBE continues to perform the duties assigned by the State Constitution related to property taxes, however, effective January 1, 2018, the SBE will only hear appeals related to the programs that it constitutionally administers and the Office of Tax Appeals will hear appeals on all other taxes and fee matters, such as sales and use tax and other special taxes and fees. AB 102 obligates the Office of Tax Appeals to adopt regulations as necessary to carry out its duties, powers, and responsibilities. No assurances can be given as to the effect of such regulations on the appeals process or on the assessed valuation of property within the City.

State-Assessed Property. Under the Constitution, the SBE assesses property of State-regulated transportation and communications utilities, including railways, telephone and telegraph companies, and companies transmitting or selling gas or electricity. The Board of Equalization also is required to assess pipelines, flumes, canals and aqueducts lying within two or more counties. The value of property assessed by the Board of Equalization is allocated by a formula to local jurisdictions in the county, including school districts, and taxed by the local county tax officials in the same manner as for locally assessed property. Taxes on privately owned railway cars, however, are levied and collected directly by the Board of Equalization. Property used in the generation of electricity by a company that does not also transmit or sell that electricity is taxed locally instead of by the Board of Equalization. Thus, the reorganization of regulated utilities and the transfer of electricity-generating property to non-utility companies, as often occurred under electric power deregulation in California, affects how those assets are assessed, and which local agencies benefit from the property taxes derived. In general, the transfer of State-assessed property located in the City to non-utility companies will increase the assessed value of property in the City, since the property's value will no longer be divided among all taxing jurisdictions in the County. The transfer of property located and taxed in the City to a State-assessed utility will have the opposite effect, generally reducing the assessed value in the City as the value is shared among the other jurisdictions in the County. The City is unable to predict future transfers of State-assessed property in the City and the County, the impact of such transfers on its utility property tax revenues, or whether future legislation or litigation may affect ownership of utility assets, the State's methods of assessing utility property, or the method by which tax revenues of utility property is allocated to local taxing agencies, including the City.

Assessed Valuation by Land Use. The following table gives a distribution of taxable real property located in the City by principal purpose for which the land is used, and the assessed valuation and number of parcels for each use.

Table 8
CITY OF MARINA
ASSESSED VALUATION AND PARCELS BY LAND USE

	FY2021-22 Assessed Valuation [1]	% of Total	No. of Parcels	% of Total
Non-Residential:				
Commercial/Office	$ 312,205,429	11.31%	123	2.21%
Vacant Commercial	46,563,281	1.69	50	0.90
Hotel/Motel	118,515,819	4.29	12	0.22
Industrial	77,738,521	2.82	35	0.63
Vacant Industrial	537,806	0.02	2	0.04
Government/Social/Institutional	4,682,303	0.17	429	7.69
Miscellaneous/Water Company	182,189	0.01	95	1.70
Subtotal Non-Residential	$560,425,348	20.30%	746	13.38%
Residential:				
Single Family Residence	$1,670,071,610	60.50%	3,774	67.68%
Condominium/Townhouse	95,800,832	3.47	361	6.47
Mobile Home	8,875,925	0.32	240	4.30
Mobile Home Park	25,592,958	0.93	6	0.11
2-4 Residential Units	42,248,912	1.53	83	1.49
5+ Residential Units/Apartments	222,036,892	8.04	114	2.04
Vacant Residential	135,247,467	4.90	252	4.52
Subtotal Residential	$2,199,874,596	79.70%	4,830	86.62%
Total	$2,760,299,944	100.00%	5,576	100.00%

Source: California Municipal Statistics, Inc.
(1) Total secured assessed valuation, excluding tax-exempt property.

Assessed Valuation of Single-Family Homes. The following table focuses on single-family residential properties only, which comprise approximately 60.5% of the assessed value of taxable property in the City.

Table 9
CITY OF MARINA
PER PARCEL - ASSESSED VALUATION OF SINGLE-FAMILY HOMES

	No. of Parcels	FY2021-22 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	3,774	$1,670,071,610	$442,520	$429,297

FY2021-22 Assessed Valuation	No. of Parcels[1]	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $49,999	30	0.795%	0.795%	$ 854,746	0.051%	0.051%
$50,000 - $99,999	383	10.148	10.943	27,628,778	1.654	1.706
$100,000 - $149,999	128	3.392	14.335	15,732,855	0.942	2.648
$150,000 - $199,999	160	4.240	18.574	28,198,945	1.688	4.336
$200,000 - $249,999	264	6.995	25.570	59,896,592	3.586	7.923
$250,000 - $299,999	309	8.188	33.757	85,450,497	5.117	13.039
$300,000 - $349,999	206	5.458	39.216	66,657,491	3.991	17.030
$350,000 - $399,999	266	7.048	46.264	99,921,866	5.983	23.013
$400,000 - $449,999	258	6.836	53.100	109,925,216	6.582	29.596
$450,000 - $499,999	280	7.419	60.519	132,626,874	7.941	37.537
$500,000 - $549,999	232	6.147	66.667	121,516,920	7.276	44.813
$550,000 - $599,999	221	5.856	72.523	126,867,570	7.597	52.410
$600,000 - $649,999	225	5.962	78.484	140,770,406	8.429	60.839
$650,000 - $699,999	199	5.273	83.757	134,235,939	8.038	68.876
$700,000 - $749,999	176	4.663	88.421	126,968,994	7.603	76.479
$750,000 - $799,999	106	2.809	91.229	82,128,616	4.918	81.397
$800,000 - $849,999	80	2.120	93.349	65,903,646	3.946	85.343
$850,000 - $899,999	70	1.855	95.204	61,100,351	3.659	89.001
$900,000 - $949,999	55	1.457	96.661	50,783,886	3.041	92.042
$950,000 - $999,999	47	1.245	97.907	45,657,363	2.734	94.776
$1,000,000 and greater	79	2.093	100.000	87,244,059	5.224	100.000
Total	3,774	100.000%		$1,670,071,610	100.000%	

Source: California Municipal Statistics, Inc.
(1) Improved single-family residential parcels. Excludes condominiums and parcels with multiple family units.

Principal Taxpayers. Based on fiscal year 2021-22 locally assessed taxable valuations, the top twenty taxable property owners in the City represent approximately 19.19% of the total fiscal year 2021-22 taxable value.

The following table shows the 20 largest owners of taxable property in the City as determined by secured assessed valuation in fiscal year 2021-22. The City is not aware of any plans by the top twenty largest local secured taxpayers to leave the City or terminate operations.

Table 10
CITY OF MARINA
LARGEST LOCAL SECURED PROPERTY TAXPAYERS

	Property Owner	Primary Land Use	FY2021-22 Assessed Valuation	% of Total[(1)]
1.	Hamstra-Appleton LLC	Medical Buildings	$ 53,363,977	1.93%
2.	Wathen Castanos Peterson Homes Inc.	Residential Development	37,821,432	1.37
3.	Pacifc Coast Highway Property LLC	Shopping Center	37,275,607	1.35
4.	Marina Developers Inc.	Residential Development	36,069,996	1.31
5.	LV44 LP	Apartments	35,682,180	1.29
6.	Shea Homes LP	Residential Development	34,567,131	1.25
7.	HHLP Sanctuary Associates LLC	Hotel	31,783,768	1.15
8.	MHC Marina Dunes LP	RV Park	28,561,623	1.03
9.	Wal-Mart Real Estate Business Trust	Commercial	26,160,236	0.95
10.	Target Corporation	Shopping Center	25,284,000	0.92
11.	Marina Hotels BW & CI LLC	Hotel	23,808,798	0.86
12.	Community Hospital Properties Inc.	Medical Building	23,583,294	0.85
13.	Cemex Inc.	Industrial – Mining	21,337,814	0.77
14.	Monterey Peninsula Hotels Group LP	Hotel	19,781,195	0.72
15.	Michael J. Tate Trust	Apartments	18,458,827	0.67
16.	SPPI Commercial LLC	Shopping Center	16,902,438	0.61
17.	Marina Community Partners LLC	Apartments	16,163,174	0.59
18.	Sea Breeze Marina LLC	Apartments	14,808,180	0.54
19.	WC Marina LLC	Residential Development	14,557,667	0.53
20.	Valle Del Sol Properties LLC	Residential Properties	13,723,669	0.50
	Total Top 20		$529,695,006	19.19%

Source: California Municipal Statistics, Inc.
(1) FY2021-22 Local Secured Assessed Valuation: $2,760,299,944.

Sales and Use Taxes

A sales tax is imposed on the privilege of consuming personal property in the State. The State does not tax services. The tax rate is established by the State Legislature, and is presently 7.25%, statewide (of which 1% is paid to the City) (the "State Sales Tax"). In addition, many of the State's cities, counties, districts and communities have special taxing jurisdiction to impose a transaction (sales) or use tax. These so-called district taxes increase the tax rate in a particular area by adding the local option tax to the statewide tax. While more than one district tax may be in effect for a particular location, counties, municipalities, and districts are allowed to increase the sales tax in specific jurisdictions up to a total of 10.25%.

Measure N. On November 6, 2018, the voters of the City approved Measure N, which increased an existing sales and use tax on all taxable sales generated within the City from 1.00% to 1.50%. Measure N sales and use taxes will be collected until the expiration date of Measure N on March 31, 2034, if Measure N's sales tax is not otherwise extended by the voters of the City beforehand. Revenues from Measure N taxes are available to the City's general fund for any lawful purpose.

Since the increase of the Measure N sales tax rate to 1.50% became effective, Measure N sales tax revenues have typically comprised approximately two-thirds of the City's total general fund sales tax revenues in each fiscal year.

The State's Department of Tax and Fee Administration actual administrative costs with respect to the portion of sales taxes allocable to the City are deducted before distribution and are determined on a quarterly basis.

The following table shows a breakdown of the composition of the current sales and use tax rate applicable to transactions in the City:

Table 11
CITY OF MARINA
CURRENT SALES AND USE TAX RATES

Component	Tax Rate
State General Fund	5.750%
State Local Public Safety Fund	0.500
City General Fund	1.000
Monterey County (1)	0.500
Measure N	1.500
Total	9.250%

Source: City of Marina
(1) Includes the Measure X Sales Tax. For additional discussion, see "SOURCE OF PAYMENT FOR THE CERTIFICATES—Measure X Sales Tax."

The State's Department of Tax and Fee Administration actual administrative costs with respect to the portion of sales taxes allocable to the City are deducted before distribution and are determined on a quarterly basis.

Many categories of transactions are exempt for the State Sales Tax. The most important of these exemptions are the sales of food products for home consumption, prescription medicine, edible livestock and their feed, seed and fertilizer used in raising food for human consumption, and gas and electricity and water when delivered to consumers through mains, lines and pipes. In addition, occasional sales (i.e., sales of property not held or used by a seller in the course of activities for which he or she is required to hold a seller's permit) are generally exempt from both the State Sales Tax; however, the occasional sales exemption does not apply to the sale of an entire business and other sales of machinery and equipment used in a business.

Action by the State Legislature or by voter initiative could change the transactions and items upon which the State Sales Tax are imposed. Such changes or amendments could have either an adverse or beneficial effect on revenues produced by sales taxes. The City is not currently aware of any proposed legislative change that would have a material adverse effect on the State Sales Tax.

Online Purchases. The City's sales tax collections may be affected by increasing levels of sales of physical products bought online and delivered in the City by businesses located outside of the State. The City believes that many of these transactions may avoid taxation either through error or deliberate non-reporting and this potentially reduces the amounts of the sales taxes collected. See "RISK FACTORS—Increased Internet Use May Reduce Sales Tax Revenues."

Transient Occupancy Tax

Marina receives tourism spill-over from Monterey Bay, but the City does not primarily rely on tourism for generated revenues. The City levies a 14% tax on hotels and lodging establishments. The 14% transient occupancy tax level became effective on January 1, 2019 following the approval of an increase by a majority of the voters of the City voting in the November 6, 2018 election. Prior to January 1, 2019 the transient occupancy tax rate was 12%. The City's transient occupancy tax is a general tax and can be used for any governmental purpose.

Effects of COVID-19 Pandemic on Transient Occupancy Tax Revenues. Transient occupancy taxes are the City's most impacted General Fund revenue source from the result of closures and reduced travel caused by the COVID-19 Pandemic. The City's collections of transient occupancy tax revenues are down substantially in fiscal year fiscal year 2020-21 as compared to historical levels. As the COVID-19 Pandemic subsides, the City expects revenues from transient occupancy taxes to revert towards historical norms.

Other Sources of General Fund Revenues

In addition, the City receives approximately 20% of its annual General Fund revenues from the following sources:

Licenses and Permits. The City charges certain permits, licenses and fees for the cost recovery of providing current planning, building inspection, recreation and other municipal services.

Fines, Forfeitures and Penalties. These revenues include parking citations and other fines for municipal code violations.

Impact of COVID-19 Pandemic on Other Revenue Sources. The City's other revenue sources have been relatively unimpacted by the COVID-19 Pandemic.

No Material Reliance on State Revenues

The City does not rely on the State for a material amount of revenues. There can be no assurance that future State budget difficulties will not adversely affect the City's revenues or its ability to make the Lease Payments when due. See "STATE BUDGET INFORMATION."

OTHER FINANCIAL INFORMATION

Labor Relations

Currently 80 permanent City employees are covered by negotiated agreements as detailed in the table below. The City also employs seven additional employees unrepresented by a collective bargaining unit for a total of 87 employees in total.

Table 12
CITY OF MARINA
NEGOTIATED EMPLOYEE AGREEMENTS

Bargaining Unit	Contract Expiration Date	Number of Employees
Marina Employee Association (MEA)	6/30/2020[1]	31
Mid-Management Employee Association (MMEA)	6/30/2023	5
Marina Professional Fire Fighters Association (MPFFA)	6/30/2023	15
Marina Public Safety Officer Association (MPOA)	6/30/2023	26
Marina Public Safety Mid-Management Association (MPSMA)	6/30/2023	3
Total		80

Source: City of Marina
(1) The agreement between the MEA and the City is currently under renegotiation.

Risk Management

General Liability. The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City obtains insurance coverages.

The City purchases liability, property, errors and omissions, and workers' compensation insurance from the Monterey Bay Area Self Insurance Authority ("MBASIA"), a risk-sharing program. Under this program, coverage is provided for up to a maximum of $29,000,000 for each general liability claim less the City's deductible of $10,000. Statutory coverage is provided for workers' compensation claims. The City is assessed a contribution to cover claims, operating costs, and claim settlement expenses based upon an actuarially determined rate for each coverage layer pool Additional cash contributions may be assessed on the basis of adverse loss experience. If the events of the year result in a negative risk position, the members' annual assessment may be increased in subsequent years. The City is unable to reasonably estimate the probability of MBASIA ending the year in a negative risk position. Refunds to members may be made if funds are determined to be surplus as a result of an actuarial study.

The City currently reports liability risk management activities in the general fund. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Workers compensation insurance costs are allocated to various departments proportionate to their total payroll. For the year ended June 30, 2020, the City paid a total of $1,111,994 to MBASIA for insurance coverage; $304,070 and $807,924 for liability and workers compensation insurance, respectively and did not receive a rebate from the program. There were no material unpaid and uninsured claims outstanding at the beginning or end of the last two fiscal years.

For additional information about the City's Risk Management, see APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2021, Note 8.

Employee Retirement Plans

The information set forth below regarding the California Public Employees' Retirement System ("CalPERS") program, other than the information provided by the City regarding its annual contributions thereto, has been obtained from publicly available sources which are believed to be reliable but are not guaranteed as to accuracy or completeness, and should not be construed as a representation by either the City or the Underwriter.

Plan Description. All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost- Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other.) Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous risk pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City sponsors three miscellaneous rate plans. Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided. CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 (age 52 for Miscellaneous Plan members if membership date is on or after January 1, 2013) with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Special Death Benefit (Safety only), the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

Contributions. Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

The City's combined contributions to its Miscellaneous and Safety Plans for the most recent is summarized in the following table.

Table 13
CITY OF MARINA
HISTORICAL PENSION CONTRIBUTIONS

Fiscal Year Ending June 30,	Total Combined Contributions
2017	$2,385,218
2018	2,524,388
2019	2,050,095
2020	2,739,136

Source: City of Marina fiscal year 2019-20 Annual Comprehensive Financial Report.

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions. For the fiscal year ended June 30, 2020, the City recognized pension expense of $4,407,964 for the combined Plans. On June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Table 14
CITY OF MARINA
DEFERRED OUTFLOWS/INFLOWS OF RESOURCES
Fiscal Year 2019-20

	Miscellaneous		Safety	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to measurement date	$ 952,030	—	$1,787,106	—
Diff. btw. actual and expected experience	432,618	$ 33,519	950,580	—
Changes in assumptions	297,019	105,291	596,753	$116,456
Net diff. btw. projected and actual earnings on investment	—	108,899	—	200,286
Differences in proportions	—	344,362	191,737	248,470
Changes in employer's portion	239,919	288	535,368	—
Total	$1,921,586	$592,359	$4,061,545	$565,211

Source: City of Marina fiscal year 2019-20 Annual Comprehensive Financial Report.

For information concerning the City's pension obligations, including descriptions of the actuarial methods and assumptions, and an explanation of the discount rate used, please see APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2021, Note 9.

Funded Status. The following table sets forth a summary of the funding progress for the City's combined Plans for the most recent actuarial valuation dates.

Table 15
CITY OF MARINA
HISTORICAL PENSION FUNDING PROGRESS

Fiscal Year Ended June 30,	Accrued Liability (AL)	Market Value of Assets (MVA)	Unfunded Accrued Liability (UAL)	Funded Ratio	Covered Payroll
		Miscellaneous Plans			
2017	$ 24,293,151	$ 18,792,670	$ 5,500,481	77.36%	$ 3,331,625
2018	26,521,260	20,033,155	6,488,105	75.54	3,495,433
2019	27,765,167	20,863,744	6,901,423	75.14	3,674,653
2020	28,796,289	21,176,069	7,620,220	73.54	3,744,822
		Safety Plans			
2017	$ 51,108,271	$ 38,135,636	$ 12,972,635	74.62%	$ 4,306,116
2018	55,945,971	40,824,254	15,121,717	72.97	3,915,595
2019	59,071,779	43,037,883	16,033,896	72.86	4,606,606
2020	62,486,481	44,931,236	17,555,245	71.91	5,258,926

Source: City of Marina CALPERS Annual Valuation Reports.

CalPERS Amortization Period Reform. On February 13, 2018, the CalPERS Board voted to shorten the period over which actuarial gains and losses are amortized from 30 years to 20 years for new pension liabilities. The new 20-year amortization period begins with new gains or losses accrued starting with the June 30, 2019 actuarial valuations. The first payments on the new 20-year amortization schedule will take place in 2021.

A shorter amortization period will increase annual Unfunded Accrued Liability ("UAL") contributions for cities that participate in CalPERS so long as CalPERS remains underfunded. The shortened amortization period will also lead to reductions of periods of negative amortization of the UAL, interest cost savings, and faster recoveries of funded status after market downturns.

Cities that participate in CalPERS will also see additional volatility in their future UAL contributions due to market performance as gains or losses will be amortized faster under the new amortization period.

The City cannot currently estimate the impact the shorter amortization period will have on its required contributions for its Miscellaneous and Safety Plans. For information concerning the Plans, including descriptions of the actuarial methods and assumptions, please see APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2021, Note 9.

Other Post-Employment Benefits

Plan Description. The City administers a single-employer defined benefit post-employment healthcare plan. Employees hired prior to July 1, 2008, have the stipulated years of service, and retire directly from the City, are eligible to receive up to the Kaiser rate (family or single, depending on MOU) and the Medicare eligible rate after reaching the age of 65. This same benefit may continue to a surviving spouse depending on the retirement plan election.

Employees Covered. Membership of the plan consisted of 82 active employees, 23 inactive members entitled to but not yet receiving benefits, and 11 retirees and beneficiaries receiving benefits at June 30, 2020.

Changes In Net OPEB Liability. The following table shows the changes in the City's net OPEB obligation to the Plan:

Table 16
CITY OF MARINA
CHANGE IN NET OPEB LIABILITY
Fiscal Year 2019-20

Service cost	$ 195,708
Interest on OPEB liability	168,281
Dif. btw. actual and expected experience	371,094
Changes in assumptions	(14,726)
Employer contributions	(76,872)
Net changes	643,485
Net OPEB obligation, beginning of the year	4,190,706
Net OPEB obligation, end of the year	$4,834,191

Source: City of Marina fiscal year 2019-20 Annual Comprehensive Financial Report.

The following table shows a three-year history of the City's outstanding OPEB obligation and covered payroll.

Table 17
CITY OF MARINA
HISTORIC OPEB LIABILITY AND COVERED PAYROLL

Fiscal Year Ending June 30,	Net OPEB Obligation (UAAL)	Covered Payroll	Ratio of UAAL to Covered Payroll
2018	$4,093,174	$7,387,760	55.40%
2019	4,190,706	7,635,928	54.88
2020	4,834,191	7,725,967	62.57

Source: City of Marina fiscal year 2019-20 Annual Comprehensive Financial Report.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, investment returns, mortality, and the healthcare cost trend. Amounts

determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

For information concerning the City's OPEB obligations, including descriptions of the actuarial methods and assumptions, please see APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2021, Note 10

Debt Obligations

No Short-Term General Fund-Secured Obligations. The City has no outstanding short-term obligations secured by its general fund.

No Long-Term General Fund-Secured Obligations. The City has no outstanding long-term obligations secured by its general fund.

General Obligation Bonds. On May 12, 2015, the City issued its $7,640,000 City of Marina 2015 General Obligation Refunding Bonds (the "2015 GO Bonds") to refund general obligation bonds issued by the City in 2005 to finance the construction of the City's library which is the subject Property under the Lease Agreement. As of May 1, 2022, the 2015 GO Bonds were outstanding in the principal amount of $6,430,000 and mature on August 1, 2035. The 2015 GO Bonds are secured by *ad valorem* property tax assessed against taxable property in the City and are not payable from the City's general fund or Measure X revenues.

Overlapping Debt

Set forth below is a direct and overlapping debt report (the "Debt Report") prepared by California Municipal Statistics, Inc. and effective March 1, 2022. The Debt Report is included for general information purposes only. Neither the City nor the Underwriter has reviewed the Debt Report for completeness or accuracy and neither the City nor the Underwriter makes any representation in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the City in whole or in part. Such long-term obligations generally are not payable from revenues of the City (except as indicated) nor are they necessarily obligations secured by land within the City. In many cases, long-term obligations issued by a public agency are payable only from the General Fund or other revenues of such public agency.

The contents of the Debt Report are as follows: (1) the first column indicates the public agencies which have outstanding debt as of the date of the Debt Report and whose territory overlaps the City; (2) the second column shows the respective percentage of the assessed valuation of the overlapping public agencies identified in column 1 which is represented by property located in the City; and (3) the third column is an apportionment of the dollar amount of each public agency's outstanding debt (which amount is not shown in the table) to property in the City, as determined by multiplying the total outstanding debt of each agency by the percentage of the City's assessed valuation represented in column 2.

Table 18
CITY OF MARINA
DIRECT AND OVERLAPPING BONDED DEBT
as of March 1, 2022

CITY OF MARINA

2021-22 Assessed Valuation: $2,853,171,334

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 3/1/22
Hartnell Joint Community College District	.108%	$ 271,973
Monterey Peninsula Community College District	6.623	8,707,823
Monterey Peninsula Unified School District	18.268	39,659,080
North Monterey County Unified School District	.499	147,230
City of Marina	**100.000**	**6,430,000**(1)
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		55,216,106
OVERLAPPING GENERAL FUND DEBT:		
Monterey County General Fund Obligations	3.711	4,814,695
Monterey County Board of Education Certificates of Participation	3.711	179,946
North Monterey County Unified School District Certificates of Participation	.499	18,862
Monterey County Water Resources Agency General Fund Obligations	3.711	726,614
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT		5,740,117
Less: Monterey County supported obligations		(114,302)
TOTAL NET OVERLAPPING GENERAL FUND DEBT		5,625,815
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):	67.574-100.000%	41,727,164
GROSS COMBINED TOTAL DEBT		102,683,387(2)
NET COMBINED TOTAL DEBT		102,569,085

Ratios to 2021-22 Assessed Valuation:
Direct Debt ($6,430,000) 0.23%
Total Direct and Overlapping Tax and Assessment Debt..... 1.94%
Gross Combined Total Debt..... 3.60%
Net Combined Total Debt 3.59%

Ratios to Redevelopment Successor Agency Incremental Valuation ($1,089,620,399):
Total Overlapping Tax Increment Debt 3.83%

Source: California Municipal Statistics, Inc.
(1) Excludes issue to be sold.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

THE CORPORATION

The Corporation is a nonprofit, public benefit corporation duly organized and existing under the laws of the State and is entitled to purchase personal and real property and to sell or lease such property, to contract for construction and improvements and to execute operating agreements regarding such property. The Corporation was formed for the purpose of providing financial assistance to public entities by acquiring, constructing, developing and refinancing certain facilities for the use and benefit of the public. The Corporation has no liability to the Owners of the Certificates.

STATE BUDGET INFORMATION

Information regarding the State Budget is regularly available at various State-maintained websites. The fiscal year 2021-22 State Budget and the 2022-23 State Budget further described below can each be found at the website of the Department of Finance, www.dof.ca.gov, under the heading "California Budget." Additionally, an impartial analysis of the State's Budgets is posted by the Office of the Legislative Analyst at www.lao.ca.gov. The information referred to is prepared by the respective State agency maintaining each website and not by the City, and neither the City nor the Underwriter takes responsibility for the continued accuracy of the internet addresses or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated herein by these references.

State Budget Process. Through the State budget process, the State enacts legislation that significantly impacts the source, amount and timing of the receipt of revenues by local agencies, including the City. As in recent years, State budget deficits can result in legislation that adversely impacts local agency budgets.

The State's fiscal year begins on July 1 and ends on June 30. The annual budget is proposed by the Governor by January 10 of each year for the next fiscal year (the "Governor's Budget"). Under State law, the annual proposed Governor's Budget cannot provide for projected expenditures more than projected revenues and balances available from prior fiscal years. Following the submission of the Governor's Budget, the Legislature takes up the proposal.

Under the State Constitution, money may be drawn from the Treasury only through an appropriation made by law. The primary source of the annual expenditure authorizations is the Budget Act as approved by the Legislature and signed by the Governor. The Budget Act must be approved by a two-thirds majority vote of each House of the Legislature. The Governor may reduce or eliminate specific line items in the Budget Act or any other appropriations bill without vetoing the entire bill. Such individual line item vetoes are subject to override by a two-thirds majority vote of each House of the Legislature.

Appropriations also may be included in legislation other than the Budget Act. Bills containing appropriations (except for K-14 education) must be approved by a two-thirds majority vote in each House of the Legislature and be signed by the Governor. Bills containing K-14 education appropriations only require a simple majority vote. Continuing appropriations, available without regard to fiscal year, may also be provided by statute or the State Constitution.

Funds necessary to meet an appropriation need not be in the State Treasury at the time such appropriation is enacted; revenues may be appropriated in anticipation of their receipt.

Recent State Budgets. Certain information about the State budgeting process and the State Budget is available through several State sources. A convenient source of information is the State's website, where recent official statements for State bonds are posted. The references to internet websites shown below are shown for reference and convenience only; the information contained within the websites has not been reviewed by the City and is not incorporated herein by reference.

The State Treasurer's Internet home page at www.treasurer.ca.gov, under the heading "Financial Information," posts the State's audited financial statements. In addition, the "Financial Information" section includes the State's Rule 15c2-12 filings for State bond issues. The "Financial Information" section also includes the "Overview of the State Economy and Government, State Finances, State Indebtedness,

Litigation" from the State's most current Official Statement, which discusses the State budget and the state budget process in greater detail.

The State Legislative Analyst's Office ("LAO") prepares analyses of the proposed and adopted State budgets. The analyses are accessible on the Legislative Analyst's Internet home page at www.lao.ca.gov under the heading "Products."

2021-22 State Budget

On July 12, 2021, Governor Gavin Newsom signed SB 129, legislation that reflects the majority of the State's budget for Fiscal Year 2021-22 (the "2021-22 Budget"). While the Governor's initial budget projections in January 2021 projected a budget surplus of $6.0 billion, the 2021-22 Budget projects an even larger surplus of $7.2 billion caused primarily by a better-than-expected economic recovery from the COVID-19 Pandemic, two major federal relief bills, and continued stock market appreciation. In addition to amounts received already under the CARES Act, the State's general fund will receive over $43 billion in combined recovery funds from the American Rescue Plan Act of 2021 to cover costs incurred between March 3, 2021 and December 31, 2024.

The 2021-22 Budget notes that actual general fund revenues for fiscal year 2020-21 were $183.8 billion. Relative to the projections contained in the State's 2020-21 Budget, actual 2020-21 general fund revenues reflect an increase of $53.9 billion or 41.5% over the projected totals. The 2021-22 Budget projects general fund revenues to decrease slightly from fiscal year 2020-21 levels to $178.8 (a decrease of $5.0 billion) due in part to projected decreases of in personal income tax and corporation tax collections.

The 2021-22 Budget includes a major increase in general fund expenditures from $166.1 billion in fiscal year 2020-21 to $196.4 billion in fiscal year 2021-22 (an increase of $30.4 billion). The largest increases are projected to occurring in expenditures for health and human services and government operations. The increases in expenditures are made possible by the larger than expected budget surplus in fiscal year 2020-21. The improved revenue forecast also allows for the elimination of $2 billion in program suspensions enacted in prior budgets and allows the State to completely pay off Proposition 98 deferrals implemented in the 2020-21.

The 2021-22 Budget includes substantial contributions to the State's reserves. The 2021-22 Budget anticipates contributions of $3.4 billion in fiscal year 2021-22 to grow the State's budget stabilization account/rainy day fund from $12.3 billion to $15.8 billion. The 2021-22 Budget also includes a $2.6 billion contribution to the State's public school system stabilization account and a $450 million contribution to the State's safety net reserve.

Due to the one-time nature of the 2020-21 surplus, the 2021-22 Budget prioritizes one-time spending over ongoing, allocating 85 percent of discretionary funds to one-time spending. Major new expenditures in the 2021-22 Budget include:

Golden State Stimulus and COVID-19 Pandemic Relief. The January 2021-22 Budget included a comprehensive package of budget actions was enacted to speed needed relief to individuals, families and businesses suffering the most significant economic hardships due to the pandemic. The January 2021-22 Budget established the Golden State Stimulus program, which provided $600 one-time payments to millions of low-income Californians; added $2.075 billion (on top of a $500 million investment) to California's Small Business COVID-19 Relief Grant Program;

provided certain small businesses impacted by the pandemic license renewal fee waivers; provided additional resources for critical child care services; and provided emergency financial aid for community college students, among other investments. The 2021-22 Budget includes a major expansion to the Golden State Stimulus, providing tax refunds to middle-class families with an adjusted gross income of $75,000 or less. In total, two-thirds of Californians will benefit from $600 payments. Qualified families with dependents, regardless of immigration status, will also be eligible for an additional $500 payment.

The 2021-22 Budget also expands relief to small businesses by adding $1.5 billion to the State's earlier $2.5 billion investment in the Small Business COVID-19 Relief Grant Program that has helped approximately 210,000 businesses stay open and keep Californians employed. In addition to $6.4 billion in state administered and direct local federal rent relief, the 2021-22 Budget also includes $2 billion to pay down unpaid utility debt, which accumulated during the pandemic.

Homelessness and Housing Affordability. The 2021-22 Budget includes approximately $12 billion over two years to combat homelessness. Project Roomkey, first deployed during the pandemic, has helped to house homeless individuals and families, and the 2021-22 Budget includes $150 million to support transitions to permanent housing. Since the fall of 2020, Homekey has acquired and rehabilitated 6,000 units of permanent housing. Total proposed funding of $5.8 billion for Homekey will further expand the portfolio of housing, including behavioral health continuum infrastructure and housing for low-income seniors. The 2021-22 Budget also includes $2 billion over multiple years to support local actions to address homelessness. This funding is connected to accountability metrics, such as increasing transitions of individuals to permanent supportive housing.

Health Care Equity. The 2021-22 Budget expands Medi-Cal coverage to undocumented adults aged 50 years and older, beginning in May 2022. This proposal is designed to increase health care access and is another milestone on the path toward universal health coverage. Other equity investments in the 2021-22 Budget include Medi-Cal eligibility for postpartum individuals, doula services as a covered benefit in Medi-Cal, and subsidized zero-dollar premium plans. The 2021-22 Budget also eliminates the Medi-Cal asset limit for older adults and persons with disabilities.

Wildfire Prevention. An early action package enacted in April 2021 included $536 million ($411 million General Fund and $125 million Cap and Trade) for a broad set of investments that are currently supporting forest health and fire prevention activities. The 2021-22 Budget authorizes an additional $958 million ($758 million General Fund and $200 million Cap and Trade) for expenditure in the 2021-22 fiscal year to advance wildfire prevention and forest resilience investments. This includes $500 million in general fund authorizations to accelerate into the budget year.

The 2021-22 Budget includes ongoing general fund support for 30 additional fire crews, enabling the California Department of Forestry and Fire Protection to respond to larger and more damaging wildfires throughout the fire season and complete priority fuel reduction projects to reduce wildfire risk in fire-threatened areas. The 2021-22 Budget also includes significant investments in new Black Hawk helicopters and large air tankers transferred from the federal government.

Water Resilience and Drought. The 2021-22 Budget commits approximately $5.1 billion over four years to the State's water resilience and drought preparedness and response, including investments that support safe drinking water, wastewater, and water conveyance infrastructure; water recycling and groundwater cleanup; Sustainable Groundwater Management Act grants; financial assistance to small and urban water suppliers; and water resilience multi-benefit projects. Of this amount, $2.1 billion from the general fund over three years is set aside for water resilience investments that will be negotiated subsequent to the adoption of the 2021-22 Budget.

Zero Emissions Vehicles. The 2021-22 Budget includes $2.7 billion in 2021-22 and $3.9 billion ($2.98 billion general fund, $565 million Cap and Trade, and $394 million other funds) over three years for zero-emission vehicle ("ZEV") and infrastructure investments. This will scale the zero-emission vehicle market and accelerate the state toward meeting climate and transportation goals established in the Governor's ZEV Executive Order N-79-20 and consistent with California's Zero Emission Vehicle Market Development Strategy.

Broadband. The 2021-22 Budget reflects a plan to increase equitable access to high-speed broadband Internet service through a $6 billion investment to expand broadband infrastructure and enhance access by constructing an open access middle mile and by funding construction of last mile projects that connect unserved households in remote areas to the middle mile.

For the additional information and the complete text of the State's 2021-22 Budget, please see the Department of Finance website at ebudget.ca.gov and the LAO's website at lao.ca.gov. The City can take no responsibility for the continued accuracy of the above-referenced internet address as for the or for the accuracy, completeness, or timeliness of information posted therein, and such information is not incorporated herein by reference.

20922-23 Proposed State Budget

On January 10, 2022, Governor Gavin Newsom released his proposed budget for the State's 2022-23 fiscal year (the "Proposed 2022-23 Budget"). The State's economic outlook and revenue forecasts have remained strong since the adoption of the State's 2021-22 Budget on June 28, 2021. The Proposed 2022-23 Budget projects general fund revenues comparable to 2021-22 levels (a total of $197.3 billion in 2022-23 compared to $201.7 billion in 2021-22), while expenditures are projected to increase slightly by $3.1 billion over 2021-22 levels to a total of $213.1 billion.

The largest areas of general fund expenditure increases in the Proposed 2022-23 Budget over 2021-22 expenditure levels include health and human services (an increase of $8.3 billion) and labor and workforce development (an increase of $1.2 billion). K-12 education expenditures, the single largest category of expenditures in the Proposed 2022-23 Budget, will increase by $0.9 billion over the prior year to a total of $70.4 billion. Under the Proposed 2022-23 Budget, the State is projected to have approximately $37.7 billion in budget resiliency, comprised of budgetary reserves and surplus including $20.9 billion in the Proposition 2 Budget Stabilization Account (the Rainy Day Fund) for fiscal emergencies; $900 million in the Safety Net Reserve, $9.7 billion in the Public School System Stabilization Account, and an estimated $6.2 billion in the State's operating reserves.

Analysis prepared by the Legislative Analysts' Office ("LAO"), a nonpartisan office that provides fiscal and policy information and advice to the State Legislature, published on the LAO's website on January 13, 2022, estimates that the Governor had approximately a $29 billion surplus to allocate in the Proposed

2022-23 Budget. The LAO analysis views approximately 60 percent of that discretionary surplus, or $17.3 billion, being spent on a one-time or temporary basis for a variety of programmatic expansions, $6.2 billion to reduce revenues (such as terminating temporary limits on the ability of businesses to use net operating loss (NOL) deductions and tax credits), and $2 billion for ongoing spending increases. In addition, the LAO's analysis notes nearly $13 billion in discretionary spending for schools and community colleges (which are constitutionally required).

The following is a summary of certain of the major discretionary spending proposals identified by the LAO analysis of the Proposed 2022-23 Budget:

Lifting Temporary Limits on Business Tax Provisions. The Proposed 2022-23 Budget proposes to end, one year early, temporary limits on the ability of businesses to use NOL deductions and tax credits to reduce their tax payments. These limits were put in place for three years at the onset of the pandemic as a solution to an anticipated $54 billion budget problem. Lifting the NOL deduction and credit limits will reduce tax revenues by an estimated $5.5 billion in 2022-23 and then, over following years, increase revenues by several hundred million dollars per year.

Workforce Training Programs. The Proposed 2022-23 Budget allocates over $2 billion in discretionary General Fund (plus additional funding under Proposition 98) for more than 20 new, one-time workforce training proposals. These include proposals for several new training programs in clean energy fields, as well as new and expanded training programs to recruit and train teachers, social workers, nurses, community health workers, and behavioral health workers, among others. The broad aim of these proposals is to recruit and train more workers in fields that are growing or in demand. Many of the proposals also would seek to increase diversity within existing occupations.

Climate Change-Related Proposals. The Proposed 2022-23 Budget includes numerous proposals related to climate change, some of which are presented as packages. This is in addition to full inclusion of 2022-23 funding that was agreed to by the Legislature and the Governor as part of the 2021-22 Budget for different packages of proposals related to climate resilience, zero-emission vehicles (ZEVs), and drought. For example, the proposed budget includes $2.1 billion that was part of a Climate Resilience package. Some of the key new climate-change proposals and packages include:

ZEV Package. The Proposed 2022-23 Budget proposes a total of $6.1 billion over five years—$2.7 billion in 2022-23 and $3.4 billion in subsequent years—in additional funding for ZEV-related programs. This total includes $3.5 billion from the General Fund (non-Proposition 98), $1.5 billion in Proposition 98 General Fund, $676 million from the Greenhouse Gas Reduction Fund (GGRF), and $383 million in federal funds.

Energy Package. The Proposed 2022-23 Budget proposes a total of roughly $2 billion over two years ($938 million in 2022-23 and $1.1 billion in 2023-24), almost entirely from the General Fund, for various proposals related to clean energy and building decarbonization.

Wildfire Resilience Package. The Proposed 2022-23 Budget proposes $800 million from the General Fund over two years—$400 million in 2022-23 and 2023-24—to implement various efforts to improve forest health and make communities more resilient to future wildfires.

Drought Package. The Proposed 2022-23 Budget proposes $750 million one-time General Fund for a variety of activities to respond to current drought conditions and build the state's

resilience to weather future dry years. This amount includes (1) $180 million for water conservation programs, (2) $145 million to address communities experiencing water supply shortages, (3) $250 million to set aside as unspecified "contingency" funding the Governor would propose for specific drought response allocations later in the budget process, and (4) $175 million for various other drought-related activities.

Wildfire Suppression Proposals. The Governor's budget provides augmentations for various proposals related to fire suppression. Some of the major fire protection-related proposals include: (1) $400 million ongoing General Fund to improve the health and wellness of California Department of Forestry and Fire Protection (CalFire) firefighters; (2) $190 million General Fund in 2022-23, along with some outyear funding, for equipment such as helicopters and fire engines; (3) $175 million in 2022-23 ($120 million in General Fund and $55 million in lease revenue bonds) for CalFire capital outlay projects, and (4) $69 million General Fund in 2022-23, increasing to $81 million ongoing, to increase the availability of year-round fire crews.

Infrastructure. The Proposed 2022-23 Budget's major infrastructure proposals include:

Transportation. The Proposed 2022-23 Budget proposes a total of $4.9 billion from the General Fund—$3.3 billion in 2021-22 and $1.6 billion in 2022-23—to support various transportation projects, including transit and intercity rail, active transportation, and climate adaptation. In addition, the Proposed 2022-23 Budget includes $1.8 billion in 2021-22 and $1.9 billion 2022-23 in new federal transportation funds that the state is expected to receive through formula-based transportation programs as part of the Federal Infrastructure Investment and Jobs Act (IIJA) that was enacted in November 2021.

Port Infrastructure and Goods Movement. The Proposed 2022-23 Budget proposes $1.2 billion from the General Fund—$600 million in 2022-23 and 2023-24—for projects that improve the movement of goods on rail and roadways that serve ports, including railyard expansions and new bridges.

Health Care Access and Affordability. The two largest proposals in the Proposed 2022-23 Budget are to expand comprehensive Medi-Cal Coverage to all income-eligible undocumented immigrants and commit to addressing the affordability of health care through Covered California programs. In addition, the Proposed 2022-23 Budget reintroduces a proposal to establish an Office of Health Care Affordability and proposes efforts to lower the cost of insulin.

Homelessness. The Proposed 2022-23 Budget proposes $2 billion in one-time General Fund over two years intended to address near-term homelessness needs while previously authorized funding for long-term housing solutions are implemented. Specifically, the budget proposes $1.5 billion to the Department of Health Care Services' Behavioral Health Continuum Infrastructure Program for housing support for people with behavioral health needs. Additionally, the Proposed 2022-23 Budget proposes $500 million for the Encampment Resolution Grants Program in 2022-23 administered by the California Interagency Council on Homelessness to provide targeted grants to local governments to rehouse individuals living in encampments.

Housing Development. The Proposed 2022-23 Budget proposes $1 billion in one-time General Fund over two years to expand housing development. Specifically, the budget proposes $500 million for infill housing development, $300 million for the Affordable Housing and Sustainable Communities Program,

$100 million to build housing on excess state sites, and $100 million to repurpose existing commercial buildings for housing.

Affordable Housing. The Proposed 2022-23 Budget proposes $1 billion in one-time General Fund over two years for affordable housing development. The Proposed 2022-23 Budget largely expands existing state programs related to affordable housing, including $500 million for tax credits to builders of rental housing affordable to low-income households, $200 million for mixed-income housing, $200 million to preserve affordable housing units, and $100 million to preserve affordable mobile homes.

K-14 Education. Under Proposition 98, the Proposed 2022-23 Budget includes $102 billion in spending for K-14 education, $73.1 billion from state General Fund and $28.9 billion from local property tax revenue. As described below, the Proposed 2022-23 Budget includes a significant portion of additional funding to pay deferrals implemented in 2021-22, return students to in-person instruction, and provide a 5.33% cost-of-living adjustment to the Local Control Funding Formula.

The LAO estimates that under the Proposed 2022-23 Budget, the State has approximately $17.7 billion available for new spending on K-14 programs as compared to prior years. All of the major ongoing increases for K-12 schools relate to previous commitments or involve additional funding for longstanding programs.

The LAO identified spending increases allocated to the following main priorities:

$5.3 Billion Ongoing for Previous Commitments. The Proposed 2022-23 Budget provides funding to implement several program expansions agreed upon in the 2021-22 Budget, including $3.4 billion to accelerate the implementation of the Expanded Learning Opportunities Program, which funds summer and before/after school programs and $1.9 billion to expand Transitional Kindergarten, provide school meals for all students, reduce staffing ratios in Transitional Kindergarten classrooms, implement State Preschool rate increases, and cover community college financial aid expansions.

$4.1 Billion Ongoing for COLAs and Attendance Changes. The Proposed 2022-23 Budget funds a 5.33 percent COLA for the primary K-14 funding formulas and several categorical programs. For schools, the budget anticipates a 2.19 percent decline in funded attendance but proposes to offset this decline with a new funding adjustment for districts with declining attendance. This adjustment would credit districts with their average attendance over the previous three years if it exceeds their current- and prior-year attendance.

$2.3 Billion One Time for Infrastructure. The Proposed 2022-23 Budget proposes $1.5 billion to replace diesel school buses with electric buses. It also provides $450 million to upgrade school kitchen infrastructure and $388 million for deferred maintenance and instructional equipment at the community colleges. Separate from these allocations, the budget also proposes to provide $2.2 billion in non-Proposition 98 General Fund for the School Facilities Aid Program ($1.3 billion in 2022-23 and $925 million in 2023-24).

$1.5 Billion One Time for College and Career Pathways. The Proposed 2022-23 Budget proposes $1.5 billion to develop college and career pathways for high school students interested in technology, health care, education, and climate-related fields. The funds would be available over

four years to support local partnerships involving schools, colleges, universities, employers, and other community organizations.

Significant Deposits Into the Proposition 98 Reserve. Proposition 2 (2014) established the Proposition 98 Reserve and set forth rules requiring deposits and withdrawals under certain conditions. Generally, the State is required to deposit Proposition 98 funding into the account when revenue from capital gains is relatively strong and the minimum guarantee is growing faster than per capita personal income. The State is required to withdraw mandatory deposits from the Proposition 98 Reserve if the minimum guarantee is not growing quickly enough to support the prior-year funding level, as adjusted for student attendance and inflation. Under the Proposed 2022-23 Budget, by 2022-23 the cumulative balance of the Proposition 98 Reserve would be more than $9.7 billion—nearly 10 percent of the total Proposition 98 funding allocated to schools and community colleges that year. Once the balance reaches 10 percent, additional deposits are no longer required.

For additional information regarding the Proposed 2022-23 Budget, please see the Department of Finance website at ebudget.ca.gov and the LAO's website at lao.ca.gov. The City takes no responsibility for the continued accuracy of the above-referenced internet addresses as for the or for the accuracy, completeness, or timeliness of information posted therein, and such information is not incorporated herein by reference.

Future State Budgets. The City receives a portion of its funding from the State. Changes in the revenues received by the State can affect the amount of funding, if any, to be received from the State by the City and other cities in the State.

In addition, the City cannot predict the outcome of current and future State budget negotiations, the impact that such budgets will have on its finances and operations or what actions will be taken in the future by the State Legislature and Governor to deal with changing State revenues and expenditures. Current and future State budgets will be affected by national and State economic conditions and other factors over which the City has no control. See also "RISK FACTORS—Dependence on State for Certain Revenues."

CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES, REVENUES AND APPROPRIATIONS

The constitutional and statutory provisions discussed in this section have the potential to affect the ability of the City to levy taxes and spend tax proceeds for operating and other purposes.

Article XIIIA of the California Constitution

On June 6, 1978, California voters approved an amendment (commonly known as both Proposition 13 and the Jarvis-Gann Initiative) to the California Constitution. This amendment, which added Article XIIIA to the California Constitution, among other things affects the valuation of real property for the purpose of taxation in that it defines the full cash property value to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under "full cash value," or thereafter, the appraised value of real property newly constructed, or when a change in ownership has occurred after the 1975 assessment." The full cash value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or a

reduction in the consumer price index or comparable local data at a rate not to exceed 2% per year, or reduced in the event of declining property value caused by damage, destruction or other factors including a general economic downturn. The amendment further limits the amount of any ad valorem tax on real property to one percent of the full cash value except that additional taxes may be levied to pay debt service on indebtedness approved by the voters prior to July 1, 1978, and bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978 by two-thirds of the votes cast by the voters voting on the proposition.

Legislation enacted by the California Legislature to implement Article XIIIA provides that all taxable property is shown at full assessed value as described above. In conformity with this procedure, all taxable property value included in this Official Statement (except as noted) is shown at 100% of assessed value and all general tax rates reflect the $1 per $100 of taxable value. Tax rates for voter approved bonded indebtedness and pension liability are also applied to 100% of assessed value.

The voters of the State subsequently approved various measures which further amended Article XIIIA. One such amendment generally provides that the purchase or transfer of (i) real property between spouses or (ii) the principal residence and the first $1,000,000 of the Full Cash Value of other real property between parents and children, do not constitute a "purchase" or "change of ownership" triggering reappraisal under Article XIIIA. Other amendments permitted the State Legislature to allow persons over the age of 55 who meet certain criteria or "severely disabled homeowners" who sell their residence and buy or build another of equal or lesser value within two years in the same county, to transfer the old residence's assessed value to the new residence. Other amendments permit the State Legislature to allow persons who are either 55 years of age or older, or who are "severely disabled," to transfer the old residence's assessed value to their new residence located in either the same or a different county and acquired or newly constructed within two years of the sale of their old residence.

In the November 1990 election, the voters approved an amendment of Article XIIIA to permit the State Legislature to exclude from the definition of "new construction" certain additions and improvements, including seismic retrofitting improvements and improvements utilizing earthquake hazard mitigation technologies constructed or installed in existing buildings after November 6, 1990.

Article XIIIA has also been amended to provide that there would be no increase in the Full Cash Value base in the event of reconstruction of the property damaged or destroyed in a disaster.

Section 51 of the Revenue and Taxation Code permits county assessors who have reduced the assessed valuation of a property as a result of natural disasters, economic downturns or other factors, to subsequently "recapture" such value (up to the pre-decline value of the property) at an annual rate higher than 2%, depending on the assessor's measure of the restoration of value of the damaged property.

Section 4 of Article XIIIA also provides that cities, counties and special districts cannot, without a two-thirds vote of the qualified electors, impose special taxes, which has been interpreted to include special fees in excess of the cost of providing the services or facility for which the fee is charged, or fees levied for general revenue purposes.

Both the California State Supreme Court and the United States Supreme Court have upheld the validity of Article XIIIA.

Article XIIIB of the California Constitution

On November 6, 1979, California voters approved Proposition 4, the Gann Initiative, which added Article XIIIB to the California Constitution. In June 1990, Article XIIIB was amended by the voters through their approval of Proposition 111. Article XIIIB of the California Constitution limits the annual appropriations of the State and any city, county, school district, authority or other political subdivision of the State to the level of appropriations for the prior fiscal year, as adjusted annually for changes in the cost of living, population and services rendered by the governmental entity. The "base year" for establishing such appropriation limit is Fiscal Year 1978-79. Increases in appropriations by a governmental entity are also permitted (1) if financial responsibility for providing services is transferred to the governmental entity, or (2) for emergencies so long as the appropriations limits for the three years following the emergency are reduced to prevent any aggregate increase above the Constitutional limit. Decreases are required where responsibility for providing services is transferred from the government entity.

Appropriations subject to Article XIIIB include generally any authorization to expend during the fiscal year the proceeds of taxes levied by the State or other entity of local government, exclusive of certain State subventions, refunds of taxes, benefit payments from retirement, unemployment insurance and disability insurance funds. Appropriations subject to limitation pursuant to Article XIIIB do not include debt service on indebtedness existing or legally authorized as of January 1, 1979, on bonded indebtedness thereafter approved according to law by a vote of the electors of the issuing entity voting in an election for such purpose, appropriations required to comply with mandates of courts or the Federal government, appropriations for qualified outlay projects, and appropriations by the State of revenues derived from any increase in gasoline taxes and motor vehicle weight fees above January 1, 1990 levels. "Proceeds of taxes" include, but are not limited to, all tax revenues and the proceeds to any entity of government from (1) regulatory licenses, user charges, and user fees to the extent such proceeds exceed the cost of providing the service or regulation, (2) the investment of tax revenues and (3) certain State subventions received by local governments. As amended by Proposition 111, the appropriations limit is tested over consecutive two-year periods. Any excess of the aggregate "proceeds of taxes" received by the City over such two-year period above the combined appropriations limits for those two years is to be returned to taxpayers by reductions in tax rates or fee schedules over the subsequent two years.

As amended in June 1990, the appropriations limit for the City in each year is based on the limit for the prior year, adjusted annually for changes in the costs of living and changes in population, and adjusted, where applicable, for transfer of financial responsibility of providing services to or from another unit of government. The change in the cost of living is, at the City's option, either (1) the percentage change in California per capita personal income, or (2) the percentage change in the local assessment roll for the jurisdiction due to the addition of nonresidential new construction. The measurement of change in population is a blended average of statewide overall population growth and change in attendance at local school and community college ("K-14") districts.

Article XIIIB permits any government entity to change the appropriations limit by vote of the electorate in conformity with statutory and Constitutional voting requirements, but any such voter-approved change can only be effective for a maximum of four years.

Articles XIIIC and XIIID (Proposition 218) of the California Constitution

On November 5, 1996, the voters of the State approved Proposition 218, a constitutional initiative, entitled the "Right to Vote on Taxes Act" ("Proposition 218"). Proposition 218 added Articles XIIIC and

XIIID to the California Constitution and contained a number of interrelated provisions affecting the ability of local governments, including the City, to levy and collect both existing and future taxes and assessments, fees and charges.

Section 2 of Article XIIIC requires majority voter approval for the imposition, extension or increase of general taxes and requires two thirds voter approval for the imposition, extension or increase of special taxes. These voter approval requirements of Article XIIIC reduce the flexibility of the City to raise revenues by the levy of general or special taxes and, given such voter approval requirements, no assurance can be given that the City will be able to enact, impose, extend or increase any such taxes in the future to meet increased expenditure requirements.

Although a portion of the City's General Fund revenues are derived from general taxes purported to be governed by Proposition 218, all of such taxes were either imposed, extended or increased prior to the effective date of Proposition 218 or in accordance with the requirements of Proposition 218. No assurance can be given that the voters of the City will not, in the future, approve an initiative or initiatives which reduce or repeal local taxes, assessments, fees or charges, such as the TOT, Proposition 172 revenues, or storm water fees which support the City's General Fund. TOT and other local taxes, assessments, fees and charges, could be subject to reduction or repeal by initiative under Proposition 218.

Section 3 of Article XIIIC expressly extends the initiative power to give voters the power to reduce or repeal local taxes, assessments, fees and charges, regardless of the date such taxes, assessments, fees or charges were imposed. Section 3 expands the initiative power to include reducing or repealing assessments, fees and charges that had previously been considered administrative rather than legislative matters and therefore beyond the initiative power. This extension of the initiative power is not limited by the terms of Article XIIIC to fees imposed after November 6, 1996, the effective date of Proposition 218, and absent other legal authority could result in the reduction in any existing taxes, assessments or fees and charges imposed prior to November 6, 1996.

"Fees" and "charges" are not expressly defined in Article XIIIC or in SB 919, the Proposition 218 Omnibus Implementation Act enacted in 1997 to prescribe specific procedures and parameters for local jurisdictions in complying with Article XIIIC and Article XIIID ("SB 919"). However, on July 24, 2006, the California Supreme Court ruled in Bighorn-Desert View Water Agency v. Virjil (Kelley) (the "Bighorn Decision") that charges for ongoing water delivery are fees and charges within the meaning Section 3 of Article XIIIC. The California Supreme Court held that such water service charges may, therefore, be reduced or repealed through a local voter initiative pursuant to Section 3 of Article XIIIC. The Bighorn Decision has been interpreted to mean that ongoing water delivery charges are also property-related fees and charges within the meaning of Article XIIID.

In the Bighorn Decision, the Supreme Court stated that nothing in Section 3 of Article XIIIC authorizes initiative measures that impose voter-approval requirements for future increases in fees or charges for water delivery. The Supreme Court stated that water providers may determine rates and charges upon proper action of the governing body and that the governing body may increase a charge which was not affected by a prior initiative or impose an entirely new charge.

The Supreme Court further stated in the Bighorn Decision that it was not holding that the initiative power is free of all limitations and was not determining whether the initiative power is subject to the statutory provision requiring that water and wastewater service charges be set at a level that will pay debt service on bonded debt and operating expenses. Such initiative power could be subject to the limitations

imposed on the impairment of contracts under the contract clause of the United States Constitution. Additionally, SB 919 provides that the initiative power provided for in Proposition 218 "shall not be construed to mean that any owner or beneficial owner of a municipal security, purchased before or after (the effective date of Proposition 218) assumes the risk of, or in any way consents to, any action by initiative measure that constitutes an impairment of contractual rights" protected by the United States Constitution.

Article XIIIC also removes many of the limitations on the initiative power in matters of reducing or repealing any local tax, assessment, fee or charge. No assurance can be given that the voters of the City will not, in the future, approve an initiative or initiatives which reduce or repeal local taxes, assessments, fees or charges currently comprising a substantial part of the City's General Fund. "Assessments," "fees" and "charges" are not defined in Article XIIIC, and it is unclear whether these terms are intended to have the same meanings for purposes of Article XIIIC as for Article XIIID described below. If not, the scope of the initiative power under Article XIIIC potentially could include any General Fund local tax, assessment, or fee not received from or imposed by the federal or State government or derived from investment income.

If the City is unable to continue to collect assessment revenues for a particular program, the program might have to be curtailed and/or funded by the City's General Fund. Given the approval requirements imposed by Article XIIID, the City is unable to predict whether it will be able to continue to collect assessment revenues for these programs. If the City chose to fund any such programs from the General Fund instead, the General Fund budget would be affected.

Article XIIID defines a "fee" or "charge" as any levy other than an ad valorem tax, special tax, or assessment imposed by an agency upon a parcel or upon a person as an incident of property ownership, including a user fee or charge for a property-related service. A "property-related service" is defined as "a public service having a direct relationship to a property ownership" herein. Article XIIID further provides that reliance by an agency on any parcel map (including an assessor's parcel map) may be considered a significant factor in determining whether a fee or charge is imposed as an incident of property ownership. In the Bighorn Decision, the Supreme Court stated that ongoing water delivery charges are also property-related fees and charges within the meaning of Article XIIID.

Article XIIID requires that any agency imposing or increasing any property-related fee or charge must provide written notice thereof to the record owner of each identified parcel upon which such fee or charge is to be imposed and must conduct a public hearing with respect thereto. The proposed fee or charge may not be imposed or increased if a majority of owners of the identified parcels file written protests against it. As a result, if and to the extent that a fee or charge imposed by a local government for water service is ultimately determined to be a "fee" or "charge" as defined in Article XIIID, the local government's ability to increase such fee or charge may be limited by a majority protest.

In addition, Article XIIID also includes a number of limitations applicable to existing fees and charges including provisions to the effect that (i) revenues derived from the fee or charge shall not exceed the funds required to provide the property-related service; (ii) such revenues shall not be used for any purpose other than that for which the fee or charge was imposed; (iii) the amount of a fee or charge imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of the service attributable to the parcel; and (iv) no such fee or charge may be imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question. Property-related fees or charges based on potential or future use of a service are not permitted.

Depending on the interpretation of what constitutes a "property-related fee" under Article XIIID, there could be future restrictions on the ability of the City's General Fund to charge its enterprise funds for various services provided. In the event that fees and charges of enterprise funds cannot be appropriately increased or are reduced pursuant to exercise of the initiative power, the City may have to decide whether to supplement any deficiencies in these enterprise funds with moneys from the General Fund or to curtail service, or both.

The interpretation and application of Proposition 218 will ultimately be determined by the courts or through implementing legislation with respect to a number of the matters described above, and it is not possible at this time to predict with certainty the outcome of such determination or the nature or scope of any such legislation.

Both Articles XIIIA and XIIIB, as well as Articles XIIIC and XIIID described above, were adopted as measures that qualified for the ballot pursuant to California's constitutional initiative process. From time-to-time other initiative measures could be adopted, affecting the ability of the City to increase revenues and to increase appropriations.

Proposition 1A of 2004

The California Constitution and existing statutes give the legislature authority over property taxes, sales taxes and the VLF. The legislature has authority to change tax rates, the items subject to taxation and the distribution of tax revenues among local governments, schools, and community college districts. The State has used this authority for many purposes, including increasing funding for local services, reducing State costs, reducing taxation, addressing concerns regarding funding for particular local governments, and restructuring local finance.

The California Constitution generally requires the State to reimburse the local governments when the State "mandates" a new local program or higher level of service. Due to the ongoing financial difficulties of the State, it has not provided in recent years reimbursements for many mandated costs. In other cases, the State has "suspended" mandates, eliminating both responsibility of the local governments for complying with the mandate and the need for State reimbursements.

The 2004 Budget Act, related legislation and the enactment of Proposition 1A of 2004 (described below) dramatically changed the State-local fiscal relationship. These constitutional and statutory changes implemented an agreement negotiated between the Governor and local government officials (the "State-local agreement") in connection with the 2004 Budget Act.

One change related to the reduction of the VLF rate from 2% to 0.65% of the market value of the vehicle. In order to protect local governments, which had previously received all VLF revenues, the 1.35 percent reduction in VLF revenue to cities and counties from this rate change was backfilled by an increase in the amount of property tax revenues they receive. This worked to the benefit of local governments, because the backfill amount annually increases in proportion to the growth in secured roll property tax revenues, which has historically grown at a higher rate than VLF revenues. Proposition 1A of 2004 requires the State to provide local governments with equal replacement revenues.

On November 3, 2004, the voters of the State approved Proposition 1A ("Proposition 1A of 2004"). Proposition 1A of 2004 amended the State Constitution to, among other things, reduce the Legislature's authority over local government revenue sources by placing restrictions on the State's access

to local governments' property tax, sales tax, and VLF revenues as of November 3, 2004. Pursuant to Proposition 1A of 2004, the State is able to borrow up to 8% of local property tax revenues but only if the Governor proclaims such action is necessary due to a severe State fiscal hardship and two-thirds of both houses of the State Legislature approve the borrowing. Any amounts borrowed are required to be repaid within three years. Proposition 1A of 2004 also permits the State to borrow from local property tax revenues for no more than two fiscal years within a period of 10 fiscal years, and only if previous borrowings have been repaid. In addition, the State cannot reduce the local sales tax rate or restrict the authority of the local governments to impose or change the distribution of the statewide local sales tax. Proposition 1A of 2004 generally prohibits the State from mandating activities on cities, counties, or special districts without providing the funding needed to comply with the mandates, and if the State does not provide funding for the activity that has been determined to be mandated, the requirement on cities, counties, or special districts to abide by the mandate is suspended. Proposition 1A of 2004 also expanded the definition of what constitutes a mandate to encompass State action that transfers to cities, counties, and special districts financial responsibility for a required program for which the State previously had partial or complete responsibility. The State mandate provisions of Proposition 1A of 2004 do not apply to schools or community colleges or to mandates relating to employee rights.

Pursuant to statutory changes made in conjunction with amendments to the fiscal year 2008-09 State Budget Act, the Fiscal Year 2009-10 State Budget Act and related budget legislation adopted by the State Legislature and signed by the Governor in February 2012 (collectively, the "February 2012 Budget Package"), the VLF rate increased from 0.65% to 1.15% effective May 19, 2012. Of this 0.50% increase, 0.35% will flow to the State General Fund, and 0.15% will support various law enforcement programs previously funded by the State General Fund.

Proposition 22

Proposition 22 ("Proposition 22"), which was approved by California voters in November 2010, prohibits the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment, or local government projects and services and prohibits fuel tax revenues from being loaned for cash-flow or budget balancing purposes to the State General Fund or any other State fund. Due to the prohibition with respect to State's ability to take, reallocate, and borrow money raised by local governments for local purposes, Proposition 22 supersedes certain provisions of Proposition 1A of 2004. See " – Proposition 1 A of 2004" herein. In addition, Proposition 22 generally eliminates the State's authority to temporarily shift property taxes from cities, counties, and special districts to schools, temporarily increase schools' and community college districts' share of property tax revenues, prohibits the State from borrowing or redirecting redevelopment property tax revenues or requiring increased pass-through payments thereof, and prohibits the State from reallocating vehicle license fee revenues to pay for State imposed mandates. In addition, Proposition 22 requires a two-thirds vote of each house of the State Legislature and a public hearing process to be conducted in order to change the amount of fuel excise tax revenues shared with cities and counties. The LAO states that Proposition 22 will prohibit the State from enacting new laws that require redevelopment agencies to shift funds to schools or other agencies.

Proposition 22 prohibits the State from borrowing sales taxes or excise taxes on motor vehicle fuels or changing the allocations of those taxes among local government except pursuant to specified procedures involving public notices and hearings. In addition, Proposition 22 requires that the State apply the formula setting forth the allocation of State fuel tax revenues to local agencies revert to the formula in effect on June 30, 2009. The LAO anticipated that Proposition 22 would require the State to adopt alternative actions to

address its fiscal and policy objectives, particularly with respect to short-term cash flow need. The City does not believe that Proposition 22 will have a significant impact on its revenues and expenditures.

Proposition 26

Proposition 26 ("Proposition 26"), which was approved by California voters on November 2, 2010, revises the California Constitution to expand the definition of "taxes." Proposition 26 re-categorizes many State and local fees as taxes and specifies a requirement of two-thirds voter approval for taxes levied by local governments.

Proposition 26 requires the State obtain the approval of two-thirds of both houses of the State Legislature for any proposed change in State statutes, which would result in any taxpayer paying a higher tax. Proposition 26 eliminates the previous practice whereby a tax increase coupled with a tax reduction that resulted in an overall neutral fiscal effect was subject only to a majority vote in the State Legislature. Furthermore, pursuant to Proposition 26, any increase in a fee above the amount needed to provide the specific service or benefit is deemed to be a tax and the approval thereof will require such two-thirds vote of approval to be effective. In addition, for State imposed fees and charges, any fee or charge adopted after January 1, 2010 with a majority vote of approval of the State Legislature which would have required a two-thirds vote of approval of the State Legislature if Proposition 26 were effective at the time of such adoption is repealed as of November 2011 absent the re-adoption by the requisite two-thirds vote.

Proposition 26 amends Article XIII C of the State Constitution to state that a "tax" means a levy, charge or exaction of any kind imposed by a local government, except (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property or the purchase rental or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government as a result of a violation of law; (6) a charge imposed as a condition of property development; or (7) assessments and property related fees imposed in accordance with the provisions of Proposition 218.

Proposition 26 applies to any levy, charge or exaction imposed, increased, or extended by local government on or after November 3, 2010, unless exempted, as stated above. Accordingly, fees adopted prior to that date are not subject to the measure until they are increased or extended or if it is determined that an exemption applies. As of the date hereof, none of the City's fees or charges has been challenged in a court of law in connection with the requirements of Proposition 26.

If the local government specifies how the funds from a proposed local tax are to be used, the approval will be subject to a two-thirds voter requirement. If the local government does not specify how the funds from a proposed local tax are to be used, the approval will be subject to a fifty percent voter requirement. Proposed local government fees that are not subject to Proposition 26 generally are subject to the approval of a majority of the governing body. In general, proposed property charges will be subject to a

majority vote of approval by the governing body although certain proposed property charges will also require approval by a majority of the affected property owners.

Proposition 19

On November 3, 2020, State voters approved a constitutional amendment entitled Property Tax Transfers, Exemptions and Revenue for Wildfire Agencies and Counties Amendment ("Proposition 19"), which will: (i) expand special rules that give property tax savings to homeowners that are over the age of 55, severely disabled, or whose property has been impacted by a natural disaster or contamination, when they buy a different home; (ii) narrow existing special rules for inherited properties; and (iii) broaden the scope of legal entity ownership changes that trigger reassessment of properties. The City cannot make any assurance as to what effect the implementation of Proposition 19 will have on assessed valuation of real property in the City.

Future Initiatives

Articles XIIIA, XIIIB, XIIIC and XIIID, Propositions 1A, 22, 26 and 19 were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time, other initiative measures could be adopted, which may place further limitations on the ability of the State, the City or local districts to increase revenues or to increase appropriations which may affect the City's revenues or its ability to expend its revenues.

RISK FACTORS

This section provides a general overview of certain risk factors which should be considered, in addition to the other matters set forth in this Official Statement, in evaluating an investment in the Certificates. This section is not meant to be a comprehensive or definitive discussion of the risks associated with an investment in the Certificates, and the order in which this information is presented does not necessarily reflect the relative importance of various risks. Potential investors in the Certificates are advised to consider the following factors, among others, and to review this entire Official Statement to obtain information essential to the making of an informed investment decision. Any one or more of the risk factors discussed below, among others, could lead to a decrease in the market value and/or in the marketability of the Certificates. There can be no assurance that other risk factors not discussed herein will not become material in the future.

Lease Payments Are Not Debt

The obligation of the City to make the Lease Payments under the Lease Agreement does not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. The obligation of the City to make Lease Payments does not constitute a debt of the City, the State or any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction.

Although the Lease Agreement does not create a pledge, lien or encumbrance upon the funds of the City, the City is obligated under the Lease Agreement to pay the Lease Payments from any source of legally available funds and the City has covenanted in the Lease Agreement that, for so long as the Property is available for its use, it will make the necessary annual appropriations within its budget for the Lease Payments. The City is currently liable and may become liable on other obligations payable from general

revenues, some of which may have a priority over the Lease Payments, or which the City, in its discretion, may determine to pay prior to the Lease Payments.

The City has the capacity to enter into other obligations payable from the City's general fund, without the consent of or prior notice to the Owners of the Certificates. To the extent that additional obligations are incurred by the City, the funds available to make Lease Payments may be decreased. In the event the City's revenue sources are less than its total obligations, the City could choose to fund other municipal services before making Lease Payments. The same result could occur if, because of State constitutional limits on expenditures, the City is not permitted to appropriate and spend all of its available revenues. The City's appropriations, however, have never exceeded the limitations on appropriations under Article XIIIB of the California Constitution. For information on the City's current limitations on appropriations, see "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS–Article XIIIB of the California Constitution."

Valid and Binding Covenant to Budget and Appropriate

Pursuant to the Lease Agreement, the City covenants to take such action as may be necessary to include Lease Payments due in its annual budgets and to make necessary appropriations for all such payments. Such covenants are deemed to be duties imposed by law, and it is the duty of the public officials of the City to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the City to carry out and perform such covenants. A court, however, in its discretion may decline to enforce such covenants. Upon delivery of the Certificates, Special Counsel will render its opinion (substantially in the form of APPENDIX D–FORM OF SPECIAL COUNSEL OPINION) to the effect that, subject to the limitations and qualifications described therein, the Lease Agreement constitutes a valid and binding obligation of the City.

Additional Obligations of the City

The Lease Agreement does not prohibit the City from incurring additional lease and other obligations payable from the City's General Fund. In that regard, the City may, from time to time, incur general fund obligations to finance public improvements (see "OTHER CITY FINANCIAL INFORMATION—Long-Term General Fund-Secured Obligations"), which may also include lease obligations payable from its general fund.

Cash Management

The City has numerous internal or external means to manage its cash flow, including but not limited to interfund borrowing, intrafund borrowing and tax and revenue anticipation notes which may be employed to the extent the City Council is required to make budget adjustments in order to maintain a balanced budget. If the City does not take required actions and the budget remains out of balance, the cash requirements of the City may exceed available cash flow. The ability of the City to borrow on an interim basis to meet any cash shortfalls also may be limited if the budget remains out of balance for a sustained period of time. The City has the legal authority to issue "warrants" in place of cash to meet various types of expenditures or appropriations as an additional means to manage its cash flow. See "CITY FINANCIAL INFORMATION."

Abatement

In the event of loss or substantial interference in the use and possession by the City of all or any portion of the Property caused by material damage, title defect, destruction to or condemnation of the Property, Lease Payments will be subject to abatement. In the event that such component of the Property, if damaged or destroyed by an insured casualty, could not be replaced during the period of time that proceeds of the City's rental interruption insurance will be available in lieu of Lease Payments, or in the event that casualty insurance proceeds or condemnation proceeds are insufficient to provide for complete repair or replacement of such component of the Property or prepayment of the Certificates, there could be insufficient funds to make payments to Owners in full. Reduction in Lease Payments due to abatement as provided in the Lease Agreement does not constitute a default thereunder.

It is not possible to predict the circumstances under which such an abatement of rental may occur. In addition, there is no statute, case or other law specifying how such an abatement of rental should be measured. For example, it is not clear whether fair rental value is established as of commencement of the lease or at the time of the abatement. If the latter, it may be that the value of the Property is substantially higher or lower than its value at the time of the execution and delivery of the Certificates. Abatement, therefore, could have an uncertain and material adverse effect on the security for and payment of the Certificates.

No Acceleration Upon Default

In the event of a default, there is no remedy of acceleration of the total Lease Payments due over the term of the Lease Agreement and the Trustee is not empowered to foreclose or sell a fee simple interest in the Property and use the proceeds of such sale to prepay the Certificates or pay debt service thereon. Any suit for money damages would be subject to limitations on legal remedies against public agencies in the State, including a limitation on enforcement of judgments against funds needed to serve the public welfare and interest as described below. See " —Limitations on Remedies."

Risk of Uninsured Loss

The City covenants under the Lease Agreement to maintain certain insurance policies on the Property. See "SOURCE OF PAYMENT FOR THE CERTIFICATES—Insurance." These insurance policies do not cover all types of risk, and the City need not obtain insurance except as available on the open market from reputable insurers. The City does not insure its facilities against the risk of earthquake. Additionally, the Property could be the subject of an eminent domain proceeding. Under these circumstances an abatement of Lease Payments could occur and could continue indefinitely. There can be no assurance that the providers of the City's casualty and rental interruption insurance will in all events be able or willing to make payments under the respective policies for such loss should a claim be made under such policies. Further, there can be no assurances that amounts received as proceeds from insurance or from condemnation of the Property will be sufficient to prepay the Certificates.

Under the Lease Agreement the City may obtain casualty insurance which provides for a deductible up to $250,000. Should the City be required to meet such deductible expenses, the availability of general fund revenues to make Lease Payments may be correspondingly affected.

Eminent Domain

If the Property is taken permanently under the power of eminent domain or sold to a government threatening to exercise the power of eminent domain, the term of the Lease Agreement will cease as of the day possession is taken. If less than all of the Property is taken permanently, or if the Property or any part thereof is taken temporarily, under the power of eminent domain, (a) the Lease Agreement will continue in full force and effect and will not be terminated by virtue of such taking, and (b) there will be a partial abatement of Lease Payments as a result of the application of net proceeds of any eminent domain award to the prepayment of the Lease Payments, in an amount to be agreed upon by the City and the Corporation such that the resulting Lease Payments represent fair consideration for the use and occupancy of the remaining usable portion of the Property. The City covenants in the Lease Agreement to contest any eminent domain award which is insufficient to either: (i) prepay the Lease Payments in whole, if all the Property is condemned; or (ii) prepay a pro rata share of Lease Payments, in the event that less than all of the Property is condemned.

COVID-19 Pandemic

The COVID-19 Pandemic has affected travel, commerce, investment values, and financial markets globally, and is widely expected to continue to affect economic output worldwide and within the City, the County, and the State. While federal and state governments (including California) have enacted legislation and taken executive actions seeking to mitigate the negative public health and economic impacts of the Pandemic, no assurances can be given that these interventions will have the intended effects.

Negative economic impacts resulting from the COVID-19 Pandemic may or may not reduce or otherwise negatively affect revenues to the City's General Fund including declines in transient occupancy taxes as discussed under "CITY FINANCIAL INFORMATION." The ultimate impact of the COVID-19 Pandemic on the City's operations and finances is unknown. The City has developed what it believes to be reasonable budgeted projections of the magnitude of these impacts on its revenues and on its expenditures, but the COVID-19 Pandemic is ongoing, and the City cannot predict how and when it will be resolved.

As of the date of this Official Statement, the City does not believe that the impacts of the COVID-19 Pandemic will prevent the City from making the Lease Payments when due.

Additional information about the State's and the County's current status can be found at the State's website, www.covid19.ca.gov and at the County's website www.co.monterey.ca.us for up-to-date information regarding COVID-19 restrictions in place in the State and in the County. Reference to the State's and the County's website is included in this Official Statement for general information only and information on such website is not included in this Official Statement by reference to such website.

Concentration of Revenue Sources

The City relies on, among other things, a 1.5% voter-approved sales tax known as Measure N. Measure N was approved by the voters of the City voting in an election in November 6, 2018. The business license tax is a major revenue source for the City and has historically accounted for approximately 10-15% of the City's total General Fund revenues in recent years. Measure N sales and use taxes will sunset on March 31, 2034 if Measure N's sales tax is not otherwise extended by the voters of the City beforehand. Failure to extend Measure N beyond 2034 could materially and adversely impact the City's revenues and could affect the City's ability to make the Lease Payments when due. Such a result could be affected by

events entirely outside of the City's control. For additional discussion of sales and use taxes and of Measure N, see "CITY FINANCIAL INFORMATION –Primary Sources of General Fund Revenues and –Sales and Use Taxes."

Hazardous Substances

One of the most serious risks in terms of the potential reduction in the value or use of a parcel of property is a claim with regard to a hazardous substance. In general, the owners, lessors and/or lessees of a parcel of real property may be required by law to remedy conditions of the parcel relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or the "Superfund Act," is the most well-known and widely applicable of these laws, but California laws with regard to hazardous substances are also stringent and similar in application. Under many of these laws, the owner (or operator) is obligated to remedy a hazardous substance condition of property whether or not the owner (or operator) has contributed to or caused contamination with the hazardous substances. The effect, therefore, should property in the City be affected by a hazardous substance, is to reduce both marketability and the value of property by the costs of remedying the condition. While the City is not currently aware of any such condition, it is possible that such hazardous substance conditions do currently exist and that the City has not been made aware of their existence.

Natural Calamities

General. From time to time, the City has been and could be subject to natural calamities, including, but not limited to, earthquake, flood or wildfire, that may adversely affect economic activity in the City, and which could have a negative impact on City finances. There can be no assurance that the occurrence of any natural calamity would not cause substantial damage to persons, property and structures in the City and could have a substantial negative effect on the City's General Fund.

Flood. Like most of the State, the City is subject to unpredictable seasonal rainfall, with periods of intense and sustained precipitation occurring every few years. Certain of the areas in the City adjacent to water features are classified by FEMA as being in the AE flood zone and the A flood zone, flood insurance rate zone that correspond to the 1% annual chance floodplain and 1% annual chance shallow floodplain, respectively. Property owners in AE and A flood risk zones who have federally backed mortgages are required to purchase flood insurance as a condition of that loan. Additionally, areas adjacent to the Salinas River, which runs to the north of the City, are also at risk of damage from flood conditions. FEMA flood maps can be viewed at the FEMA Flood Map Service Center at https://msc.fema.gov/portal/home. Such website is not incorporated herein by this reference.

Drought. The State is currently experiencing drought conditions. The Governor of the State has issued targeted emergency drought proclamations to nearly all counties across the State, including the County. The emergency drought proclamations allow for the set-aside of certain state regulatory requirements until the subsistence of drought conditions. The City and the County are presently experiencing drought conditions and are likely to continue to be effected by drought conditions in the future.

Seismic. Like most regions in California, the City is in an area of significant seismic activity. Soils in lowland areas away from major faults may also be unable to support buildings during major earthquakes. Landslides are likely on hillsides during major earthquakes. Damage resulting from such an event could have a material adverse effect on the City's financial condition as well, through unexpected recovery costs and reduced tax and other revenues.

Wildfire. In recent years, wildfires have caused extensive damage to cities throughout the State. In some instances, entire neighborhoods have been destroyed. Areas effected by wildfires may be more prone to flooding and mudslides. In addition to the direct impact of wildfires on health and safety and property damage, the smoke from wildfires has negatively impacted the quality of life in the City and may have short-term and future impacts on residential and commercial activity in the City.

As the devastating Soberanes Fire in 2016 and Basin Complex fire of 2008 attest, wildfire is a serious hazard in Monterey County and for the City of Marina. The historical average return interval between large wildfires (>10,000 acers) in Monterey County is 7.3 years, with a minimum return interval as short as 1 year, and a maximum as long as 16 years. The greatest potential wildfire risk to the City of Marina is from the Bureau of Land Management's Fort Ord National Monument, which is in close proximity to the southern end of the city. Severe weather conditions could make this landscape consisting of fuel-rich maritime chaparral and oak woodlands highly susceptible to wildfire outbreak. Several studies have indicated that the risk of wildfire will increase with climate change. While the models differ, there is a general pattern for wildfires in California to start earlier in the season, continue later in the year, and occur with increasing frequency.

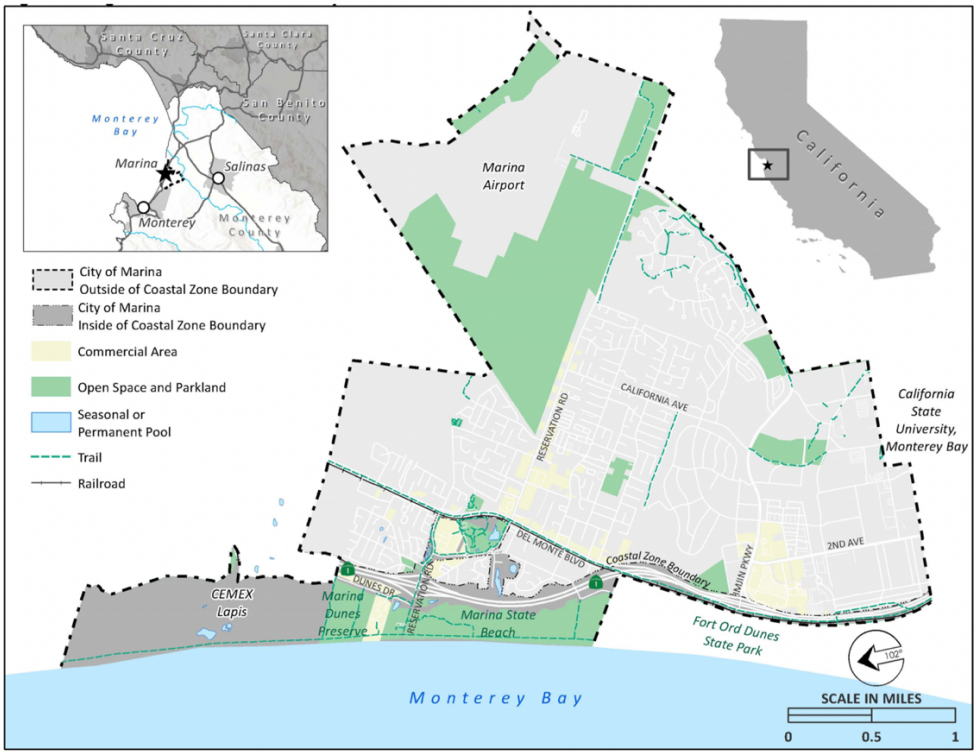
While the City believes the possibility of wildfire damage within the City is low, there can be no assurances that wildfires will not occur within the City or the County or that the City will not be negatively impacted by sustained smoky conditions caused by wildfires. Damage resulting from such an event could have a material adverse effect on the City's financial condition as well, through unexpected recovery costs and reduced tax and other revenues.

Climate Change/Sea Level Rise. Climate change caused by human activities may have adverse effects on the City and its finances. Climate change can also result in more variable weather patterns throughout the State, rising ocean water levels, increased risk of flooding, changes in salinity and tidal patterns, coastal erosion, drought, water restrictions and vegetation changes. Portions of the City are located adjacent to Monterey Bay and are likely to be negatively impacted by these and other results of climate change. The City considers the potential effects of climate change in its planning.

The City's coastline has one of the highest rates of erosion in California. The high rates of erosion have largely been caused by a long standing coastal sand mine. In 2017, a monumental settlement agreement between the City, the California Coastal Commission ("CCC"), the California State Lands Commission ("CSLC"), and CEMEX, the owner of the sand mine laid out the phased end and remediation to nearly a century of sand mining activities. In accordance with the terms of the settlement agreement, CEMEX ceased all operations at the sand mine in December, 2021.

As the City's coastline has a mostly unique dune topography, the large distances to inland development mean that most developed property in the City faces minimal exposure to coastal hazards and sea level rise. Coastal dune erosion hazards, as described above, are the biggest threat to the City. The primary impact from this erosion will be to open space, recreation, and dune habitats along Marina State Beach. Infrastructure projected to be eroded and damaged by sea level rise along the coast include certain Marina Coast Water District facilities, some portions of the City's wastewater conveyance system, and the Sanctuary Beach Resort. With ~5 feet of sea level rise, coastal wave flooding could begin to cause temporary flood impacts inland of Highway 1 during high tides and a rare 1% annual chance (aka 100 year) storm wave events.

MAP OF THE CITY OF MARINA AND ITS COSTAL AREAS



Source: 2019 City of Marina Existing Conditions and Sea Level Rise Issues Report.

City of Marina Local Costal Program (LCP). The California Coastal Act requires local governments in the State's Coastal Zone to create and implement Local Coastal Programs ("LCPs"). Each LCP consists of a Coastal Land Use Plan and an Implementation Plan. Using the California Coastal Act, the California Coastal Commission ("CCC") and local governments manage coastal development, including addressing the challenges presented by coastal hazards like storms, flooding, and erosion. Sea level rise and the changing climate present new management challenges with the potential to significantly threaten many coastal resources, including both natural and public access.

In order to address sea level rise and associated hazards in the City's LCP project, the City and its consultant team prepared a 2019 City of Marina Existing Conditions and Sea Level Rise Issues Report (the "SLR Report"). The purpose of the SLR Report was to provide technical analysis using climatic modeling to support the City's effort to incorporate a range of coastal and climate change hazards into the City's planning and regulatory processes to assist the City in making informed decisions regarding land use and development standards from the project level to the plan level. The SLR Report considered potential impacts from coastal hazards exacerbated by various elevations of sea level rise (9 inches, 28 inches, and 63 inches) to a range of infrastructure and natural resource sectors. The SLR Report also lays out a framework over the next few decades for when office buildings, a sewer pump, and an aging water treatment facility should consider moving away from the sea.

The City's SLR Report and Local Costal Plan can be viewed on the City's website at: https://www.cityofmarina.org/888/Local-Coastal-Program-Update. Such website is not incorporated herein by this reference.

Projections of the impacts of global climate change on the City are complex and depend on many factors that are outside the City's control. The various scientific studies that forecast the amount and timing of adverse impacts of climate change are based on assumptions contained in such studies, but actual events may vary materially. Also, the scientific understanding of climate change and its effects continues to evolve. Accordingly, the City is unable to forecast with certainty when and where the adverse impacts of climate change will occur or the extent of such impacts. While the impacts of climate change may be mitigated by the City's past and future investment in adaptation strategies, the City can give no assurance about the net effects of those strategies and whether the City will be required to take additional adaptive mitigation measures.

Potential Impact of State Financial Condition on the City

During the 2008-09 recession, the State faced a structural deficit that resulted in substantial annual deficits and reductions in expenditures. Although the State has had a budget surplus in the more recent fiscal years, according to the State there remain a number of major risks and pressures that threaten the State's financial condition, including the threat of recession, potential changes to federal fiscal policies and unfunded long-term liabilities of more than $200 billion related to pensions and other post-retirement benefits. These risks and financial pressures could result in future reductions or deferrals in amounts payable to the City. The State's financial condition and budget policies affect local public agencies throughout California. To the extent that the State budget process results in reduced revenues to the City, the City will be required to adjust its budget. State budget policies can also impact conditions in the local economy and could have an adverse effect on the local economy and the City's major revenue sources.

No prediction can be made by the City as to whether the State will encounter budgetary problems in future fiscal years, and if it were to do so, it is not clear what measures would be taken by the State to balance its budget, as required by law. In addition, the City cannot predict the final outcome of future State budget negotiations, the impact that such budgets will have on City finances and operations or what actions will be taken in the future by the Legislature and the Governor to deal with changing State revenues and expenditures. There can be no assurance that actions taken by the State to address its financial condition will not materially adversely affect the financial condition of the City. Current and future State budgets will be affected by national and State economic conditions and other factors over which the City has no control (see "STATE BUDGET INFORMATION"). The ability of the state to divert funds from the City has been limited by Proposition 1A and Proposition 22, which are discussed herein. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES, REVENUES AND APPROPRIATIONS."

Increased Internet Use May Reduce Sales Tax Revenues

The increasing use of the Internet to conduct electronic commerce may affect the levels of the sales tax revenues collected by the City and the County. Online sales of physical products by businesses located in the State, and online sales of physical products delivered to the State by businesses located outside of the State are generally subject to the sales taxes. However, the City believes that many of these transactions may avoid taxation either through error or deliberate non-reporting and this potentially reduces the amounts of the sales tax revenues collected. As a result, the more that the Internet is used to conduct electronic commerce, along with the failure to collect sales taxes on such online purchases, the more that the City may experience reductions sales tax collections. On September 23, 2011, Governor Jerry Brown signed into law a settlement with Amazon.com Inc., one of the largest internet retailers in the State. As a result, beginning

in September 2012, Amazon started collecting taxes from its online sales in the State, to remit to the California Department of Tax and Fee Administration ("CDTFA"). On June 21, 2018, in the case of South Dakota v. Wayfair, the Supreme Court of the United States ruled that state and local governments have the authority to require out-of-state vendors with no local physical presence in a state to collect and remit sales taxes to state and local governments. As of April 1, 2019, retailers located outside of the State are required to register with CDTFA, collect the California use tax and pay the tax to CDTFA based on the amount of their sales into California, even if they do not have a physical presence in the state, with exceptions for retailers with California sales below certain volume and dollar thresholds. The City and the County cannot predict the degree that the collection of the California use tax on such retailers will affect the collection of sales taxes on a going forward basis.

Pension Benefit Liability

Many factors influence the amount of the City's pension benefit liabilities, including, without limitation, inflationary factors, changes in statutory provisions of CalPERS retirement system laws, changes in the level of benefits provided or in the contribution rates of the City, increases or decreases in the number of covered employees, changes in actuarial assumptions or methods (including but not limited to the assumed rate of return), mortality rates, and differences between actual and anticipated investment experience of CalPERS. Any of these factors could give rise to additional liability of the City to its pension plans as a result of which the City would be obligated to make additional payments to its pension plans in order to fully fund the City's obligations to its pension plans.

Risks Related to Cyber Security

The City relies on computers and technology to conduct its operations. The City and its departments face cyber threats from time to time including, but not limited to, hacking, viruses, malware and other forms of technology attacks. The City owns and operates its own enterprise class data network serving the municipal city government and its operations. The City has retained information technology professionals to support, maintain and protect these operations locally in a purpose-built and physically secure environment. This network and its operations are governed by and in compliance with all applicable governmental regulations as well as the City's own administrative regulations. Within the City's operations and guidance is an active cyber-security program designed to protect from, and to quickly identify and mitigate, a multitude of complex security threats. While no network is completely immune from all possible compromise, the City exercises its due diligence in protecting the data it possesses and the systems it operates. To date, there have been no significant cyber-attacks on the City's computers and technologies.

[DISCUSS. ANY CYBER POLICY OR INSURANCE?]

While the City routinely maintains its technology systems and continuously implements new information security controls, no assurances can be given that the City's security and operational control measures will be successful in guarding against all cyber threats and attacks. The results of any attack on the City's computer and technology could negatively impact the City's operations, and the costs related to such attacks could be substantial.

Bankruptcy

The City is a unit of State government and therefore is not subject to the involuntary procedures of the United States Bankruptcy Code (the "Bankruptcy Code"). However, pursuant to Chapter 9 of the

Bankruptcy Code, the City may seek voluntary protection from its creditors for purposes of adjusting its debts. A City bankruptcy petition could have a material adverse effect on the payment of the Certificates. The following paragraphs present a discussion of certain potential consequences surrounding a potential City bankruptcy. It is not intended to be an exhaustive discussion of all potential adverse consequences or potential outcomes.

In the event the City were to become a debtor under the Bankruptcy Code, the City would be entitled to all of the protective provisions of the Bankruptcy Code as applicable in a Chapter 9 proceeding. Among the adverse effects of such a bankruptcy might be: (i) the application of the automatic stay provisions of the Bankruptcy Code, which, until relief is granted, would prevent collection of payments from the City or the commencement of any judicial or other action for the purpose of recovering or collecting a claim against the City; (ii) the avoidance of preferential transfers occurring during the relevant period prior to the filing of a bankruptcy petition; (iii) the existence of unsecured or court-approved secured debt which may have a priority of payment superior to that of Owners of Certificates; and (iv) the possibility of the adoption of a plan for the adjustment of the City's debt (a "Plan") without the consent of the Trustee or all of the Owners of Certificates, which Plan may restructure, delay, compromise or reduce the amount of any claim of the Owners if the Bankruptcy Court finds that the Plan is fair and equitable.

In addition, the City could either reject the Lease Agreement or assume the Lease Agreement despite any provision of the Lease Agreement which makes the bankruptcy or insolvency of the City an event of default thereunder. In the event the City rejects the Lease Agreement, the Trustee, on behalf of the Owners of the Certificates, would have a pre-petition claim that may be limited under the Bankruptcy Code and treated in a manner under a Plan over the objections of the Trustee or Owners of the Certificates. Moreover, such rejection would terminate the Lease Agreement and the City's obligations to make payments thereunder.

Early Redemption Risk

Early redemption of the Certificates may occur in whole or in part without premium, on any date if the Property or a portion thereof is lost, destroyed or damaged beyond repair or taken by eminent domain or from the proceeds of title insurance (see "THE CERTIFICATES—Redemption").

Limitations on Remedies

The enforcement of any remedies provided in the Lease Agreement and the Trust Agreement could prove both expensive and time consuming. Although the Lease Agreement provides that if the City defaults the Trustee may enter the Property and re-let the Property, portions of the Property may not be easily recoverable, and even if recovered, could be of little value to others because of the Property's specialized nature. Additionally, the Trustee may have limited ability to re-let the Property to provide a source of rental payments sufficient to pay the principal of and interest with respect to the Certificates so as to preserve the tax-exempt nature of interest with respect to the Certificates. Furthermore, due to the governmental nature of the Property, it is not certain whether a court would permit the exercise of the remedy of re-letting with respect thereto.

Alternatively, the Trustee may terminate the Lease Agreement and proceed against the City to recover damages pursuant to the Lease Agreement. Any suit for money damages would be subject to limitations on legal remedies against public agencies in the State, including a limitation on enforcement of judgments against funds needed to serve the public welfare and interest.

The rights of the Owners of the Certificates are subject to certain limitations on legal remedies against cities, redevelopment agencies and other governmental entities in the State, including but not limited to a limitation on enforcement against funds that are otherwise needed to serve the public welfare and interest. Additionally, the rights of the Owners of the Certificates may be subject to (i) bankruptcy, insolvency, reorganization, moratorium, or similar laws limiting or otherwise affecting the enforcement of creditors' rights generally (as such laws are now or hereafter may be in effect), (ii) equity principles (including but not limited to concepts of materiality, reasonableness, good faith and fair dealing) and the possible unavailability of specific performance or injunctive relief, regardless of whether considered in a proceeding in equity or law, (iii) the exercise by the United States of America of the powers delegated to it by the Constitution, and (iv) the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. Under Chapter 9 of the Bankruptcy Code (Title 11, United States Code), which governs bankruptcy proceedings for public agencies, there are no involuntary petitions in bankruptcy. If the City were to file a petition under Chapter 9 of the Bankruptcy Code, the Owners, the Trustee and the Corporation could be prohibited or severely restricted from taking any steps to enforce their rights under the Lease Agreement and from taking any steps to collect amounts due from the City under the Lease Agreement.

Special Counsel has limited its opinion as to the enforceability of the Lease Agreement to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium, or other similar laws affecting generally the enforcement of creditor's rights, by equitable principles and by the exercise of judicial discretion. Additionally, the Certificates are not subject to acceleration in the event of the breach of any covenant or duty under the Lease Agreement. The lack of availability of certain remedies or the limitation of remedies may entail risks of delay, limitation or modification of the rights of the Owners.

No Reserve Fund

No debt service reserve fund has been established with respect to the Certificates.

Secondary Market Risk

There can be no assurance that there will be a secondary market for purchase or sale of the Certificates, and from time to time there may be no market for them, depending upon prevailing market conditions, the financial condition or market position of firms who may make the secondary market and the financial condition of the City.

Changes in Law

There can be no assurance that the electorate of the State will not at some future time adopt additional initiatives or that the Legislature will not enact legislation that will amend the laws or the Constitution of the State resulting in a reduction of the general fund revenues of the City and consequently, having an adverse effect on the security for the Certificates.

ABSENCE OF LITIGATION

At the time of delivery of and payment for the Certificates, the City and the Corporation will certify that there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court or regulatory agency, public board, or body pending or threatened against the City or the Corporation affecting their existence or the titles of their respective officers or seeking to restrain or to enjoin the issuance, sale, or delivery of the Certificates, or the application of the proceeds thereof in accordance with the Trust Agreement, or in any way contesting or affecting the validity or enforceability of the Certificates, any agreement entered into between the City and any purchaser of the Certificates, the Lease Agreement, the Trust Agreement, the Assignment Agreement, the Site and Facility Lease or any other applicable agreements or any action of the City or the Corporation contemplated by any of said documents, or in any way contesting the completeness or accuracy of this Official Statement or any amendment or supplement thereto, or contesting the powers of the City or the Corporation or their authority with respect to the Certificates or any action of the City or the Corporation contemplated by any of said documents, nor, to the knowledge of the City or the Corporation, is there any basis therefor. There is no litigation pending or threatened against the City that could affect the City's ability to make the Lease Payments.

CONTINUING DISCLOSURE

Pursuant to Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), the City has agreed, for the benefit of holders of the Certificates, to provide certain financial information and operating data relating to the City relating to the Certificates (the "Annual Reports") and its audited financial statements, by not later than March 31 of each year commencing with the report for the 2020-21 fiscal year (the "Annual Information"), and to provide notices of the occurrence of certain events. The Annual Reports, audited financial statements and notices of events will be filed by the City with the Municipal Securities Rulemaking Board (the "MSRB"), via its Electronic Municipal Market Access ("EMMA") system. The nature of the information to be provided in the Annual Reports and the notices of events is set forth in APPENDIX G—FORM OF CONTINUING DISCLOSURE CERTIFICATE.

During the last five years, all Annual Reports were filed on time. The City's 2018 audited financial statements were filed late on August 21, 2019, its 2020 audited financial statements were filed late on July 2, 2021, and its 2021 audited financial statements were file late on _____, 2022, although unaudited financial statements for those years were filed on time. All other audited financial statements during the last five years were filed on time.

MUNICIPAL ADVISOR

KNN Public Finance, LLC, Berkeley, California (the "Municipal Advisor"), is an independent financial advisory firm registered as a "Municipal Advisor" with the Securities Exchange Commission and Municipal Securities Rulemaking Board. The Municipal Advisor does not underwrite, trade or distribute municipal or other public securities. The Municipal Advisor has assisted the District in connection with the planning, structuring, sale, and delivery of the Certificates. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification of or to assume responsibilities for the accuracy, completeness, or fairness of the information contained in this Official Statement not provided by the Municipal Advisor. The fees of the Municipal Advisor in respect to the Certificates are contingent upon their sale and delivery.

LEGAL MATTERS

All legal matters in connection with the execution and delivery of the Certificates are subject to the approval of Quint & Thimmig LLP, Larkspur, California, Special Counsel. Special Counsel's opinion with respect to the Certificates will be substantially in the form set forth in APPENDIX D—FORM OF SPECIAL COUNSEL OPINION. Certain legal matters will also be passed on for the City by Quint & Thimmig LLP, Larkspur, California, as Disclosure Counsel, and by the City Attorney. Certain legal matters will be passed upon for the Underwriter by Stradling Yocca Carlson & Rauth, Newport Beach, California. The fees and expenses of Special Counsel, Disclosure Counsel and Underwriter's Counsel are contingent upon the delivery of the Certificates.

TAX MATTERS

Federal tax law contains a number of requirements and restrictions which apply to the Certificates, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The City has covenanted to comply with all requirements that must be satisfied in order for the interest with respect to the Certificates to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest with respect to the Certificates to become includible in gross income for federal income tax purposes retroactively to the date of delivery of the Certificates.

Subject to the City's compliance with the above-referenced covenants, under present law, in the opinion of Special Counsel, interest with respect to the Certificates is excludable from the gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax under the Internal Revenue Code of 1986, as amended (the "Code").

In rendering its opinion, Special Counsel will rely upon certifications of the City with respect to certain material facts within the City's knowledge. Special Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

Ownership of the Certificates may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Certificates should consult their tax advisors as to applicability of any such collateral consequences.

The issue price for original issue discount (as further discussed below) and market discount purposes (the "OID Issue Price") for each maturity of the Certificates is the price at which a substantial amount of such maturity of the Certificates is first sold to the public (excluding bond houses and brokers and similar persons or organizations acting in the capacity of underwriters, placement agents or

wholesalers). The OID Issue Price of a maturity of the Certificates may be different from the price set forth, or the price corresponding to the yield set forth, on the inside cover page hereof.

If the OID Issue Price of a maturity of the Certificates is less than the principal amount payable at maturity, the difference between the OID Issue Price of each such maturity, if any, of the Certificates (the "OID Certificates") and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Certificate in the initial public offering at the OID Issue Price for such maturity and who holds such OID Certificate to its stated maturity, subject to the condition that the City complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Certificate constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Certificate at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals under the Code; and (d) the accretion of original issue discount in each year may result in certain collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Owners of OID Certificates should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Certificates.

Owners of Certificates who dispose of Certificates prior to the stated maturity (whether by sale, redemption or otherwise), purchase Certificates in the initial public offering, but at a price different from the OID Issue Price or purchase Certificates subsequent to the initial public offering should consult their own tax advisors.

If a Certificate is purchased at any time for a price that is less than the Certificate's stated redemption price at maturity or, in the case of an OID Certificate, its OID Issue Price plus accreted original issue discount reduced by payments of interest included in the computation of original issue discount and previously paid (the "Revised Issue Price"), the purchaser will be treated as having purchased a Certificate with market discount subject to the market discount rules of the Code (unless a statutory de minimis rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Certificate is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Certificate for a price that is less than its Revised Issue Price even if the purchase price exceeds par. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Certificate. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Certificates.

An investor may purchase a Certificate at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Certificate in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Certificate. Investors who purchase a Certificate at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Certificate's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Certificate.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Certificates. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to Certificates delivered prior to enactment. Prospective purchasers of the Certificates should consult their own tax advisors regarding any pending or proposed federal tax legislation. Special Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Certificates. If an audit is commenced, under current procedures the Service may treat the City as a taxpayer and the Owners may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Certificates until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Certificates, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Certificate owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Certificate owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

In the further opinion of Special Counsel, interest with respect to the Certificates is exempt from California personal income taxes.

Ownership of the Certificates may result in other state and local tax consequences to certain taxpayers. Special Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Certificates. Prospective purchasers of the Certificates should consult their tax advisors regarding the applicability of any such state and local taxes.

The complete text of the final opinion that Special Counsel expects to deliver upon the delivery of the Certificates is set forth in APPENDIX D—FORM OF OPINION OF SPECIAL COUNSEL.

UNDERWRITING

The Certificates are being purchased by Stifel, Nicolaus & Company, Incorporated (the "Underwriter") at a price of $_____ (being $_____ aggregate principal amount of the Certificates, plus a net original premium of $_____, and less $_____ of Underwriter's discount). The Underwriter will purchase all of the Certificates if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in the purchase agreement for the Certificates, the approval of certain legal matters by counsel and certain other conditions. The Underwriter may offer and sell Certificates to certain dealers and others at prices lower than the offering prices stated on the inside cover page hereof. The offering prices may be changed from time to time by the Underwriter.

RATING

S&P Global Ratings, a Standard & Poor's Financial Services LLC business ("S&P") has assigned the rating of "___" to the Certificates. Such rating reflects only the view of S&P and any desired explanation of the significance of such rating should be obtained from S&P at the following address: 55 Water Street, New York, NY 10041, (212) 208-8000. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such rating will continue for any given period of time or that such rating will not be revised downward or withdrawn entirely by S&P if, in the judgment of S&P, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price for the Certificates.

FINANCIAL STATEMENTS

The City's financial statements for the Fiscal Year ended June 30, 2021, included in APPENDIX B—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2021, have been audited by the City's Auditor, as stated in its reports appearing in such appendix. The City's Auditor has not undertaken to update its reports or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by the City's Auditor with respect to any event subsequent to its report.

ADDITIONAL INFORMATION

All of the preceding summaries of the Certificates, the Trust Agreement, the Lease Agreement, the Assignment Agreement, the Site and Facility Lease, and other documents are made subject to the provisions of such documents respectively and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the City for further information in connection therewith.

This Official Statement does not constitute a contract with the purchasers of the Certificates.

Any statements made in this Official Statement involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

References are made herein to certain documents and reports which are brief summaries thereof which do not purport to be complete or definitive and reference is made to such documents and reports for full and complete statements of the contents thereof.

The City will furnish a certificate dated the date of delivery of the Certificates, from an appropriate officer of the City, to the effect that to the best of such officer's knowledge and belief, and after reasonable investigation, (i) neither the Official Statement or any amendment or supplement thereto contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in light of the circumstances in which they were made, not misleading; (ii) since the date of the

Official Statement, no event has occurred which should have been set forth in an amendment or supplement to the Official Statement which has not been set forth in such an amendment or supplement, and the Certificates, the Trust Agreement, the Lease Agreement, the Assignment Agreement, the Site and Facility Lease, and other applicable agreements conform as to form and tenor to the descriptions thereof contained in the Official Statement; and (iii) the City has complied with all the agreements and has satisfied all the conditions on its part to be performed or satisfied under the Trust Agreement at and prior to the date of the issuance of the Certificates.

The execution and delivery of the Official Statement by the City have been duly authorized by the City Council on behalf of the City.

CITY OF MARINA

By _____
City Manager

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APPENDIX A

GENERAL, ECONOMIC AND DEMOGRAPHIC INFORMATION RELATING TO THE CITY AND THE COUNTY

The following information concerning the City of Marina and Monterey County is included only for the purpose of supplying general information regarding the City and the County. The Certificates are not a debt of the County, the State or any of its political subdivisions, and none of the County, the State nor any of their political subdivisions, except for the City, are liable therefor.

Although reasonable efforts have been made to include up-to-date information in this Appendix A, some of the information is not current due to delays in reporting of information by various sources. It should not be assumed that the trends indicated by the following data would continue beyond the specific periods reflected herein.

Introduction

The City. The City of Marina, California (the "City") is located in Monterey County, California (the "County"). The City is located along the central coast of California, 8 miles west of the City of Salinas, and 8 miles north of the City of Monterey. The City is also connected to Monterey, California by California State Route 1, which also connects it with Santa Cruz, California, after driving for about 35 miles. The City lies at an elevation of 43 feet. The City was incorporated in 1975 and is the newest city on the Monterey Peninsula. The City includes part of the California State University, Monterey Bay campus, the Monterey Bay Education, Science and Technology Center branch research center of the University of California Santa Cruz, and the Veterans Transition Center (VTC). According to the United States Census Bureau, the City has a total area of 9.8 square miles, of which 8.9 square miles is land and 0.9 square miles is water.

The City's history is intertwined with that of Fort Ord. Fort Ord lands were used as an infantry training center since the Mexican–American War. Major growth took place in 1938 with the first joint Army and Navy maneuvers held in 1940. Fort Ord was selected in 1991 for decommissioning and the post formally closed after troop reassignment in 1994. In July 1994 the first academic year of California State University, Monterey Bay opened, and barracks were soon transformed into dorms. As a result of base closure, some of the last undeveloped natural wildlands on the Monterey Peninsula are now overseen by the Bureau of Land Management, including 86 miles of trails for the public to explore on foot, bike or horseback. In 2012, President Barack Obama designated 14,000 acres of the closed base as a National Monument managed by the BLM.

The County. Monterey County, described as the "greatest meeting of land and sea" celebrated its quadricentennial in 2002. In 1602, Spanish merchant Sebastian Vizcaino became the first European on the Monterey Peninsula. He christened Monterey after the viceroy of New Spain, Count de Monte Rey. Eventually, the City of Monterey served as California's first capital, where the State constitution was signed in 1849. The County is one of the 27 original California counties, incorporating in 1850.

With an area of about 3,300 square miles, the County borders the Pacific Ocean almost at the midpoint of California with 99 miles of coastline. The County is located about 100 miles south of San Francisco and 240 miles north of Los Angeles. It is bordered by Santa Cruz County to the north, San Benito (originally part of Monterey County), Fresno and Kings Counties to the east and San Luis Obispo County to the south.

There are two distinct sub-regions in the County. One is the Monterey Peninsula, world famous for beautiful ocean views, opulent homes, the 17-mile drive, seafood and golf courses. The other, the Salinas Valley, is equally renowned as an area full of fertile farmland, running almost the entire length of the County and is one of the world's major vegetable producing areas.

The Department of Defense has a number of installations located in the County: Fort Hunter-Liggett, Camp Roberts, the Naval Postgraduate School, the Defense Language Institute and some support facilities for the Naval Postgraduate School and the Defense Language Institute and certain other functions at what used to be Fort Ord. The Monterey Peninsula, famed for its scenic beauty, is a year-round tourist attraction. Pebble Beach, Cypress Point, Spyglass Hill, Poppy Hills and The Links at Spanish Bay are well known Monterey Peninsula golf courses. The Monterey Bay Aquarium and the City of Carmel-By-The-Sea also are attractions that draw tourists to the Monterey Peninsula.

The County also benefits from two wilderness areas set aside for recreational enjoyment, consisting of 468,538 total acres. The Los Padres National Forest has 304,035 acres and the Ventana Wilderness totals 164,503 acres.

Population

The table below summarizes population of the City, the County, and the State for the last five years.

CITY OF MARINA, MONTEREY COUNTY, and CALIFORNIA
Population

Year	City of Marina	Monterey County	State of California
2018	22,342	438,639	39,519,535
2019	22,704	440,199	39,605,361
2020	22,372	440,393	39,648,938
2021	21,271	435,721	39,303,157
2022	21,457	433,716	39,185,605

Source: California Department of Finance, E-4 Population Estimate for Cities, Counties, and the State, 2010-22, with 2010 Census Benchmark.

Employment

The following table summarizes historical employment and unemployment for the County, the State and the United States:

MONTEREY COUNTY, CALIFORNIA, and UNITED STATES
Civilian Labor Force, Employment, and Unemployment
(Annual Averages)

Year	Area	Labor Force	Employment	Unemployment	Unemployment Rate [1]
2017	Monterey County	220,200	204,400	15,800	7.2
	California	19,312,000	18,393,100	918,900	4.8
	United States	160,320,000	153,337,000	6,982,000	4.4
2018	Monterey County	224,100	210,000	14,000	6.3
	California	19,398,200	18,582,800	815,400	4.2
	United States	162,075,000	155,761,000	6,314,000	3.9
2019	Monterey County	222,500	208,700	13,800	6.2
	California	19,411,600	18,627,400	784,200	4.0
	United States	163,539,000	157,538,000	6,001,000	3.7
2020	Monterey County	213,500	190,400	23,100	10.8
	California	18,821,200	16,913,100	1,908,100	10.1
	United States	160,742,000	147,795,000	12,947,000	8.1
2021[2]	Monterey County	211,900	194,300	17,500	8.3
	California	18,923,200	17,541,900	1,381,200	7.3
	United States	161,204,000	152,581,000	8,623,000	5.3

Source: California Employment Development Department, Monthly Labor Force Data for Counties, Annual Average 2010-21, and US Department of Labor.

(1) The unemployment rate is computed from unrounded data; therefore, it may differ from rates computed from rounded figures available in this table.

(2) Latest available full-year data.

Major Employers in the City and the County

The following table lists the top 10 employers within the City for the 2020 calendar year.

CITY OF MARINA
Top 10 Employers
For the 2020 Calendar Year[(1)]

Employer	Employees	% of Total
Monterey Peninsula College	264	2.18%
Walmart	218	1.80
Monterey Peninsula USD	196	1.62
Target	166	1.37
Monterey Regional Waste Mgmt. Dist.	117	0.97
City of Marina	89	0.74
Scudder Roofing Company	83	0.69
Kohl's	73	0.60
Monterey One Water Treatment Plant	70	0.58
REI	48	0.40
Total Top 10	1,324	10.94%

Source: City of Marina 2019-20 Annual Comprehensive Financial Report.
(1) Latest available full-year data.

The table below sets forth a list of major employers in Monterey County in 2021.

MONTEREY COUNTY
2021 Major Employers

Employer Name	Location	Industry
Al Pak Labor	Soledad	Labor Contractors
Azcona Harvesting	Greenfield	Harvesting-Contract
Bud of California	Soledad	Fruits & Vegetables-Growers & Shippers
Carol Hatton Breast Care Ctr	Monterey	Diagnostic Imaging Centers
County-Monterey Behavioral	King City	Health Services
Fort Hunter Liggett Military	Jolon	Military Bases
Growers Co	Salinas	Fruits & Vegetables & Produce-Retail
Hilltown Packing Co Inc	Salinas	Harvesting-Contract
Mann Packing Co Inc	Salinas	Fruits & Vegetables-Growers & Shippers
Mee Memorial Hospital	King City	Hospitals
Middlebury Institute-Intl Stds	Monterey	Schools-Universities & Colleges Academic
Misionero Vegetables	Gonzales	Fruits & Vegetables-Growers & Shippers
Monterey County Social Svc Dpt	Salinas	Government Offices-County
Monterey Peninsula College	Monterey	Junior-Community College-Tech Institutes
Natividad Medical Ctr	Salinas	Hospitals
Pebble Beach Co	Pebble Beach	Resorts
Pebble Beach Co	Pebble Beach	Resorts
Pebble Beach Resorts	Pebble Beach	Resorts
Premium Harvesting & Packing	Salinas	Labor Contractors
Quality Farm Labor	Gonzales	Labor Contractors
R C Packing	Gonzales	Packing & Crating Service
Rancho Canada Golf Club	Carmel	Golf Courses
Salinas Valley Meml Healthcare	Salinas	Health Care Management

Source: America's Labor Market Information System (ALMIS) Employer Database, 2022 1st Edition.

Construction Activity

The following table reflects the five-year history of building permit valuation for the City and the County:

CITY OF MARINA
Building Permits and Valuation
(Dollars in Thousands)

	2017	2018	2019	2020	2021[(2)]
Permit Valuation:					
New Single-family	$ 25,210	$ 60,820	$ 15,811	$ 22,705	$ 58,235
New Multi-family	8,360	-	-	88,360	850
Res. Alterations/Additions	1,411	15,105	2,734	3,396	2,378
Total Residential	34,982	75,925	18,546	34,462	61,464
Total Nonresidential	3,896	3,237	1,862	13,258	3,234
Total All Building	38,879	79,163	20,409	47,720	64,698
New Dwelling Units:					
Single Family	94	206	48	79	209
Multiple Family	47	-	-	47	11
Total	141	206	48	126	220

MONTEREY COUNTY
Building Permits and Valuation
(Dollars in Thousands)

	2017	2018	2019	2020	2021[(2)]
Permit Valuation:					
New Single-family	$ 165,341	$ 199,194	$ 142,474	$ 113,829	$ 128,255
New Multi-family	33,318	51,460	23,669	29,377	33,842
Res. Alterations/Additions	73,317	88,972	65,196	41,230	80,409
Total Residential	271,977	339,627	231,340	184,437	242,508
Total Nonresidential	171,630	151,103	195,621	143,658	159,229
Total All Building	443,608	490,731	426,961	328,096	401,737
New Dwelling Units:					
Single Family	523	611	574	361	473
Multiple Family	178	212	116	199	277
Total	701	823	690	560	750

Source: Construction Industry Research Board: "Building Permit Summary."
Note: Columns may not sum to totals due to independent rounding.
(1) Latest available full year data.

Household Effective Buying Income

"Effective Buying Income" is defined as personal income less personal tax and nontax payments, a number often referred to as "disposable" or "after-tax" income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor's income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), nontax payments (fines, fees, penalties, etc.) and personal

contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as "disposable personal income."

The following table summarizes the median household effective buying income for the City, the County, the State and the nation for the past five years.

CITY OF MARINA, MONTEREY COUNTY,
STATE OF CALIFORNIA AND UNITED STATES
Median Household Effective Buying Income

	2017	2018	2019	2020	2021
Marina	$ 50,129	$ 55,938	$ 61,719	$ 63,319	$ 68,077
Monterey County	56,609	60,275	65,078	65,426	74,498
California	59,646	62,637	65,870	67,956	77,058
United States	50,735	52,841	55,303	56,790	64,448

Source: Nielsen, Inc.

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APPENDIX B

ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2021

The Auditor was not requested to consent to the inclusion of its report in this Appendix B and it has not undertaken to update financial statements included in this Appendix B. No opinion is expressed by the Auditor with respect to any event subsequent to its report.

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APPENDIX C

INVESTMENT POLICY OF THE CITY

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APPENDIX D

FORM OF SPECIAL COUNSEL OPINION

[Letterhead of Quint & Thimmig LLP]

[Closing Date]

City Council of the
City of Marina
211 Hillcrest Avenue
Marina, California 93933

OPINION: $_____* Certificates of Participation (2022 Transportation Infrastructure Financing Project) Evidencing Direct, Undivided Fractional Interests of the Owners Thereof in Lease Payments to be Made by the City of Marina, as the Rental for Certain Property Pursuant to a Lease Agreement with the Public Property Financing Corporation of California

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Members of the City Council:

We have acted as special counsel in connection with the delivery by the City of Marina (the "City"), of its $_____* Lease Agreement, dated as of June 1, 2022, by and between the Public Property Financing Corporation of California (the "Corporation") and the City (the "Lease Agreement"), pursuant to the California Government Code. The Corporation has, pursuant to the Assignment Agreement, dated as of June 1, 2022 (the "Assignment Agreement"), by and between the Corporation and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), assigned certain of its rights under the Lease Agreement, including its right to receive a portion of the lease payments made by the City thereunder (the "Lease Payments"), to the Trustee. Pursuant to the Trust Agreement, dated as of June 1, 2022, by and among the Trustee, the Corporation and the City (the "Trust Agreement"), the Trustee has executed and delivered certificates of participation (the "Certificates") evidencing direct, undivided fractional interests of the owners thereof in the Lease Payments. We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the City contained in the Lease Agreement and in the certified proceedings and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon our examination, we are of the opinion, under existing law, as follows:

1. The City is duly created and validly existing as a municipal corporation and general law city organized and existing under the laws of the State of California with the power to enter into the Site and Facility Lease (as defined in the Trust Agreement), the Lease Agreement and the Trust Agreement and to perform the agreements on its part contained therein.

2. The Site and Facility Lease, the Lease Agreement and the Trust Agreement have been duly authorized, executed and delivered by the City and are obligations of the City valid, binding and enforceable against the City in accordance with their respective terms.

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* Preliminary, subject to change.

3. The Assignment Agreement is valid, binding and enforceable in accordance with their terms.

4. Subject to the terms and provisions of the Lease Agreement, the Lease Payments to be made by the City are payable from general funds of the City lawfully available therefor. By virtue of the Assignment Agreement, the owners of the Certificates are entitled to receive their fractional share of the Lease Payments in accordance with the terms and provisions of the Trust Agreement.

5. Subject to the City's compliance with certain covenants, interest with respect to the Certificates is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended. Failure to comply with certain of such covenants could cause interest with respect to the Certificates to be includable in gross income for federal income tax purposes retroactively to the date of delivery of the Certificates.

6. The portion of the Lease Payments designated as and comprising interest and received by the owners of the Certificates is exempt from personal income taxation imposed by the State of California.

Ownership of the Certificates may result in other tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Certificates.

The rights of the owners of the Certificates and the enforceability of the Site and Facility Lease, the Lease Agreement, the Assignment Agreement and the Trust Agreement may be subject to the Bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and also may be subject to the exercise of judicial discretion in accordance with general principles of equity.

Our opinion represents our legal judgment based upon such review of the law and the facts that we deem relevant to render our opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

APPENDIX E

SUMMARY OF THE PRINCIPAL LEGAL DOCUMENTS

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APPENDIX F

DTC'S BOOK-ENTRY ONLY SYSTEM

The information in this Appendix F, concerning The Depository Trust Company, New York, New York ("DTC"), and DTC's book-entry system, has been furnished by DTC for use in official statements and the City takes no responsibility for the completeness or accuracy thereof. The City cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest or principal with respect to the Certificates, (b) certificates representing ownership interest in or other confirmation of ownership interest in the Certificates, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Certificates, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix F. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC. Information Furnished by DTC Regarding its Book-Entry Only System

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Certificates (as used in this Appendix FE, the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each maturity of the Securities, in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC is rated AA+ by Standard & Poor's. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit the notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the paying agent or bond trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the paying agent or bond trustee, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the paying agent or bond trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or the paying agent or bond trustee. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

APPENDIX G

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This CONTINUING DISCLOSURE CERTIFICATE (the "Disclosure Certificate") is executed and delivered by the CITY OF MARINA (the "City") in connection with the execution and delivery of $_____* Certificates of Participation (2022 Transportation Infrastructure Financing Project) (the "Certificates"). The Certificates are being executed and delivered pursuant to a Trust Agreement, dated as of June 1, 2022, by and among U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), the City and the Public Property Financing Corporation of California (the "Trust Agreement"). Pursuant to Section 11.08 of the Trust Agreement, the City covenants and agree as follows:

Section 1. Definitions. In addition to the definitions set forth above and in the Trust Agreement which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 1, the following capitalized terms shall have the following meanings:

"*Annual Report*" means any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"*Annual Report Date*" means the date that is nine months after the end of the City's fiscal year (currently March 31 based on the City's fiscal year end of June 30).

"*Dissemination Agent*" shall mean, initially, _____, doing business as Applied Best Practices, or any successor Dissemination Agent designed in writing by the City and which has been filed with the then current Dissemination Agent a written acceptance of such designation.

"*Fiscal Year*" means any twelve-month period beginning on July 1 in any year and extending to the next succeeding June 30, both dates inclusive, or any other twelve-month period selected and designated by the City as its official fiscal year period under a Certificate of the City filed with the Trustee.

"*MSRB*" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"*Official Statement*" means the final official statement executed by the City in connection with the issuance of the Certificates.

"*Participating Underwriter*" means Stifel, Nicolaus & Company, Incorporated, the original underwriter of the Certificates.

"*Rule*" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as it may be amended from time to time.

"*Significant Events*" means any of the events listed in Section 5(a) of this Disclosure Certificate.

Section 2. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the holders and beneficial owners of the Certificates and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2- 12(b)(5).

* Preliminary, subject to change.

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2023, with the report for fiscal year 2021-22 provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the City) has not received a copy of the Annual Report, the Dissemination Agent shall contact the City to determine if the City is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the City's fiscal year changes, it shall give notice of such change in the same manner as for a Significant Event under Section 5(b). The City shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the City hereunder.

(b) If the City does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the City in a timely manner shall provide (or cause the Dissemination Agent to provide) to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The City's Annual Report shall contain or incorporate by reference the following:

(a) The City's audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the City's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or prior to the annual filing deadline for Annual Reports provided for in Section 3 above, financial information and operating data with respect to the City for preceding fiscal year, substantially similar to that provided in the Official Statement, as follows:

(i) The principal amount of Certificates outstanding, including principal amounts and years of maturity of the Certificates, if any, called for redemption in advance of maturity;
(ii) General Fund Statement of Revenues, Expenditures and Changes in Fund Balances;
(iii) General Fund Balance Sheet;
(iv) General Fund Tax Revenues by Source; and
(v) Assessed Valuations.

(c) In addition to any of the information expressly required to be provided under this Disclosure Certificate, the City shall provide such further material information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission. The City shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The City shall give, or cause to be given, notice of the occurrence of any of the following Significant Events with respect to the Certificates:

(i) Principal and interest payment delinquencies;

(ii) Non–payment related defaults, if material;

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) Unscheduled draws on credit enhancements reflecting financial difficulties;

(v) Substitution of credit or liquidity providers, or their failure to perform;

(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701–TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

(vii) Modifications to rights of security holders, if material;

(viii) Bond calls, if material, and tender offers;

(ix) Defeasances;

(x) Release, substitution, or sale of property securing repayment of the securities, if material;

(xi) Rating changes;

(xii) Bankruptcy, insolvency, receivership or similar event of the City or other obligated person;

(xiii) The consummation of a merger, consolidation, or acquisition involving the City or an obligated person, or the sale of all or substantially all of the assets of the City or an obligated person (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xv) The incurrence of a financial obligation of the City or other obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City or other obligated person, any of which affect security holders, if material; and

(xvi) A default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City or other obligated person, any of which reflect financial difficulties.

(b) The City shall, or shall cause the Dissemination Agent (if not the City) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Significant Event. Notwithstanding the foregoing, notice of Significant Events described in subsection (a)(viii) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Certificates under the Trust Agreement.

(c) The City acknowledges that the events described in subparagraphs (a)(ii), (a)(vii), (a)(viii) (if the event is a bond call), (a)(x), (a)(xiii), (a)(xiv) and (a) (xv) of this Section 5 contain the qualifier "if material." The City shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that the City determines the event's occurrence is material for purposes of U.S. federal securities law. The City intends that the words used in paragraphs (xv) and (xvi) and the definition of "financial obligation" to have the meanings ascribed thereto in the Rule.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(xii) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City or an obligated person in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City or an obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under this Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Certificates. If such termination occurs prior to the final maturity of the Certificates, the City shall give notice of such termination in the same manner as for a Significant Event under Section 5(b).

Section 8. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign by providing 30 days' written notice to the City.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a), 5(b) or 5(c), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Certificates, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Certificates, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Certificates in the manner provided in the Trust Agreement for amendments to the Trust Agreement with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Certificates.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the City to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative.

The Dissemination Agent shall not be obligated to enter into any amendment increasing or affecting its duties or obligations hereunder.

A notice of any amendment made pursuant to this Section 9 shall be filed in the same manner as for a Significant Event under Section 5(b).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Significant Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Significant Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Significant Event.

Section 11. Default. If the City fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Certificates may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Trust Agreement, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) Article VIII of the Trust Agreement is hereby made applicable to this Disclosure Certificate as if this Disclosure Certificate were (solely for this purpose) contained in the Trust Agreement. The Dissemination Agent shall be entitled to the protections and limitations from liability afforded to the Trustee thereunder. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it by the City hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, the Bond holders or any other party. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Certificates.

(b) The Dissemination Agent shall be paid compensation by the City for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Certificates and shall create no rights in any other person or entity.

Section 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Date: [Closing Date]

CITY OF MARINA

By _____
Name _____
Title _____

ACKNOWLEDGED:

_____, as Dissemination Agent

By _____
Authorized Officer

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Obligor: City of Marina

Name of Issue: $_____ Certificates of Participation (2022 Transportation Infrastructure Financing Project) Evidencing Direct, Undivided Fractional Interests of the Owners Thereof in Lease Payments to be made by the City of Marina, as the Rental for Certain Property Pursuant to a Lease Agreement with the Public Property Financing Corporation of California

Date of Issuance: [Closing Date]

NOTICE IS HEREBY GIVEN that the Obligor has not provided an Annual Report with respect to the above-named Issue as required by the Continuing Disclosure Certificate, dated [Closing Date], furnished by the Obligor in connection with the Issue. The Obligor anticipates that the Annual Report will be filed by _____.

Date: _____

_____, as Dissemination Agent

By _____
Authorized Officer

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CONTINUING DISCLOSURE CERTIFICATE

This CONTINUING DISCLOSURE CERTIFICATE (the "Disclosure Certificate") is executed and delivered by the CITY OF MARINA (the "City") in connection with the execution and delivery of $_____ Certificates of Participation (2022 Transportation Infrastructure Financing Project) (the "Certificates"). The Certificates are being executed and delivered pursuant to a Trust Agreement, dated as of June 1, 2022, by and among U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), the City and the Public Property Financing Corporation of California (the "Trust Agreement"). Pursuant to Section 11.08 of the Trust Agreement, the City covenants and agree as follows:

Section 1. Definitions. In addition to the definitions set forth above and in the Trust Agreement which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 1, the following capitalized terms shall have the following meanings:

"*Annual Report*" means any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"*Annual Report Date*" means the date that is nine months after the end of the City's fiscal year (currently March 31 based on the City's fiscal year end of June 30).

"*Dissemination Agent*" shall mean, initially, Applied Best Practices, LLC, doing business as Applied Best Practices, or any successor Dissemination Agent designed in writing by the City and which has been filed with the then current Dissemination Agent a written acceptance of such designation.

"*Fiscal Year*" means any twelve–month period beginning on July 1 in any year and extending to the next succeeding June 30, both dates inclusive, or any other twelve–month period selected and designated by the City as its official fiscal year period under a Certificate of the City filed with the Trustee.

"*MSRB*" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"*Official Statement*" means the final official statement executed by the City in connection with the issuance of the Certificates.

"*Participating Underwriter*" means Stifel, Nicolaus & Company, Incorporated, the original underwriter of the Certificates.

"*Rule*" means Rule 15c2–12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as it may be amended from time to time.

"*Significant Events*" means any of the events listed in Section 5(a) of this Disclosure Certificate.

Section 2. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the holders and beneficial owners of the Certificates and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2– 12(b)(5).

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2023, with the report for fiscal year 2021-22 provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the City) has not received a copy of the Annual Report, the Dissemination Agent shall contact the City to determine if the City is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the City's fiscal year changes, it shall give notice of such change in the same manner as for a Significant Event under Section 5(b). The City shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the City hereunder.

(b) If the City does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the City in a timely manner shall provide (or cause the Dissemination Agent to provide) to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then–applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The City's Annual Report shall contain or incorporate by reference the following:

(a) The City's audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the City's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or prior to the annual filing deadline for Annual Reports provided for in Section 3 above, financial information and operating data with respect to the City for preceding fiscal year, substantially similar to that provided in the Official Statement, as follows:

(i) The principal amount of Certificates outstanding, including principal amounts and years of maturity of the Certificates, if any, called for redemption in advance of maturity;
(ii) General Fund Statement of Revenues, Expenditures and Changes in Fund Balances;
(iii) General Fund Balance Sheet;
(iv) General Fund Tax Revenues by Source; and
(v) Assessed Valuations.

(c) In addition to any of the information expressly required to be provided under this Disclosure Certificate, the City shall provide such further material information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission. The City shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The City shall give, or cause to be given, notice of the occurrence of any of the following Significant Events with respect to the Certificates:

(i) Principal and interest payment delinquencies;

(ii) Non–payment related defaults, if material;

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) Unscheduled draws on credit enhancements reflecting financial difficulties;

(v) Substitution of credit or liquidity providers, or their failure to perform;

(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701–TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

(vii) Modifications to rights of security holders, if material;

(viii) Bond calls, if material, and tender offers;

(ix) Defeasances;

(x) Release, substitution, or sale of property securing repayment of the securities, if material;

(xi) Rating changes;

(xii) Bankruptcy, insolvency, receivership or similar event of the City or other obligated person;

(xiii) The consummation of a merger, consolidation, or acquisition involving the City or an obligated person, or the sale of all or substantially all of the assets of the City or an obligated person (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xv) The incurrence of a financial obligation of the City or other obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City or other obligated person, any of which affect security holders, if material; and

(xvi) A default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City or other obligated person, any of which reflect financial difficulties.

(b) The City shall, or shall cause the Dissemination Agent (if not the City) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Significant Event. Notwithstanding the foregoing, notice of Significant Events described in subsection (a)(viii) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Certificates under the Trust Agreement.

(c) The City acknowledges that the events described in subparagraphs (a)(ii), (a)(vii), (a)(viii) (if the event is a bond call), (a)(x), (a)(xiii), (a)(xiv) and (a) (xv) of this Section 5 contain the qualifier "if material." The City shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that the City determines the event's occurrence is material for purposes of U.S. federal securities law. The City intends that the words used in paragraphs (xv) and (xvi) and the definition of "financial obligation" to have the meanings ascribed thereto in the Rule.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(xii) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City or an obligated person in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City or an obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under this Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Certificates. If such termination occurs prior to the final maturity of the Certificates, the City shall give notice of such termination in the same manner as for a Significant Event under Section 5(b).

Section 8. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign by providing 30 days' written notice to the City.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a), 5(b) or 5(c), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Certificates, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Certificates, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Certificates in the manner provided in the Trust Agreement for amendments to the Trust Agreement with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Certificates.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the City to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative.

The Dissemination Agent shall not be obligated to enter into any amendment increasing or affecting its duties or obligations hereunder.

A notice of any amendment made pursuant to this Section 9 shall be filed in the same manner as for a Significant Event under Section 5(b).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Significant Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Significant Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Significant Event.

Section 11. Default. If the City fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Certificates may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Trust Agreement, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) Article VIII of the Trust Agreement is hereby made applicable to this Disclosure Certificate as if this Disclosure Certificate were (solely for this purpose) contained in the Trust Agreement. The Dissemination Agent shall be entitled to the protections and limitations from liability afforded to the Trustee thereunder. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it by the City hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, the Bond holders or any other party. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Certificates.

(b) The Dissemination Agent shall be paid compensation by the City for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Certificates and shall create no rights in any other person or entity.

Section 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Date: June 16, 2022

CITY OF MARINA

By _____
Name _____
Title _____

ACKNOWLEDGED:

APPLIED BEST PRACTICES, LLC, as
Dissemination Agent

By _____
Authorized Officer

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Obligor: City of Marina

Name of Issue: $_____ Certificates of Participation (2022 Transportation Infrastructure Financing Project) Evidencing Direct, Undivided Fractional Interests of the Owners Thereof in Lease Payments to be made by the City of Marina, as the Rental for Certain Property Pursuant to a Lease Agreement with the Public Property Financing Corporation of California

Date of Issuance: June 16, 2022

NOTICE IS HEREBY GIVEN that the Obligor has not provided an Annual Report with respect to the above-named Issue as required by the Continuing Disclosure Certificate, dated June 16, 2022, furnished by the Obligor in connection with the Issue. The Obligor anticipates that the Annual Report will be filed by _____.

Date: _____

APPLIED BEST PRACTICES, LLC, as Dissemination Agent

By _____
Authorized Officer

May 12, 2022 Item No. **11d**

Honorable Mayor and Members of the Marina City Council

City Council Meeting of May 17, 2022

CITY COUNCIL CONSIDER ADOPTING RESOLUTION NO. 2022-, AMENDING THE RATE ADJUSTMENT CALCULATION OF THE FRANCHISE AGREEMENT WITH GREEN WASTE RECOVERY UTILIZING A SECTOR SPECIFIC UNIFORM PERCENTAGE ADJUSTMENT AND APPROVING MAXIMUM RATES TO BE CHARGED BY GREENWASTE RECOVERY EFFECTIVE JULY 1, 2022 FOR COLLECTION OF FRANCHISED SOLID WASTE, RECYCLING, AND ORGANICS.

REQUEST:

It is requested that the City Council consider:

1. Adopting Resolution No. 2022- amending the rate adjustment calculation of the franchise agreement with Green Waste Recovery utilizing a sector specific uniform percentage adjustment and approving maximum rates to be charged by Green Waste Recovery effective July 1, 2022 for collection of franchised solid waste, recycling, and organics.

BACKGROUND:

On August 19, 2014, the City Council adopted Resolution No. 2014-98, and entered into a new exclusive 15-year Franchise Agreement with Green Waste Recovery (GRW) to provide solid waste, recycling, and organics collection services for the City of Marina. The Agreement provides for automatic annual rate adjustments for GWR's services calculated following either a multi-index rate adjustment methodology or a cost-based rate adjustment methodology.

On November 2, 2021, the City Council adopted Resolution No. 2021-114, approving an amendment to the Franchise Agreement with Green Waste Recovery (GRW) to incorporate changes required by Senate Bill 1383 (SB 1383) to divert organic waste from landfills. The amended Agreement retained provisions for automatic annual rate adjustments for GWR's services calculated following either a multi-index rate adjustment methodology or a cost-based rate adjustment methodology.

Cost-based Rate Adjustment Methodology

The cost-based adjustment involves an extensive and detailed review of GWR's actual cost of operations, changes in inflation, the number of customers, and the service level provided and comparing this to actual gross receipts collected to determine GWR's compensation for the current rate period and to forecast the future rates. The cost to perform this review is estimated at $50,000 - $100,000 (which cost would be passed onto the rate payer). A cost-based rate adjustment was performed for rate period 5 in 2019. Adjustments to the GreenWaste compensation resulted in rate-payer surpluses of $540,298 in rate period 5, $258,203 in rate period 6, and $175,891 in rate period 7. As a result of the surpluses, rates for marina customers have been fixed at the rates set in 2018.

Multi-index Rate Adjustment Methodology

Each service level rate in the Franchise Agreement rate schedule is comprised of an operating component, disposal/processing component and a fee component. The annual rate adjustment consists of adjusting each of the rate components as follows:

Operating Component Factor:

- Labor Component: Labor costs from the prior year are adjusted by the annual percentage change in the Employment Cost Index (ECI)
- Fuel Component: Fuel costs from the prior year are adjusted by the actual volume of fuel purchased in the prior year and the annual percentage change in the Fuel Index
- Other Component: Non labor/fuel related costs from the prior year are adjusted by the annual percentage change of the Consumer Price Index (CPI)

Disposal/Processing Component: This component is automatically adjusted as a direct pass-through based on MRWMD fees and the City's prior year's tonnages by material type. The disposal and processing component(s) are based on the difference between the City's actual tonnage by material type and what was proposed by GWR in their initial proposal to the City. The disposal and processing components also consider the tipping fee charged by the Monterey Regional Waste Management District (MRWMD). At their meeting on May 18th, 2018, the MRWMD Board of Directors considered a 7% increase on tipping fees. The public hearing on rate increases is likely to be held at the June 17th, 2022 MRWMD Board of Directors meeting. The proposed tipping fee increase has been factored into the proposed fee increase for GWR customers. MRWMD rationale for the increased tipping fees is to cover the increased cost due to SB 1383, supply chain and labor cost increases over the past 2 years.

Fee Component: This component is a direct pass through of Franchise fees, calculated as a percent of the total rate by service level.

The rate adjustment for the 2022/2023 fiscal year was conducted using a variation of the multi-index methodology which was distributed across sectors by weighted averages in accordance with the methodology agreed upon in 2016. The changes implemented in 2016 allow for a uniform percentage increase for services.

The Franchise Agreement stipulates that the City of Marina shall make a good faith effort to approve the accuracy of the calculated rates by June 1 of each year, and such rates shall be effective on each subsequent July 1. This allows noticing all customers of rate increases. If rates are not effective by July 1 due to a delay caused solely by the City of Marina, GWR may retroactively bill customers for the amount of the rate increase.

ANALYSIS:

GWR provided the City, by way of HF&H Consultants (who represents the City), with the annual rate adjustment calculation ("**EXHIBIT B"**). "**EXHIBIT A"** is an executive summary from HF&H reporting the finding that the application for the annual rate adjustment by GWR is consistent with the methodology approved in the prior year.

At the September 15th, 2020 meeting, City Council asked staff to analyze an equitable method of returning the surplus from rate periods 5 and 6 to the rate-payers that paid into the surplus. Staff requested a proposal from HF&H to analyze historical customer data which has been provided by GWR. Approval of an agreement with HF&H to perform this work is an item on tonight's City Council agenda. If approved, the analysis will be performed over the next few weeks and staff will return with recommendations. This process is not tied to the rate increase deadline of July 1st.

Subsequently, a surplus of $175,891 was generated in rate period 7. Given the increases due to SB 1383, staff is recommending that the rate period 7 surplus be used to offset rate increases over the next two years. Applying $89,227 of the surplus reduces the rate period 8 rate increase from 5.82% to 3.10%.

Staff is recommending the sector-based adjustment be used for calculating rates for 2022/2023 in keeping with the methodology approved in 2016.

At the November 2nd, 2021 meeting, City Council expressed an interest in a senior rate structure that is not income qualified. City staff requested that HF&H estimate the impact of creating a discounted rate for senior citizens with 32-gallon waste container service. HF&H modeled the effects of the discount at either a 20% rate reduction, aligning with the CARE program, or a 50% rate reduction. To provide the discounted rate, the other classes would have an additional rate increase above the index rate adjustment to subsidize the loss of revenue from the migration to discounted service.

HF&H pulled population data from the United States Census Bureau for the City of Marina to estimate the percentage of the population eligible for the senior discount (+65 years old) of 13.8%. Using the City's quarterly reports, HF&H applied the senior population percentage across the residential cart subscription levels to estimate the maximum number of customers that could migrate from standard to discounted service. By calculating the difference from the standard to the discounted rates, multiplied by the number of eligible customers, HF&H was able to estimate the additional revenue required for the subsidy of these discounted rates.

For a 20% senior discount, an additional $52,311 (a 1.35% additional rate increase) would need to be subsidized by the other rate classes. For a 50% senior discount, an additional $92,145 (a 2.39% additional rate increase) would be subsidized by the other rate classes.

FISCAL IMPACT:
The FY2022/2023 proposed rate adjustment would have no effect on City expenses, as this is a cost to the rate payers. The Franchise Agreement has a 15% franchise fee of gross receipts. Any rate increase provides a corresponding increase in franchise fee revenue to the City.

CONCLUSION:
This request is submitted for City Council consideration and possible action.

Respectfully submitted,

_____
Brian McMinn, P.E., P.L.S.
Public Works Director/City Engineer
City of Marina

REVIEWED/CONCUR:

_____
Layne Long
City Manager
City of Marina

RESOLUTION NO. 2022-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA AMENDING THE RATE ADJUSTMENT CALCULATION OF THE FRANCHISE AGREEMENT WITH GREEN WASTE RECOVERY UTILIZING A SECTOR SPECIFIC UNIFORM PERCENTAGE ADJUSTMENT AND APPROVING MAXIMUM RATES TO BE CHARGED BY GREENWASTE RECOVERY EFFECTIVE JULY 1, 2022, FOR COLLECTION OF FRANCHISED SOLID WASTE, RECYCLING, AND ORGANICS.

WHEREAS, the City of Marina entered into a franchise agreement with GreenWaste Recovery (GWR) on August 19, 2014 for solid waste, recycling, and organics collection services for the period of August 1, 2015 through July 31, 2030, and;

WHEREAS, Section 8.2 of the Franchise Agreement describes the process for an automatic annual adjustment to maximum customer rates on July 1 of each year, based on agreed upon cost indices, changes in tipping fees as the Monterey Regional Waste Management District, and the actual tonnage for materials collected by GWR, and;

WHEREAS, on November 2, 2021, the City Council adopted Resolution No. 2021-114, approving an amendment to the Franchise Agreement with Green Waste Recovery (GRW) to incorporate changes required by Senate Bill 1383 (SB 1383) to divert organic waste from landfills. The amended Agreement retained provisions for automatic annual rate adjustments for GWR's services calculated following either a multi-index rate adjustment methodology or a cost-based rate adjustment methodology, and;

WHEREAS, a cost-based rate adjustment was performed for rate period 5 in 2019. Adjustments to the GreenWaste compensation resulted in rate-payer surpluses of $540,298 in rate period 5, $258,203 in rate period 6, and $175,891 in rate period 7. As a result of the surpluses, rates for marina customers have been fixed at the rates set in 2018.

WHEREAS, City staff and third party consultant, HF&H, have reviewed GWR's calculation of the rate adjustments for FY 2022/2023 and finds the calculations to be accurate and consistent with the methodology and requirements of the franchise agreement, and;

WHEREAS, given the increases due to SB 1383, staff is recommending that the rate period 7 surplus be used to offset rate increases over the next two years. Applying $89,227 of the surplus reduces the rate period 8 rate increase from 5.82% to 3.10%.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Marina hereby resolves to approve the rates in **Exhibit B** that incorporate a 3.1% increase to all single family residential maximum rates authorized to be charged by GWR under the Franchise Agreement, effective July 1, 2022.

PASSED AND ADOPTED by the City Council of the City of Marina at a regular meeting duly held on the 17th day of May 2022, by the following vote:

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

_____
Bruce C. Delgado, Mayor

ATTEST:

_____
Anita Sharp, Deputy City Clerk

HF&H CONSULTANTS, LLC
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Robert D. Hilton, Emeritus
John W. Farnkopf, PE
Laith B. Ezzet, CMC
Richard J. Simonson, CMC
Marva M. Sheehan, CPA
Robert C. Hilton

May 12, 2022

Mr. Brian McMinn
Public Works Director
City of Marina

Sent via E-mail

Subject: Review of GreenWaste Recovery's 2022/23 Rate Request – Final Report

Reference Number: S5065

Dear Mr. McMinn:

HF&H Consultants, LLC (HF&H) was retained by the Monterey Regional Waste Management District (District) to assist with a review of GreenWaste Recovery's (GWR) request for an adjustment to customer rates, effective July 1, 2022, submitted to the City of Marina (City) on April 1, 2022. This report presents our findings and recommendations.

EXECUTIVE SUMMARY

HF&H's review of GWR's Rate Period 8 (RP8) rate request to the City and subsequent negotiations with GWR resulted in the following outcomes:

1. A 5.82% increase (the result of a $224,827 shortfall) to rates as calculated for RP8. City Staff has recommended using half of the RP7 surplus to smooth rates from a 5.82% increase to a 3.10%. Refer to **Figure 1** for the impact to sample residential rates.

Figure 1 – Example Rate Impact of Adjustment

Marina Rate Adjustment		
	Current Rates (RP7)	RP8
Adjustment	N/A	3.10%
Residential 32-gallon rate	$ 16.54	$ 17.05
Residential 64-gallon rate	$ 20.74	$ 21.38

BACKGROUND

In 2012, the City, participating with other members of the District, issued a competitive request for proposals for collection services and entered into the new Agreement with GWR effective July 1, 2015. The Agreement provides for the following, related to the adjustment of rates:

- Rates are annually adjusted throughout the term of the Agreement, using various inflationary indices, actual tonnage, and changes in the tipping fees at the District, unless either the City or GWR request a Cost Based Rate Adjustment (CBRA).
- The City and GWR may mutually agree upon alternative approaches to structuring rates without amendment to the Agreement (Section 8.2.D).
- During the CBRA review in RP5, a number of issues surrounding the process for setting rates and the resulting rate relationships amongst sectors and materials was identified. As such the City and GWR have negotiated an amendment to the prescribed methodology for the CBRA and index adjustments so as to not alter rate relationships between service sectors and material types.
- Through negotiations of the amendment and as a result of the desire to maintain current rate relationships between sectors and service levels, the City and GWR have prescribed a uniform rate adjustment to be applied to all sectors.

RATE CALCULATION REVIEW

HF&H Scope of Work

HF&H performed this review of the rate request in accordance with Exhibit E1 (for the index based rate adjustment). These procedures included:

1. Review of the rate request for completeness and compliance with the procedures contained in Exhibit E1 of the Agreement.
2. Review for mathematical accuracy and logical consistency to determine that the rate request is mathematically correct, that the rows and columns of numbers add down and across as intended, and that the stated assumptions were, in fact, used. Also, to determine that the rate request is internally consistent and that any summary schedules agree to the supporting schedules and worksheets.
3. Verification of the inclusion of the franchise fee calculation in the adjustment.
4. Verification of contract compliance with regard to:

    A. The indices used in the adjustment.
    B. The tip fees reported for the disposal/processing components of the rates.
    C. The use of quarterly-reported tonnage data and allocations among agencies. A detailed audit of tonnage and allocations of tonnage reported by GWR was not a part of this scope of work. HF&H discussed GWR's allocation methodology with them and the methodology appears reasonable and consistent with standard practices within the industry.
    D. Any changes in governmental fees on the fee component of the rates; and, the accurate application of the resultant percentage changes in the various rate components to the rate schedule approved by the City through the Agreement.
    E. The addition of anticipated costs related to identified program changes resulting from SB 1383.

Review of Rate Request

Rate Period 8 Application

HF&H reviewed the rate application for RP8. The results of the calculation of RP8 per methodology of Exhibit E1 of the amendment can be seen in **Figure 1** below.

Figure 1 – City of Marina Application of Index Based Adjustments to RP8

		Rate Period Seven	SB 1383 Costs	Revised Rate Period Seven	Adjustment Factor	Rate Period Eight
Annual Cost of Operations						
	Labor-Related Costs	$ 456,715	$ 105,562	$ 562,277	1.032	$ 580,270
	Vehicle-Related Costs	$ 119,695	$ 3,475	$ 123,170	1.034	$ 127,358
	Fuel Costs	$ 92,126	$ 13,032	$ 105,158	1.00	$ 105,158
	Other Costs	$ 325,694	$ 15,164	$ 340,858	1.034	$ 352,447
	Direct Depreciation	$ 193,751	$ 27,851	$ 221,602	N.A.	$ 221,602
	Total Allocated Costs - Labor, Vehicle, Fuel & Other	$ 669,720	$ -	$ 669,720	1.034	$ 692,490
	Total Allocated Costs - Depreciation & Start-Up	$ 48,832	$ -	$ 48,832	N.A.	$ 48,832
Total Annual Cost of Operations		$ 1,906,531	$ 165,084	$ 2,071,615		$ 2,128,156
Profit		$ 228,442	$ 19,781	$ 248,223	OR=89.3	$ 254,997
Pass-Through Costs						
	Disposal Costs	$ 646,035	$ -	$ 646,035	Tons*Tip Fee	$ 692,258
	Curbside Supplemental	$ (6,198)	$ -	$ (6,198)	1.00	$ (6,198)
	Recycling Processing Costs	$ 106,968	$ -	$ 106,968	Tons*Tip Fee	$ 114,363
	Residue Processing Costs	$ 30,419	$ -	$ 30,419	Tons*Tip Fee	$ 37,234
	Yard Trimmings Processing Costs	$ 63,067	$ -	$ 63,067	Tons*Tip Fee	$ 56,111
	Food Waste Processing Costs	$ 11,080	$ -	$ 11,080	Tons*Tip Fee	$ 16,512
	C&D Processing Costs	$ -	$ -	$ -	Tons*Tip Fee	$ 742
	Interest Expense	$ 61,322	$ 4,190	$ 65,512	N.A.	$ 65,512
	Direct Lease Costs	$ -	$ -	$ -	N.A.	$ -
	Total Allocated Costs - Lease	$ 50,221	$ -	$ 50,221	N.A.	$ 50,221
Total Pass-Through Costs		$ 962,914	$ 4,190	$ 967,104	N.A.	$ 1,026,756
Total Costs before Agency Fees		$ 3,097,888	$ 189,055	$ 3,286,942	N.A.	$ 3,409,909
Agency Fees/Payments						
	Franchise Fee	$ 368,285	$ 22,242	$ 390,527	10.00%	$ 395,125
	AB 939 Fee	$ -		$ -	N.A.	$ -
	Vehicle Impact Fee	$ 184,142	$ 11,121	$ 195,263	5.00%	$ 197,562
	Rate Application Review Costs	$ 33,343		$ 33,343	Actual	$ 37,880
Other Adjustments (as needed from time to time)						
	Use of Reserves				N.A.	$ (89,227)
	Surplus Credit Review				N.A.	$ 29,910
	Adjustment from MRWMD Tip Fee Estimates	$ (808)				
Total Calculated Costs		$ 3,682,850	$ 222,417	$ 3,905,267		$ 3,981,158
	Prior Year Revenue					$ 3,861,304
	Surplus/(Shortfall)					$ (119,854)
	Increase/Decrease					3.10%

Review of GWR Costs

There are four major components to GWR's rate application: 1) calculation and application of the inflationary indexes as prescribed in the Agreement; 2) the disposal and/or processing component; 3) the Agency Fees; and, 4) other one-time adjustments.

There are three indexes used in the index adjustment; CPI, fuel index, and labor index. The annual percent change in each of the indices is used to calculate the coming years projected cost for the line items to which these indexes are applied.

HF&H has reviewed and GWR has confirmed the accuracy of each of these indexes, and notes that the fuel index remains unchanged, as reported by management staff at the District.

Review of Disposal/Processing Component

Calendar Year 2021 collected tons were used for the RP8 review in accordance with the amendment. The disposal and processing components also consider the tipping fees charged by the District in order to project anticipated disposal and processing costs at the District. The following table describes the changes in the City's disposal and processing costs for each material type based on the tip fees at the District which have been incorporated into our RP8 review.

Figure 2 - Impact of District Tip Fee Changes

Material	2021 Tons	Current Per Ton Tip Fee	Rate Period 8 Costs
	A	B	A x B
Solid Waste	9,889	$ 70.00	$ 692,258
Recycling	2,660	$ 43.00	$ 114,363
Yard Trimmings	1,247	$ 45.00	$ 56,111
Food Waste	271	$ 61.00	$ 16,512
C&D*	11	$ 70.00	$ 742

**The C&D per ton tip fee reflects an average weighted cost for multiple types of C&D materials.*

Review of Fee Component

HF&H ensured that the fee component of each rate matches the contractual percentage of 10% for franchise fees, and 5% for vehicle impact fees, remitted to the City by GWR.

Additionally, rate application review costs and other identified District costs totaling $37,880 were added as a one-time adjustment to cover the rate review, franchise management, and other identified District costs such as staff time and public education and outreach.

Review of Other One-Time Adjustments

There was no change in actual tip fee from RP6 to RP7. Therefore, no reconciliation of actual tip fee amounts is required in RP8.

City staff is in the process of reviewing a potential refund of its customers from the surplus revenue generated in RP5 and RP6. To perform this analysis, the City has contracted HF&H to review customer subscription data from GWR to calculate the appropriate credit to customers. The cost of this review, $29,910 will be funded through the rates and is included in RP8 rate setting.

Rate Changes

Rate Smoothing

Upon completion of the review of the index-based rate adjustment, HF&H identified the surplus from prior years could be used to offset or smooth rates. As such HF&H discussed with City staff how best to use the funds in RP8. Ultimately it was recommended to use half of the RP7 surplus of $178,454 to smooth rates in RP8. With this direction, $89,227 of reserves was used to reduce the RP8 rate increase of 5.82% to 3.10%.

Senior Discount Rates

In prior years, City Council has requested that analysis be performed to determine what the impact of rates may be should the "Senior Rate" class be expanded. This year, at the direction of City staff, HF&H estimated the impact of a discounted rate for all senior citizens, age 65 and older. Per previous discussions with GWR, the discounted rate would only be provided for 32-gallon container service. Our analysis modeled the effects of the discount at either a 20% rate reduction, aligning with the CARE program, or a 50% rate reduction. To provide the discounted rate, the other classes would have an additional rate increase above the index rate adjustment to subsidize the loss of revenue from the migration to discounted service.

HF&H pulled population data from the United States Census Bureau for the City of Marina to estimate the percentage of the population eligible for the senior discount (+65 years old) of 13.8%. Using the City's quarterly reports provided by GWR, HF&H applied the senior population percentage across the residential cart subscription levels to estimate the maximum number of customers that could migrate from standard to discounted service. By calculating the difference from the standard to the discounted rates, multiplied by the number of eligible customers, HF&H was able to estimate the additional revenue required for the subsidy of these discounted rates.

For a 20% senior discount, an additional $52,311 (a 1.35% additional rate increase) would need to be subsidized by the other rate classes. For a 50% senior discount, an additional $92,145 (a 2.39% additional rate increase) would be subsidized by the other rate classes. Refer to Figure 3 below for a comparison of both methodologies for consideration by City staff.

Mr. Brian McMinn
May 12, 2022

Figure 3 – Estimated Impact of Senior Discount Rates

Rate Class	Customer Migration Count*	Current Rate	Proposed Discounted Rate CARE - 20% of 32 Gallon	Revenue Shortfall	Proposed Discounted Rate 50% of 32 Gallon	Revenue Shortfall
32 Gallon	249	$ 16.54	$ 13.23	$ (9,884)	$ 8.27	$ (24,711)
65 Gallon	284	$ 20.74	$ 13.23	$ (25,587)	$ 8.27	$ (42,498)
95 Gallon	136	$ 23.55	$ 13.23	$ (16,839)	$ 8.27	$ (24,937)
				$ (52,311)		**$ (92,145)**
Prior Year Revenue				**$ 3,861,304**		**$ 3,861,304**
Rate Increase Required Above Index Increase (5.82%)				**1.35%**		**2.39%**

**Based on United State Census Bureau estimate of +65 years old population in City of Marina of 13.8% multiplied by current subscription levels per the City of Marina's quarterly report.*

* * * * *

We would like to express our appreciation to GWR staff for their assistance and cooperation in this process. Should you have any questions, please call me at 925/977-6959 or rchilton@hfh-consultants.com.

Very truly yours,
HF&H CONSULTANTS, LLC

Rob Hilton
President

Attachment B
City of Marina Rates Effective July 2022

Residential Solid Waste Collection Rates			
Service Level	**Solid Waste**	**Recycling**	**Organics**
Curbside 32 Gallon	$17.05	Included	Included
Curbside 64 Gallon	$21.38	Included	Included
Curbside 96 Gallon	$24.29	Included	Included
Low Income	$14.62	Included	Included
Senior	$8.61	Included	Included
Notes: See Exhibit B1 for specific service availability			

Commercial/Multi-Family Solid Waste Collection Rates						
	Frequency					
Service Level	**1x/week**	**2x/week**	**3x/week**	**4x/week**	**5x/week**	**6x/week**
32-Gallon Cart	$18.39	$37.51	$56.28	$75.03	$93.79	$112.54
64-Gallon Cart	$35.27	$71.94	$107.91	$143.88	$179.86	$215.82
96-Gallon Cart	$45.46	$92.73	$139.09	$185.45	$231.82	$278.18
1-Cubic Yard Bin	$98.58	$201.11	$301.67	$402.22	$502.78	$603.32
2-Cubic Yard Bin	$196.14	$400.12	$600.18	$807.61	$1,000.31	$1,200.37
3-Cubic Yard Bin	$294.62	$601.02	$901.54	$1,202.04	$1,502.56	$1,803.07
4-Cubic Yard Bin	$392.72	$801.16	$1,201.75	$1,602.33	$2,002.91	$2,403.49
6-Cubic Yard Bin	$463.95	$946.46	$1,419.69	$1,892.92	$2,366.15	$2,839.37
8-Cubic Yard Bin	$618.62	$1,261.99	$1,892.99	$2,524.00	$3,155.00	$3,785.99
2-Cubic Yard Compactor	$239.17	$486.17	$729.26	n/a	n/a	n/a
3-Cubic Yard Compactor	$359.15	$730.10	$1,095.15	n/a	n/a	n/a
4-Cubic Yard Compactor	$478.78	$973.27	$1,459.89	n/a	n/a	n/a

Commercial/Multi-Family Recycling Collection Rates						
	Frequency					
Service Level	**1x/week**	**2x/week**	**3x/week**	**4x/week**	**5x/week**	**6x/week**
64-Gallon Cart	$5.29	$6.82	$13.91	$20.87	$27.81	$32.37
96-Gallon Cart	$6.82	$13.91	$20.87	$27.81	$34.77	$41.72
1-Cubic Yard Bin	$14.78	$30.16	$45.25	$60.34	$75.41	$90.50
2-Cubic Yard Bin	$29.42	$60.02	$90.03	$121.14	$150.04	$180.05
3-Cubic Yard Bin	$44.19	$90.15	$135.24	$180.31	$225.38	$270.46
4-Cubic Yard Bin	$58.91	$120.17	$180.26	$240.35	$300.43	$360.53
6-Cubic Yard Bin	$69.60	$141.97	$212.95	$283.94	$354.92	$425.91
8-Cubic Yard Bin	$92.79	$189.30	$283.95	$378.60	$473.25	$567.90
2-Cubic Yard Compactor	$23.81	$48.81	$73.21	n/a	n/a	n/a
3-Cubic Yard Compactor	$35.78	$73.33	$110.00	n/a	n/a	n/a
4-Cubic Yard Compactor	$47.69	$97.74	$146.62	n/a	n/a	n/a

Commercial/Multi-Family Food Waste Collection Rates						
	Frequency					
Service Level	**1x/week**	**2x/week**	**3x/week**	**4x/week**	**5x/week**	**6x/week**
64-Gallon Cart	$26.45	$53.95	$80.94	$107.91	$134.89	$161.86
96-Gallon Cart	$34.09	$69.55	$104.32	$139.09	$173.87	$208.63
1-Cubic Yard Bin	$73.93	$150.83	$226.25	$301.67	$377.08	$452.49
2-Cubic Yard Bin	$147.10	$300.10	$450.14	$605.70	$750.23	$900.28

Attachment B
City of Marina Rates Effective July 2022

Commercial/Multi-Family Yard Trimmings Collection Rates						
	Frequency					
Service Level	1x/week	2x/week	3x/week	4x/week	5x/week	6x/week
64-Gallon Cart	$26.45	$53.95	$80.94	$107.91	$134.89	$161.86
96-Gallon Cart	$34.09	$69.55	$104.32	$139.09	$173.87	$208.63
1-Cubic Yard Bin	$73.93	$150.83	$226.25	$301.67	$377.08	$452.49
2-Cubic Yard Bin	$147.10	$300.10	$450.14	$605.70	$750.23	$900.28
3-Cubic Yard Bin	$220.96	$450.77	$676.15	$901.53	$1,126.92	$1,352.31
4-Cubic Yard Bin	$294.54	$600.87	$901.31	$1,201.75	$1,502.19	$1,802.62
6-Cubic Yard Bin	$347.96	$709.85	$1,064.77	$1,419.69	$1,774.61	$2,129.53
8-Cubic Yard Bin	$463.97	$946.50	$1,419.74	$1,893.00	$2,366.25	$2,839.50

Roll-Off Collection Rates (Per Pull)					
	Material				
Service Level	MSW	REC	FW	YT	C&D
10 YD	$295.86	$221.61	$221.61	$221.61	$295.86
20 YD	$426.29	$221.61	$221.61	$221.61	$426.29
30 YD	$556.73	$221.61	$221.61	$221.61	$556.73
40 YD	$687.17	$221.61	$221.61	$221.61	$687.17
Per Ton	$77.78	$47.78	$67.78	$50.00	$77.78

Additional Service Rates		
Service	Sector	Charge Per Event
Cart Rental - All Sizes	RES	$3.38
Cart Replacement	RES	$67.53
Re-Delivery or Re-Start	RES	$28.14
Cart Cleaning	RES	$28.14
Non-Scheduled Collection	RES	$21.39
Difficult to Service Cart	COM	$1.13
Difficult to Service Bin	COM	$3.38
Locking Bin	COM	$56.28
Cart Replacement	COM	$67.53
Cart Cleaning	COM	$28.14
Bin Swap- Cleaning or Repainting	COM	$84.42
Bulky - Recycllabe	RES/COM	$22.51
Bulky - Non Recyclable	RES/COM	$28.14
Bulky - Event	RES/MFD	$33.77
Covered Box	RO	$84.42
Driver Time per Hour	RO	$123.81
Dry Run or Relocation	RO	$84.42
Extra Days	RO	$28.14

*Note:All rates charged monthly unless stated otherwise