

EXHIBIT 2-A

DEPOSIT AND REIMBURSEMENT AGREEMENT

This DEPOSIT AND REIMBURSEMENT AGREEMENT (this "Agreement") is dated as of October 1, 2013, and is entered into by and between the CITY OF SEASIDE, a municipal corporation (the "City") and Monterey Peninsula Water Management District (MPWMD). The City and the MPWMD are sometimes individually referred to as a "Party" and are sometimes collectively referred to as the "Parties."

RECITALS

A. MPWMD developed the Santa Margarita ASR Phase I project on lands originally owned by the US Army which has since been transferred to the Fort Ord Reuse Authority. MPWMD holds a possessory interest in the land under an easement granted to them by the US Army in November 2000. The Santa Margarita ASR Facility is located near General Jim Moore Boulevard and generally described in Attachment "A". The land will be transferred to the City of Seaside once it is cleaned of munitions.

B. MPWMD plans to expand their Aquifer Storage and Recovery (ASR) Phase I site beyond the easement area provided to them by the US Army.

C. MPWMD wishes to secure a long term property interest, by lease or other right, for 0.88 Acres of additional property adjacent to the existing easement area.

D. In order to determine an appropriate value for the land it is necessary to retain an appraiser to evaluate the market value of the land and serve as a basis of negotiations on the sale or long term lease of the lands.

E. MPWMD and the City desire to enter into this Agreement to provide for a deposit of funds by the MPWMD that can be used by City to reimburse itself for costs incurred by the City in conducting an appraisal for the property in question.

NOW, THEREFORE, the Parties hereto agree as follows:

1. MPWMD shall reimburse the City for all of City's actual out-of-pocket costs and expenses (including legal fees and costs, public outreach and noticing) incurred in completing a real estate appraisal for the site described in Attachment "A".

2. Concurrently with its execution of this Agreement, MPWMD shall deposit with the City the sum of Two Thousand Eight Hundred Fifty and No/100 Dollars (\$2,850.00) per the quotation for appraisal services described in Attachment "B".

3. Any notice, request, approval or other communication to be provided by one Party to the other shall be in writing and provided by personal service or a reputable overnight delivery service (such as Federal Express) and addressed as follows:

If to MPWMD:

Monterey Peninsula Water Management District
5 Harris Court, Building G.
Monterey CA, 93940
Attn: David J. Stoldt, General Manager

If to the City:

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

4. This Agreement constitutes the entire agreement of the Parties hereto with respect to the specific subject matter hereof. There are no agreements or understandings between the Parties and no representations by either Party to the other as an inducement to enter into this Agreement, except as expressly set forth herein. All prior negotiations between the Parties are superseded by this Agreement. Neither the City nor its officers, members, staff or agents have made any representations, warranties or promises to Developer other than as expressly set forth herein.

5. This Agreement may not be altered, amended or modified except by a writing executed by both Parties.

6. If any Party should bring any legal action or proceeding relating to this agreement or to enforce any provision hereof, or if the Parties agree to arbitration or mediation relating to this Agreement, the Party in whose favor a judgment or decision is rendered shall be entitled to recover reasonable attorneys' fees and expenses from the other. The Parties agree that any legal action or proceeding or agreed-upon arbitration or mediation shall be filed in and shall occur in the County of Monterey.

7. The interpretation and enforcement of this Agreement shall be governed by the laws of the State of California.

8. Time is of the essence of each and every provision hereof.

9. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

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

City of Seaside

By: _____
John Dunn, City Manager

Monterey Peninsula Water Management District

By: _____
David J. Stoldt, General Manager

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