CITY OF CLAYTON

Founded 1857.. Incorporated 1964

AGENDA

REGULAR JOINT MEETINGS

* * *

CLAYTON CITY COUNCIL
and
CLAYTON SUCCESSOR AND SUCCESSOR HOUSING AGENCIES

* * *

TUESDAY, May 6, 2014

7:00 P.M.

Hoyer Hall, Clayton Community Library
6125 Clayton Road, Clayton, CA 94517

Mayor: Hank Stratford
Vice Mayor: David T. Shuey

Council Members
Jim Diaz
Howard Geller
Julie K. Pierce

- A complete packet of information containing staff reports and exhibits related to each public item is available for public review in City Hall located at 6000 Heritage Trail on Monday prior to the Council meeting.
- Agendas are posted at: 1) City Hall, 6000 Heritage Trail; 2) Library, 6125 Clayton Road; 3) Ohm's Bulletin Board, 1028 Diablo Street, Clayton; and 4) City Website at **www.ci.clayton.ca.us**
- Any writings or documents provided to a majority of the City Council after distribution of the Agenda Packet and regarding any public item on this Agenda will be made available for public inspection in the City Clerk's office located at 6000 Heritage Trail during normal business hours.
- If you have a physical impairment that requires special accommodations to participate, please call the City Clerk's office at least 72 hours in advance of the meeting at (925) 673-7304.

* CITY COUNCIL *

May 6, 2014

1. **CALL TO ORDER THE CITY COUNCIL** – by Mayor Stratford and "Mayor for the Day" Scott Tomaszewicz.

2. **PLEDGE OF ALLEGIANCE –** led by "Mayor for the Day" Scott Tomaszewicz.

3. **CONSENT CALENDAR**

Consent Calendar items are typically routine in nature and are considered for approval by the City Council with one single motion. Members of the Council, Audience, or Staff wishing an item removed from the Consent Calendar for purpose of public comment, question or input may request so through the Mayor.

(a) Information Only – No action necessary.
1. Notification to Clayton real property owners of a City of Concord annual sewer service charge increase effective July 1, 2014 (10.74% increase to $402/year for a single-family dwelling) for real property sewer services and maintenance, repair and operation of Clayton's municipal sewer system. (View Here)

(b) Approve the minutes of the regular meeting of April 15, 2014. (View Here)

(c) Approve Financial Demands and Obligations of the City. (View Here)

(d) Adopt a Resolution approving a three (3)-year time extension through June 30, 2017 of the City's agreement with Contra Costa County for continuance of contract Building Plan Check and Inspection Services for the City of Clayton. (View Here)

(e) Adopt a Resolution calling for the preparation of an Engineer's Report for calculation of the real property tax assessments in FY 2014-15 for the Diablo Estates at Clayton Benefit Assessment District (BAD). (View Here)

(f) Adopt a Resolution approving a Joint Powers Authority (JPA) for TRANSPAC (central county transportation) purposes and issues, and authorizing the Mayor to execute the JPA Agreement. (View Here)

4. **RECOGNITIONS AND PRESENTATIONS**

(a) Recognition: "Mayor for the Day", Scott Tomaszewicz. (View Here)

(b) Certificates of Recognition to "Do The Right Thing" public school students selected for exemplifying the character trait of "Integrity". (View Here)

(c) A Proclamation declaring May 2014 as "American Red Cross Month" in the City of Clayton. (View Here)

5. REPORTS

(a) Planning Commission –Commissioner Dan Richardson.
(b) Trails and Landscaping Committee – No meeting held.
(c) City Manager/Staff
(d) City Council - Reports from Council liaisons to Regional Committees, Commissions and Boards.
(e) Other

6. PUBLIC COMMENT ON NON - AGENDA ITEMS

Members of the public may address the City Council on items within the Council's jurisdiction, (which are not on the agenda) at this time. To facilitate the recordation of comments, it is requested each speaker complete a speaker card available on the Lobby table and submit it in advance to the City Clerk. To assure an orderly meeting and an equal opportunity for everyone, each speaker is limited to 3 minutes, enforced at the Mayor's discretion. When one's name is called or you are recognized by the Mayor as wishing to speak, the speaker shall approach the public podium and adhere to the time limit. In accordance with State Law, no action may take place on any item not appearing on the posted agenda. The Council may respond to statements made or questions asked, or may at its discretion request Staff to report back at a future meeting concerning the matter.

Public comment and input on Public Hearing, Action Items and other Agenda Items will be allowed when each item is considered by the City Council.

7. PUBLIC HEARINGS - None.

8. ACTION ITEMS

(a) Consideration of two Resolutions related to the regularly-scheduled General Municipal Election to be held on November 4, 2014 this year to elect two (2) City Council Members to public office for 4-year terms ending December 2018. (City Clerk) (View Here)

1). A Resolution calling the General Municipal Election of November 4, 2014, requesting and consenting to consolidation and handling of the election by the Contra Costa County Elections Office, and setting specifications of the election order; and

2). A Resolution adopting a policy for voluntary Candidates' Statements printed in the November 4, 2014 Voters' Information Pamphlet.

Staff recommendations: Following staff report and public comments, by separate motions, adopt each Resolution.

(b) Consider the 2nd Reading and Adoption of proposed Ordinance No. 455 adding a new Chapter 9.35 to the *Clayton Municipal Code* regarding camping and public urination within the city limits of Clayton.
(Chief of Police) (View Here)

Staff recommendations: **1.** Receive the staff report and presentation; **2.** Receive any public comments; **3.** Following any City Council discussion and any modifications, approve a motion to have the City Clerk read Ordinance No. 455 by title and number only and waive further reading; and **4.** On completion of the City Clerk's reading, adopt a motion to approve Ordinance No. 455 with findings its adoption will not have a significant adverse impact on the environment and is therefore exempt under CEQA.

(c) Consider a proposed 15-year time extension to the existing Community Facilities District (CFD) real property parcel tax supporting and funding the Downtown Park's ["The Grove Park"] operation and maintenance by placement of a local ballot measure on the November 2014 General Municipal Election.
(Assistant to the City Manager) (View Here)

Staff recommendation: Following staff report and public comment, by motion Council provide policy directing staff to move forward with a November 2014 ballot measure for a proposed 15-year time extension only to the existing Downtown Park special parcel tax and retaining the current tax rate methodology.

9. COUNCIL ITEMS – limited to requests and directives for future meetings.

10. CLOSED SESSION

(a) *Government Code Section 54957.*6, Conference with Labor Negotiator Instructions to City-designated labor negotiator: City Manager.

1. Employee Organization: Clayton Police Officers' Association (CPOA).

Report out from Closed Session: Mayor Stratford.

11. ADJOURNMENT– the next regularly scheduled City Council meeting is May 20, 2014.

# # # # #

* CLAYTON SUCCESSOR and SUCCESSOR HOUSING AGENCIES *

May 6, 2014

1. **CALL TO ORDER AND ROLL CALL** – Mayor Stratford.

2. **PUBLIC COMMENT ON NON - AGENDA ITEMS**

Members of the public may address the Board on items within the Board's jurisdiction, (which are not on the agenda) at this time. To facilitate the recordation of comments, it is requested each speaker complete a speaker card available on the Lobby table and submit it in advance to the Secretary. To assure an orderly meeting and an equal opportunity for everyone, each speaker is limited to 3 minutes, enforced at the Chair's discretion. When one's name is called or you are recognized by the Chair as wishing to speak, the speaker shall approach the public podium and adhere to the time limit. In accordance with State Law, no action may take place on any item not appearing on the posted agenda. The Board may respond to statements made or questions asked, or may at its discretion request Staff to report back at a future meeting concerning the matter.

Public comment and input on Public Hearing, Action Items and other Agenda Items will be allowed when each item is considered by the Board.

3. **CONSENT CALENDAR**

Consent Calendar items are typically routine in nature and are considered for approval by the Board with one single motion. Members of the Board, Audience, or Staff wishing an item removed from the Consent Calendar for purpose of public comment, question or input may request so through the Chair.

(a) Approve the minutes of the regular meetings of January 7 and February 18th, 2014. (View Here)

4. **PUBLIC HEARINGS** – None.

5. **ACTION ITEMS**

(a) Consider a Resolution approving and authorizing the refunding (refinancing) of the former Clayton Redevelopment Agency's existing and outstanding 1999 Bonds and 1996 Bonds (debt) in an amount not to exceed $4,000,000 at a lower interest rate resulting in an estimated total savings of $610,657 over the remaining bond term which remains unchanged (maturity date of 2024).
(Finance Manager; Assistant to the City Manager; Bond Advisor; Bond Counsel)
(View Here)

Staff recommendations: **1.** Receive the staff report and presentation; **2.** Provide opportunity for public comments; **3.** Following Board discussion and any modifications, by motion adopt the Resolution.

6. **BOARD ITEMS** – limited to requests and directives for future meetings.

7. **ADJOURNMENT** – the next regular Successor Agency meeting will be scheduled as needed.

# # #

Agenda Date: 5-6-2014

CITY OF CONCORD
1950 Parkside Drive MS/45
Concord, CA 94519-2578
Fax: (925) 680-1660

Public Works
Telephone: (925) 671-3448

Agenda Item: 3a

CITY OF CONCORD NOTICE TO PROPERTY OWNERS
ANNUAL SEWER SERVICE CHARGE INCREASE

The City of Concord Sewer Enterprise provides for the maintenance and repair of sewer lines in both the City of Concord and the City of Clayton, as well as portions of Contra Costa County. Additionally, the City of Concord arranges for sewage treatment at the Central Contra Costa Sanitary District (CCCSD), treatment plant by paying a proportional share of the maintenance, operation and capital improvement costs of the treatment plant. The Sewer Enterprise pays these costs by levying an annual sewer service charge on each property that utilizes or has sewer service available to their property. This charge is placed on the property tax bill as a sewer service charge.

On June 4, 2013, the Concord City Council approved a two-year increase to the annual sewer service charges. The rate increase allows the City to comply with its National Pollutant Discharge Elimination System permit and maintain required response times to sanitary sewer overflows. This increase was also necessary to fund substantial rehabilitation of the City's aging sewer collection system and to cover the City's proportional share of CCCSD's expenses, which are projected to be $17.2 million in FY 2014-15. This is over 71% of the City's Sewer Enterprise total projected expenditures. Fiscal Year 2014-15 annual sewer service charges for the various property classifications are listed below. For more information on the sewer service charge increase, which was adopted last year, please telephone the City of Concord Public Works Department at (925) 671-3448.

Charge Classification	Existing Charge	FY 2014-15 Charge
Residential Owners		
Minimum rate for any premises	$363.00	$402.00
Each single family dwelling unit	$363.00	$402.00
Each dwelling unit in a multiple dwelling structure	$363.00 per unit	$402.00 per unit
Mobile Home Park	$363.00 per space	$402.00 per space
Commercial Owners – Charge Based upon quantity of water used in cubic feet:		
Minimum rate for any premises	$363.00	$402.00
Bowling Alleys	$3.20/100 cu. ft.	$3.55/100 cu. ft.
Car Washes	$3.20/100 cu. ft.	$3.55/100 cu. ft.
Health Studios & Gymnasiums	$3.20/100 cu. ft.	$3.55/100 cu. ft.
Hospitals – Convalescent	$3.20/100 cu. ft.	$3.55/100 cu. ft.
Multiple Unit Lodging (Hotels, Motels & Rooming Houses)	$3.20/100 cu. ft.	$3.55/100 cu. ft.
Laundromats & Laundries	$3.20/100 cu. ft.	$3.55/100 cu. ft.
Restaurants	$6.39/100 cu. ft.	$7.07/100 cu. ft.
Restaurants with pretreatment facilities approved annually	$3.63/100 cu. ft.	$4.02/100 cu. ft.
Bakeries	Determined individually	Determined individually
All others	$3.63 /100 cu. ft.	$4.02 /100 cu. ft
Institutional Owners		
Minimum rate for any premises As defined in Section 110-31	$363.00	$402.00
Convalescent Hospitals	$3.63/100 cu. ft.	$4.02/100 cu. ft.
Industrial Owners – Charge based upon quantity of water used and quality of effluent:		
Minimum rate for any premises	$363.00	$402.00
Flow/Million Gallons	$2,817.00	$3,119.00
Biochemical Oxygen Demand (B.O.D.) per 1,000 pounds	$662.00	$733.00
Suspended solid (S.S.) per 1,000 pounds	$564.00	$624.00

Agenda Date: 5-6-2014

Agenda Item: 3b

MINUTES
OF THE
REGULAR MEETING
CLAYTON CITY COUNCIL

TUESDAY, April 15, 2014

1. **CALL TO ORDER & ROLL CALL** – The meeting was called to order at 7:00 p.m. by Mayor Stratford in Hoyer Hall, Clayton Community Library, 6125 Clayton Road, Clayton, CA. Councilmembers present: Mayor Stratford, Councilmembers Diaz and Pierce. Councilmembers absent: Vice Mayor Shuey and Councilmember Geller. Staff present: City Manager Gary Napper, City Attorney Mala Subramanian, City Clerk Janet Brown, Chief of Police Chris Thorsen.

2. **PLEDGE OF ALLEGIANCE** – led by Mayor Stratford.

3. **CONSENT CALENDAR- It was moved by Councilmember Pierce, seconded by Councilmember Diaz, to approve the Consent Calendar as submitted (Passed; 3-0 vote).**

(a) Approved the minutes of the regular meeting of April 1, 2014.

(b) Approved Financial Demands and Obligations of the City.

(c) Accepted the Clayton Business and Community Association's (CBCA) offer of 14 new Community Celebratory banners for City installation and public display on Clayton Town Center street light poles during CY 2014.

(d) Accepted the City's Investment Portfolio Report for Third Quarter of FY 2013-14, ending March 31, 2014.

(e) Approved the award of contract in the amount of $40,362.40 to Miracle PlaySystems, Inc., through the National Joint Power Alliance (NJPA) competitive low-bid contract process, for removal and replacement of the resilient play surface at the tot lot playground in The Grove Park, and authorize the allocation of said monies from The Grove Park community facilities district's unobligated reserve fund (Fund 211).

4. **RECOGNITIONS AND PRESENTATIONS**

(a) Kickoff of Clayton's Certified Farmers' Market for 2014 – "Opening Day" is Saturday, May 10th (8:00am – Noon, each Saturday on Diablo Street).

John Silveria, Director for the Pacific Coast Farmers' Market Association, announced the opening of Clayton's Certified Farmers' Market for 2014 and introduced Jessica Millender, Regional Manager, to present the 2013 Pacific Coast Farmers' Market Association Annual Report.

Jessica Millender summarized verbally and by a PowerPoint presentation its 2013 Pacific Coast Farmers' Market Annual Report for Clayton's certified farmers' market.

Mr. Silveria and Ms. Millender presented Mayor Stratford and the City Council with a basket of fresh produce and flowers from the Concord Certified Farmers' Market that was taking place earlier that morning.

Mayor Stratford confirmed the Market's 2014 start date of May 10th, from 8:00 am to Noon, located at Diablo and Main Street. He then asked Ms. Millender if she was going to be the Market Manager for this season. Ms. Millender responded the Clayton Farmers' Market Manager will be Caitlin Orton.

(b) Presentation of its Annual Report for 2013 by Joyce Atkinson, President of the Clayton Community Library Foundation

Joyce Atkinson presented the 2013 Annual Report of the Clayton Community Library Foundation highlighting: in-library ongoing service hours provided by volunteers for daily needs and special events, valued at $168,201; Boy Scout Troop 484 assistance with physical tasks; Clayton Garden Club maintenance of flower boxes and garden areas; the eighteenth Birthday Celebration of the Clayton Community Library; local second grade classes visited the library and students received their first library cards; and the CCLF was able to generate $42,214.65 in income from a variety of sources in 2013.

(c) Proclamation declaring the week of April 14th – 20th, 2014 as "Clayton Community Library Volunteer Recognition Week," and recognition of Clayton's "Library Volunteers of the Year."

Mayor Stratford presented Recognition certificates to Joy Koonin, Jane Sturgeon, and Elise Kuzbari as the Clayton Community Library's "Volunteers of the Year".

(d) Proclamation declaring April 2014 as "Sexual Assault Awareness Month".

Pat Mori, Director of the Children's Interview Center with Community Violence Solutions, shared and explained some of the support services provided to sexual assault victims and announced the Community Champion Luncheon will take place in Martinez on April 22nd at 11:00 am honoring those who make a difference.

Mayor Stratford read the Proclamation and presented it to Ms. Mori. Ms. Mori then presented the City Council with packets containing more information about the services provided by Community Violence Solutions.

Mayor Stratford then invited Richard Sonsteng, Battalion Chief with the Contra Costa County Fire Protection District, to introduce himself and provide the Council and community with updates regarding fire and emergency medical responder services in Clayton.

Battalion Chief Sonsteng updated the City Council regarding a proposed Emergency Medical Services Fee the ConFire Board is currently looking into. They are further looking into the County's current real property assessment fee [Measure H] to consider an Ordinance possibly raising the $10/yr. fee. He noted it appears the Fire District's 2015-16 Budget is rebounding with increased property taxes; the FEMA SAFER grant award and reopening Clayton Fire Station No. 11 will take some time as new firefighters needed must complete the fire academy and training. The Fire Board is seeking permission to reevaluate the County's transportation ambulance contract to possible bid on providing emergency and medical tranports.

5. REPORTS

(a) Planning Commission – No meeting held.

(b) Trails and Landscaping Committee – No meeting held.

(c) City Manager/Staff

City Manager Napper announced the "Clayton Cleans Up" event takes place Saturday, April 26th from 9:00 am to Noon; meet in the City Hall courtyard for sign-ins, area assignments and trash bags. He thanked Bob and Tamara Steiner of the *Clayton Pioneer* for promoting and sponsoring this community event again this year.

(d) City Council - Reports from Council liaisons to Regional Committees, Commissions and Boards.

Councilmember Diaz noted he was not in attendance at the last Council meeting as he was attending CERT training. Councilmember Diaz attended the Library Creekside Arts Festival, the special meeting of the City Council, a Clayton Business & Community Association meeting, and CERT training. Councilmember Diaz thanked Battalion Chief Sonsteng for efforts in securing the SAFER grant funds, and also to Vice Mayor Shuey for providing updates to the City's Fire Services Ad-hoc committee.

Councilmember Pierce attended the Association of Bay Area Governments Regional Planning Committee's Prosperity Grant and Leadership meeting in San Ramon Valley, the County Mayors' Conference, the California Council of Governments meeting, and was just in Washington D.C. lobbying for transportation improvement funds for Contra Costa County. She also announced upcoming community events: Clayton Cleans Up and the Historical Society's Gardens Tour, both taking place on April 26.

Mayor Stratford attended the recent the Mayors' Conference. He also announced "Mayor for the Day" and the "Do The Right Thing" for character trait "Integrity" certificates with be presented at the next City Council meeting on May 6th.

(e) Other- None.

6. PUBLIC COMMENT ON NON-AGENDA ITEMS – None.

7. PUBLIC HEARINGS - None.

8. ACTION ITEMS

(a) Consider the Introduction and First Reading of Ordinance No. 455 adding a new Chapter 9.35 to the *Clayton Municipal Code* regarding camping and public urination within the city limits of Clayton.

Police Chief Chris Thorsen presented the staff report and explained the contents of this Ordinance expand the regulations of existing *Municipal Code* Section 9.35. The expansion is needed due to recent problematic activity discovered within the community with outdoor and overnight camping occurring on public properties.

Mayor Stratford asked for Public Comments. No public comments were received. Mayor Stratford closed the Public Hearing.

It was moved by Councilmember Pierce, seconded by Councilmember Diaz, to have the City Clerk read Ordinance No. 455 by title and number only and waive further reading. (Passed; 3-0 vote).

The City Clerk read Ordinance No. 455 by title and number only.

It was moved by Councilmember Pierce, seconded by Councilmember Diaz, to approve Ordinance No. 455 for Introduction with findings its adoption will not have a significant adverse impact on the environment and is therefore exempt under CEQA. (Passed; 3-0 vote).

9. COUNCIL ITEMS – None.

10. 7:54 p.m. CLOSED SESSION – on call by Mayor Stratford, the City Council adjourned into Closed Session for the following purpose:

(a) Government Code Section 54957.6, Conference with Labor Negotiator
Instructions to City-designated labor negotiator: Assistant to the City Manager.

1. Employee Organization: Clayton Police Officers' Association (CPOA).

8:19 p.m. Report out from Closed Session:
Mayor Stratford announced Council received information and gave direction to its Labor Negotiator.

11. ADJOURNMENT– on call by Mayor Stratford the City Council meeting adjourned at 8:20p.m. Its next regular meeting will be on Tuesday, May 6th at 5:00 p.m.

# # # # #

Respectfully submitted,

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Janet Brown, City Clerk

APPROVED BY CLAYTON CITY COUNCIL

____

Hank Stratford, Mayor

# # # # #

CITY OF CLAYTON
Founded 1857 . . Incorporated 1964

Agenda Date 5/6/2014

Agenda Item: 3c

Approved:

Gary A. Napper
City Manager

STAFF REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: Kevin Mizuno, FINANCE MANAGER

DATE: 5/6/2014

SUBJECT: INVOICE SUMMARY

RECOMMENDATION:

Approve the following Invoices:

5/2/2014 Cash Requirements Report	$151,265.47
5/2/2014 Cal Card Period end 4/24/14	7552.65
Total:	$158,818.12

Attachments:
Cash Requirements Report dated 5/2/2014 (5 pages)
Cal Card Worksheet (1 page)

City o ayton
Cash Requirements Report

Vendor Name	Due Date	Invoice Date	Invoice Number	Invoice Description	Invoice Balance	Potential Discount	Discount Expires On	Net Amount Due
Alameda County Sheriff's Office								
Alameda County Sheriff's Office	5/6/2014	4/23/2014	POST Plan IV	Training - DUI Detection - Field Sobriety 4/17	$290.00	$0.00		$290.00
				Totals for Alameda County Sheriff's Office:	*$290.00*	*$0.00*		*$290.00*
All City Management Services, Inc.								
All City Management Services, Inc.	5/6/2014	4/23/2014	34803	Crossing Guard Services 3/16/14-3/29/14	$467.70	$0.00		$467.70
				Totals for All City Management Services, Inc.:	*$467.70*	*$0.00*		*$467.70*
American Fidelity Assurance Company								
American Fidelity Assurance Company	5/6/2014	4/23/2014	1020591A	June Payment	$518.34	$0.00		$518.34
American Fidelity Assurance Company	5/6/2014	4/23/2014	B140684	May Billing	$197.64	$0.00		$197.64
				Totals for American Fidelity Assurance Company:	*$715.98*	*$0.00*		*$715.98*
AT&T/ CalNet 2								
AT&T/ CalNet 2	5/6/2014	4/30/2014	5331680	Bill 3/22/14-4/21/14	$1,785.28	$0.00		$1,785.28
				Totals for AT&T/ CalNet 2:	*$1,785.28*	*$0.00*		*$1,785.28*
Bay Area Barricade Serv.								
Bay Area Barricade Serv.	5/6/2014	4/23/2014	0303556-IN	signs	$10.90	$0.00		$10.90
				Totals for Bay Area Barricade Serv.:	*$10.90*	*$0.00*		*$10.90*
CalPERS Health								
CalPERS Health	5/6/2014	4/23/2014	1398	Medical May 2014	$33,018.96	$0.00		$33,018.96
				Totals for CalPERS Health:	*$33,018.96*	*$0.00*		*$33,018.96*
CalPERS Retirement								
CalPERS Retirement	5/6/2014	4/23/2014	City Council 3/24/14	retirement CC ending 3/24/14	$369.48	$0.00		$369.48
CalPERS Retirement	5/6/2014	4/23/2014	PPE 4/13/14	Retirement PPE 4/13/14	$20,759.21	$0.00		$20,759.21
CalPERS Retirement	5/6/2014	4/28/2014	ppe 4/27/14	Retirement PPE 4/27/14	$20,964.44	$0.00		$20,964.44
				Totals for CalPERS Retirement:	*$42,093.13*	*$0.00*		*$42,093.13*
Caltronics Business Systems, Inc								
Caltronics Business Systems, Inc	5/6/2014	4/23/2014	1523579	contract 3/17/14-4/16/14	$191.08	$0.00		$191.08
				Totals for Caltronics Business Systems, Inc:	*$191.08*	*$0.00*		*$191.08*
City of Concord								
City of Concord	5/6/2014	4/23/2014	38390	vehicle maintenance March 2014	$545.45	$0.00		$545.45
				Totals for City of Concord:	*$545.45*	*$0.00*		*$545.45*
Clayton Pioneer								
Clayton Pioneer	5/6/2014	4/23/2014	1309320	concert inserts	$480.00	$0.00		$480.00
				Totals for Clayton Pioneer:	*$480.00*	*$0.00*		*$480.00*
Clean Street								
Clean Street	5/6/2014	4/30/2014	74261	monthly sweep fee April, 2014	$3,500.00	$0.00		$3,500.00
				Totals for Clean Street:	*$3,500.00*	*$0.00*		*$3,500.00*

City of Clayton
Cash Requirements Report

Vendor Name	Due Date	Invoice Date	Invoice Number	Invoice Description	Invoice Balance	Potential Discount	Discount Expires On	Net Amount Due
Contra Costa County Department of Conservation & Development								
Contra Costa County Department of Co	5/6/2014	4/23/2014	Q3 13/14	Business License Fee for Q3 FY 13/14	$64.35	$0.00		$64.35
				Totals for Contra Costa County Department of Conservation & Development:	*$64.35*	*$0.00*		*$64.35*
Contra Costa County Library								
Contra Costa County Library	5/6/2014	4/23/2014	Q3 13/14	additional hours for Jan 1, 14-March 31,14	$4,904.03	$0.00		$4,904.03
				Totals for Contra Costa County Library:	*$4,904.03*	*$0.00*		*$4,904.03*
Contra Costa County Office of the Sheriff-Fiscal (Training)								
Contra Costa County Office of the Sheri	5/6/2014	4/23/2014	14-17848	In service course 3/21/14, Enea, White, McEa	$198.00	$0.00		$198.00
Contra Costa County Office of the Sheri	5/6/2014	4/23/2014	14-17847	In service course 3/18/14 for Marchut, Pike, S	$264.00	$0.00		$264.00
				Totals for Contra Costa County Office of the Sheriff-Fiscal (Training):	*$462.00*	*$0.00*		*$462.00*
CR Fireline Inc								
CR Fireline Inc	5/6/2014	4/23/2014	98848	EH inspection	$110.00	$0.00		$110.00
CR Fireline Inc	5/6/2014	4/23/2014	98850	City Hall Inspection	$110.00	$0.00		$110.00
CR Fireline Inc	5/6/2014	4/23/2014	98849	Library Inspection	$110.00	$0.00		$110.00
				Totals for CR Fireline Inc:	*$330.00*	*$0.00*		*$330.00*
Crop Production Svcs								
Crop Production Svcs	5/6/2014	4/23/2014	23665535	turf - 1000083415-21-7-14	$868.00	$0.00		$868.00
				Totals for Crop Production Svcs:	*$868.00*	*$0.00*		*$868.00*
De Lage Landen Financial Services, Inc.								
De Lage Landen Financial Services, Inc.	5/6/2014	4/23/2014	40990464	contract for April, 2014	$321.87	$0.00		$321.87
				Totals for De Lage Landen Financial Services, Inc.:	*$321.87*	*$0.00*		*$321.87*
Devil Mountain Wholesale Nursery								
Devil Mountain Wholesale Nursery	5/6/2014	4/29/2014	Order # 393604	P O # iNET 101037	$1,596.36	$0.00		$1,596.36
				Totals for Devil Mountain Wholesale Nursery:	*$1,596.36*	*$0.00*		*$1,596.36*
Dig & Demo								
Dig & Demo	5/6/2014	4/30/2014	cap0110	Deposit refund 315 Diablo Creek Ct	$1,904.54	$0.00		$1,904.54
				Totals for Dig & Demo:	*$1,904.54*	*$0.00*		*$1,904.54*
Division of the State Architect								
Division of the State Architect	5/6/2014	4/23/2014	Q3 13/14	Business license fees Q3 FY 13/14	$29.70	$0.00		$29.70
				Totals for Division of the State Architect:	*$29.70*	*$0.00*		*$29.70*
Goldfarb & Lipman								
Goldfarb & Lipman	5/6/2014	4/23/2014	112019	current fees through 3/31/14	$336.00	$0.00		$336.00
				Totals for Goldfarb & Lipman:	*$336.00*	*$0.00*		*$336.00*
Health Care Dental Trust								
Health Care Dental Trust	5/6/2014	4/30/2014	175126	May Dental Benefits	$2,875.66	$0.00		$2,875.66
				Totals for Health Care Dental Trust:	*$2,875.66*	*$0.00*		*$2,875.66*

City o ayton
Cash Requirements Report

Vendor Name	Due Date	Invoice Date	Invoice Number	Invoice Description	Invoice Balance	Potential Discount	Discount Expires On	Net Amount Due
Agustin Hidalgo Jr								
Agustin Hidalgo Jr	5/6/2014	4/28/2014	103012	Deposit refund EH 4/20/14	$500.00	$0.00		$500.00
				Totals for Agustin Hidalgo Jr:	*$500.00*	*$0.00*		*$500.00*
Hyde Printing Inc								
Hyde Printing Inc	5/6/2014	4/30/2014	66672	Concert Flyers	$972.28	$0.00		$972.28
				Totals for Hyde Printing Inc:	*$972.28*	*$0.00*		*$972.28*
ICMA Retirement Corporation								
ICMA Retirement Corporation	5/6/2014	4/23/2014	13947	annual plan fee for period 4/1/14-6/30/14	$125.00	$0.00		$125.00
				Totals for ICMA Retirement Corporation:	*$125.00*	*$0.00*		*$125.00*
J & R Floor Services								
J & R Floor Services	5/6/2014	4/28/2014	three	April Billing	$4,910.00	$0.00		$4,910.00
				Totals for J & R Floor Services:	*$4,910.00*	*$0.00*		*$4,910.00*
John Deere Landscapes Inc								
John Deere Landscapes Inc	5/6/2014	4/23/2014	67532731	parts - order # 75069917	$1,824.62	$0.00		$1,824.62
John Deere Landscapes Inc	5/6/2014	4/23/2014	68409417	parts - order # 75186887	$1,432.00	$0.00		$1,432.00
				Totals for John Deere Landscapes Inc:	*$3,256.62*	*$0.00*		*$3,256.62*
Arlene Kikkawa-Nielsen								
Arlene Kikkawa-Nielsen	5/6/2014	4/28/2014	May	Library Volunteer Coordinator Hours May 20	$900.00	$0.00		$900.00
				Totals for Arlene Kikkawa-Nielsen:	*$900.00*	*$0.00*		*$900.00*
LarryLogic Productions								
LarryLogic Productions	5/6/2014	4/23/2014	1410	city council meeting 4/15/14	$300.00	$0.00		$300.00
				Totals for LarryLogic Productions:	*$300.00*	*$0.00*		*$300.00*
Marken Mechanical Services Inc								
Marken Mechanical Services Inc	5/6/2014	4/23/2014	414-1152-4	Library Maintenance April 2014	$150.00	$0.00		$150.00
Marken Mechanical Services Inc	5/6/2014	4/23/2014	414-1151-4	City Hall Maintenance April 2014	$150.00	$0.00		$150.00
Marken Mechanical Services Inc	5/6/2014	4/23/2014	414-1146-3	Library Maintenance March 2014	$502.17	$0.00		$502.17
Marken Mechanical Services Inc	5/6/2014	4/23/2014	414-1148-3	City Hall Maintenance March 2014	$332.50	$0.00		$332.50
				Totals for Marken Mechanical Services Inc:	*$1,134.67*	*$0.00*		*$1,134.67*
Michel Amaral								
Michel Amaral	5/6/2014	4/30/2014	Concert 5/10/14	Concert in the Grove 5/10/14	$3,000.00	$0.00		$3,000.00
				Totals for Michel Amaral:	*$3,000.00*	*$0.00*		*$3,000.00*
MPA								
MPA	5/6/2014	4/28/2014	May 2014	May LTD/Life	$1,409.25	$0.00		$1,409.25
				Totals for MPA:	*$1,409.25*	*$0.00*		*$1,409.25*
Neopost (add postage)								
Neopost (add postage)	5/6/2014	4/28/2014	04/24/14	postage added	$300.00	$0.00		$300.00

City of Clayton
Cash Requirements Report

Vendor Name	Due Date	Invoice Date	Invoice Number	Invoice Description	Invoice Balance	Potential Discount	Discount Expires On	Net Amount Due
				Totals for Neopost (add postage):	*$300.00*	*$0.00*		*$300.00*
Pacific Telemanagement Svc								
Pacific Telemanagement Svc	5/6/2014	4/28/2014	641081	Courtyard Pay Phone May 2014	$73.00	$0.00		$73.00
				Totals for Pacific Telemanagement Svc:	*$73.00*	*$0.00*		*$73.00*
PERMCO, Inc.								
PERMCO, Inc.	5/6/2014	4/28/2014	4/17/14	Service through 4/16/14	$16,902.88	$0.00		$16,902.88
PERMCO, Inc.	5/6/2014	4/30/2014	10184	General City Engineering Services	$4,554.10	$0.00		$4,554.10
PERMCO, Inc.	5/6/2014	4/30/2014	10185	General Stormwater Tasks and Inspections	$1,753.75	$0.00		$1,753.75
PERMCO, Inc.	5/6/2014	4/30/2014	10186	CAP Inspections	$290.50	$0.00		$290.50
PERMCO, Inc.	5/6/2014	4/30/2014	10187	Sewer System Maintenance Plan	$247.82	$0.00		$247.82
PERMCO, Inc.	5/6/2014	4/30/2014	10188	Meetings/discussions with Kent, Bob, Contra	$1,195.25	$0.00		$1,195.25
PERMCO, Inc.	5/6/2014	4/30/2014	10189	prepare/process Roskelley LLA	$150.00	$0.00		$150.00
				Totals for PERMCO, Inc.:	*$25,094.30*	*$0.00*		*$25,094.30*
PG&E								
PG&E	5/6/2014	4/28/2014	04/24/14	Service through 4/22/14	$2,840.80	$0.00		$2,840.80
				Totals for PG&E:	*$2,840.80*	*$0.00*		*$2,840.80*
PMC (Planning)								
PMC (Planning)	5/6/2014	4/23/2014	39854	Professional Services March 2014	$5,027.50	$0.00		$5,027.50
				Totals for PMC (Planning):	*$5,027.50*	*$0.00*		*$5,027.50*
Raney Planning & Management, Inc.								
Raney Planning & Management, Inc.	5/6/2014	4/23/2014	1322E-6	Labor, March 2014	$1,162.23	$0.00		$1,162.23
				Totals for Raney Planning & Management, Inc.:	*$1,162.23*	*$0.00*		*$1,162.23*
Rex Lock & Safe, Inc.								
Rex Lock & Safe, Inc.	5/6/2014	4/23/2014	104946	labor/trip to gain access to F350	$132.50	$0.00		$132.50
				Totals for Rex Lock & Safe, Inc.:	*$132.50*	*$0.00*		*$132.50*
Riviera Pools								
Riviera Pools	5/6/2014	4/30/2014	Cap 0099	Deposit refund 11 Tiffin Court	$1,904.54	$0.00		$1,904.54
				Totals for Riviera Pools:	*$1,904.54*	*$0.00*		*$1,904.54*
Staples Advantage								
Staples Advantage	5/6/2014	4/23/2014	8029419696	supplies for March 2014 and November 2013	$897.01	$0.00		$897.01
				Totals for Staples Advantage:	*$897.01*	*$0.00*		*$897.01*
TMT Branding								
TMT Branding	5/6/2014	4/23/2014	50880c	Clayton Cleans Up T-shirts	$34.78	$0.00		$34.78
				Totals for TMT Branding:	*$34.78*	*$0.00*		*$34.78*
Marissa Tutko								
Marissa Tutko	5/6/2014	4/23/2014	4424C	Deposit refund EH 3/29/14	$500.00	$0.00		$500.00
				Totals for Marissa Tutko:	*$500.00*	*$0.00*		*$500.00*

City of ayton
Cash Requirements Report

GRAND TOTALS:	$151,265.47	$0.00	$151,265.47

CalCard List (in order by account number)				
4/24/2014				
Amount Billed	Rec'd	Name	Department	Notes
$ -	☐	Gary Napper	Admin	
$ 551.30	☐	Mark Janney	PW	
$ 524.79	☐	Ed Bryce	PW	
$ 386.47	☐	Dan Johnston	PW	
$ 232.99	☐	Richard Enea	PD	
$ -	☐	Scott Dansie	PD	
$ 243.70	☐	Richard McEachin	PD	
$ 96.00	☐	Laura Hoffmeister	Admin	
$ 847.65	☐	Sandro Arias	PW	
$ 177.50	☐	Jason Shaw	PD	
$ 52.10	☐	Russ Eddy	PD	
$ 344.00	☐	Allan Pike	PD	
$ 263.33	☐	Todd Sorrell	PD	
$ 340.10	☐	Wendy Roden	PD	
$ 65.00	☐	Chris Thorsen	PD	
$ -	☐	Sandy Johnson	PD	
$ 327.23	☐	David Payne	PD	
$ 96.00	☐	Janet Brown	Admin	
$ 540.29	☐	Tim Marchut	PD	
$ 2,207.48	☐	John Johnston	PW	
$ 248.01	☐	Allen White	PD	
$ 8.71	☐	Kevin Mizuno	Admin	
n/a		Adjustments		

Total Payment:		$ 7,552.65
Total Admin:	$ 200.71	
Total PW:	$ 4,517.69	$ 7,552.65
Total PD:	$ 2,834.25	

CITY OF CLAYTON
Founded 1857 . . Incorporated 1964

Agenda Date: 5-6-2014

Agenda Item: 3d

Approved:
Gary A. Napper City Manager

STAFF REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: CHARLIE MULLEN, COMMUNITY DEVELOPMENT DIRECTOR CM

DATE: MAY 6, 2014

SUBJECT: FIRST AMENDMENT TO EXISTING BUILDING PLAN CHECK AND INSPECTION SERVICES AGREEMENT WITH CONTRA COSTA COUNTY TO EXTEND THE TERM OF THE AGREEMENT THREE (3) ADDITIONAL YEARS AND TO UPDATE THE HOURLY BILLING RATE SCHEDULE (CDD-06-14).

RECOMMENDATION

Staff recommends that the City Council adopt the attached Resolution approving and authorizing the City Manager to sign the first Amendment (attached) to the existing Building Plan Check and Inspection Services Agreement with Contra Costa County to extend the term of the agreement three (3) additional years, effective July 1, 2014, through June 30, 2017, and to update the hourly billing rate schedule.

BACKGROUND

The City of Clayton has contracted Building Plan Check and Inspection Services with Contra Costa County since the City's incorporation in 1964. During 2011, the County initiated contact with the City seeking to update the Agreement and to incorporate a modification to the long-standing service that it would no longer assist the City [for free] in field Code Enforcement issues without added compensation paid by the City. Having little recourse, the City approved the current Building Services Agreement (attached), which is now set to expire June 30, 2014.

Recognizing this pending Agreement expiration was approaching, City staff contacted County staff to discuss the need for an extension of the existing Agreement. In response, the County has proposed, and City staff is in agreement, that an amendment to the existing Agreement to extend its term would be an efficient and simple solution. The County also identified that their hourly billing rate schedule needs to be updated for increases in fees.

DISCUSSION

To provide continued uninterrupted Building Plan Check and Inspection Services for the City of Clayton, staff recommends the City Council consider and approve the First Amendment to the existing Agreement for Building Services with Contra Costa County.

The proposed Amendment would modify two (2) Sections of the existing Agreement. Section 2 is proposed to be amended to extend the term of the Agreement for an additional 3-year period, from July 1, 2014 to June 30, 2017. Section 3.a. is proposed to be amended to update the hourly billable rates for County staff positions. The proposed initial hourly rates, shown on Exhibit B, would be increased 5% each subsequent year of the 3-year extension period. The proposed hourly rates reflect the monetary impacts of approved employee contracts by the County and are intended to achieve its full cost recovery of services.

No changes or amendments are proposed to the scope of current services provided for in the existing Agreement. All building construction and/or improvement projects requiring Building Plan Check and Inspection Services in the City of Clayton will continue to submit applications and pay their fees directly to Contra Costa County. These private building plan checks and inspection services are paid for by the individual specific applicant or user of the service directly to Contra Costa County. As provided for under the existing Agreement, the City is only charged by the County for special Building and/or Code Enforcement inspection services when at our specific request or need. Since the hiring of the City's latest Code Enforcement Officer in December of 2012, the City has not required any special building or code enforcement inspection services from the County.

As part of its research on the proposed Agreement amendment, staff obtained some typical residential plan check and inspection fee estimates from Contra Costa County and from the City of Concord for comparison purposes. The results of this research are provided in the following table:

Residential Plan Check and Inspection Fee Estimate Comparison		
Category	**City of Concord**	**Contra Costa County**
2,000 s.f., 3-bed, 2 ½-bath, 2-car garage, 1-story, detached single-family home	**$5,109**	**$3,807**
3,200 s.f., 4-bed, 3-bath, 3-car garage, 2-story, detached single-family home	**$7,222**	**$5,533**
1,200 s.f. 2-bed, 1-bath, attached apartment unit, with 1-carport, in a 20-unit 2-story building	**$2,623**	**$1,188**

Note: The above fee estimates only show comparable plan check and inspection fee amounts. The total fee by each jurisdiction will be higher based on other agency surcharges and other associated agency specific fees categories.

The above table comparison of plan check and inspection fees shows that the County fees are currently running approximately 25% lower for new single-family homes and 45% lower for apartment units in comparison to the City of Concord.

It is noted that a component of the overall County fee includes an additional 40% City of Clayton surcharge fee to cover City staff plan check, inspection and administrative services associated with each individual private project. On a monthly basis the County mails a check to the City for the total amount of all surcharge fees collected on behalf of the City during an individual month. There is usually about a 2-month lag time between the month any fees are collected by the County to the month when the corresponding check is received by the City. This City surcharge fee provided annual General Fund revenue in the amount of $78,941 in FY 2012, $59,555 in FY 2013, and $28,099 as of February for FY 2014. The higher revenues in FY 2012 & 2013 are contributable to the Diablo Estates single-family home permits which were completed in 2013. Staff anticipates we should experience revenue increase from this surcharge fee next fiscal year if some pending subdivision projects are approved and begin construction.

FISCAL IMPACT

The primary Building Plan Check and Inspection services provided by Contra Costa County under this Agreement do not have a fiscal impact on the City of Clayton. Rather, they are "user-benefit, user-pay" fees for required public services. There may occasionally be the City's need to use special building inspection and code enforcement services pursuant to the terms of the Agreement at the County's hourly billing rates identified, but such occurrences should be rare and have a negligible fiscal impact.

Pending potential subdivision activity, the City may see an average General Fund revenue benefit in the $60,000 range from the 40% City surcharge fees collected. Some staff time as well as printing cost have and will be associated with preparation of this report.

ATTACHMENTS

1. Resolution Approving First Amendment to Building Services Agreement w/ attachment:
   Exhibit A – First Amendment
2. Existing Building Services Agreement, 2011

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RESOLUTION NO. ___-2014

A RESOLUTION APPROVING A FIRST AMENDMENT FOR A MULTI-YEAR TIME EXTENSION TO THE AGREEMENT WITH CONTRA COSTA COUNTY FOR BUILDING PLAN CHECK AND INSPECTION SERVICES

THE CITY COUNCIL
City of Clayton, California

WHEREAS, prior to 2011 the City of Clayton (City) maintained informal contractual arrangements with Contra Costa County (County) to procure and provide Building Plan Check and Inspection Services on development and private improvement projects within the city limits since the City's incorporation in 1964; and

WHEREAS, in 2011 County staff representatives requested this informal contractual relationship be formalized into a written Agreement; and

WHEREAS, County staff representatives further sought a need to charge the City directly for its Code Enforcement services previously absorbed within the County's permit fee schedule related to the Building Inspection Services, and provided a fee schedule for such services in the Agreement For Building Inspection Services; and

WHEREAS, in 2011 the City and County subsequently entered into a three year Agreement for Building Plan Check and Inspection services (Agreement) which term thereof is set to expire on June 30, 2014; and

WHEREAS, in order to provide continuous uninterrupted Building Plan Check and Inspection Services for and to the City of Clayton, a First Amendment to the existing Agreement has been prepared to extend the term of the existing Agreement for an additional three year period, from July 1, 2014 to June 30, 2017, and to update the billable rates for County staff positions to reflect County increased costs in personnel services; and

WHEREAS, the scope of services to be provided to and for the City by the County are described in the existing Agreement and are not proposed to change; and

WHEREAS, the City has alerted the County in the Agreement that any charges for special inspections or code enforcement services must be authorized in advance by the City; and

WHEREAS, the County will continue to charge a 40% surcharge for City of Clayton building permit applications and remit to the City the surcharges collected, less any charges authorized in advance by the City for special Building or Code Enforcement inspection services in accordance with provision of the Agreement;

ATTACHMENT - 1

NOW, THEREFORE BE IT RESOLVED, that the City Council of Clayton, California does hereby approve the First Amendment to the existing Agreement for Building Plan Check and Inspection Services with Contra Costa County, a full and complete copy of which is attached hereto as "Exhibit A" and incorporated herein as if fully set forth below.

PASSED, APPROVED and ADOPTED by the City Council of Clayton, California at a regular public meeting thereof held on the 6th day of May, 2014 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

THE CITY COUNCIL OF CLAYTON

____
Hank Stratford, Mayor

ATTEST

____
Janet Brown, City Clerk

# # # # #

I hereby certify that the foregoing resolution was duly adopted and passed by the City Council of the City of Clayton at a regular public meeting thereof held on May 6, 2014.

____
Janet Brown, City Clerk

Attachment:
Exhibit A: First Amendment to Existing Agreement for Building Inspection Services

FIRST AMENDMENT TO THE AGREEMENT FOR BUILDING INSPECTION SERVICES BETWEEN THE CITY OF CLAYTON AND CONTRA COSTA COUNTY

This First Amendment to the agreement for Building Inspection Services ("Agreement") is entered into between the City of Clayton ("City") and Contra Costa County ("County") for building inspection and code enforcement services to be provided by the County for the City through June 30, 2017.

1. The Agreement is amended as follows:

   A. Section 2 of the Agreement is deleted in its entirety and replaced with the following:

      Section 2. TERM
      This Agreement is effective July 1, 2011 through June 30, 2017 unless otherwise terminated as set forth in the Agreement.

   B. Section 3.C.a of the Agreement is amended to include the following additional sentence as the last sentence of that section:

      For the period July 1, 2014 through June 30, 2017, the County will charge the City for Services the County provides under this agreement at the rates set forth in Attachment B, attached hereto and incorporated herein.

   C. Attachment B, attached hereto and incorporated herein, is added as Attachment B to the Agreement.

2. All remaining terms of the Agreement not amended by this First Amendment shall remain in full force and effect.

CONTRA COSTA COUNTY	CITY OF CLAYTON
By: ______________________ Jason Crapo Deputy Director, Building Inspection	______________________ Gary A. Napper City Manager City of Clayton
Dated: ______________________	Dated: ______________________
Approved as to form:	Approved as to form:
By: ______________________ Deputy County Counsel	______________________ City Attorney
Dated: ______________________	Dated: ______________________

EXHIBIT - A

ATTACHMENT B
DCD Hourly Billing Rates

Position/Title	Hourly Rate FY 2014-2015 [1]	Hourly Rate FY 2015-2016 [2]	Hourly Rate FY 2016-2017 [3]
Building Inspector II	130.00	137.00	143.00
Senior Building Inspector	145.00	152.00	160.00
Plan Checker II	105.00	110.00	116.00
Senior Plan Checker	120.00	126.00	132.00
Senior Structural Engineer	190.00	200.00	210.00
Principal Structural Engineer	210.00	221.00	232.00
Planner I	110.00	116.00	121.00
Planner II	135.00	142.00	149.00
Planner III	175.00	184.00	193.00
Principal Planner	195.00	205.00	215.00
IT Support	165.00	173.00	182.00

[1] These fees shall be charged to the City for services that County provides under this Agreement during the period July 1, 2014 through June 30, 2015

[2] These fees shall be charged to the City for services that County provides under this Agreement during the period July 1, 2015 through June 30, 2016

[3] These fees shall be charged to the City for services that County provides under this Agreement during the period July 1, 2016 through June 30, 2017

AGREEMENT

FOR BUILDING INSPECTION SERVICES

This Agreement is entered into between the City of Clayton ("City") and Contra Costa County ("County") for building inspection and code enforcement services to be provided by the County and the City.

RECITALS:

A. The City desires to utilize County Department of Conservation and Development (DCD) Building Inspection Division staff to provide Building Inspection services to the City including inspection, plan checking, permit issuance, responses to citizen complaint and investigation services to the City's Community Development Department.

B. The purpose of this Agreement is to set forth the terms and fees for providing building inspection services to the City's Community Development Department.

NOW, THEREFORE, the parties, for valuable consideration, agree as follows:

Section 1. SERVICES TO BE RENDERED

The City agrees to hire DCD Building Inspection Division staff to provide services to the City's Community Development Department as set forth in Attachment A, which is incorporated by reference herein. The City will furnish direction to the DCD Building Inspection Division staff as needed through its Community Development Director ("Director"), in order to accomplish the services listed in this Agreement. The County will provide vehicles and communication equipment as deemed necessary by the County. County staff shall remain employees of the County. City shall not be responsible for worker's compensation or any employee benefits, other than provided in this Agreement and attached Attachment A.

Section 2. TERM

This Agreement is effective July 1, 2011 through June 30, 2014 unless otherwise terminated as set forth in the Agreement.

Section 3. PAYMENT OF FEES AND REIMBURSEMENT OF COSTS

A. To cover the cost of doing Building Inspection Services as set forth on Item I – Inspection Services in the attached Attachment A, DCD will keep all permit fees that it collects from customers except for the City Surcharge (40%) which will be remitted to the City on or before the 15th day of the following month.

B. In addition to the fees mentioned in Section 3.A, the City shall also pay the fees described below to DCD for Code Enforcement Services as set forth on Item II – Code Enforcement.

C. Enforcement Services are described in the attached Attachment A:

ATTACHMENT - 2

a. The fee for the DCD staff person who will perform Code Enforcement function to the City shall be $95.00 per hour for the period July 1, 2011 through June 30, 2012, $100.00 per hour for the period July 1, 2012 through June 30, 2013, and $105.00 per hour for the period July 1, 2013 through June 30, 2014.

b. DCD will invoice the City for Code Enforcement services for the month on the 10th of the following month. The City shall pay DCD within 30 days of receipt of an invoice from DCD.

c. DCD will provide the City monthly reports showing City Surcharge fees collected by DCD and returned to the City, as well as Code Enforcement services charged to the City by DCD.

Upon receiving and monitoring such reports, the City will provide ongoing direction to DCD regarding the requested level of Code Enforcement services.

Section 4. HOLD HARMLESS AND INDEMNITY

County agrees to indemnify and hold harmless City from County's share of liability for damages caused by negligence or willful misconduct of the County, its officers, agents or employees in the County's performance under this Agreement. County's obligations under this section shall not apply to any claim, cost or liability caused in whole or in part by the negligence or willful misconduct of the City. Under no circumstances shall County have any liability to City or to any other person or entity, for consequential or special damages, or for any damages based on loss of use, revenue, profits or business opportunities arising from or in any way relating to County's performance under this Agreement. City shall defend, indemnify and save harmless County, its officers and employees from all claims, suits or actions of every name, kind and description brought by or on account of injuries to or death of any person or damage to property resulting from anything done or omitted to be done by City, its officers, agents or employees under or in connection with this agreement or with any work, authority or jurisdiction of City.

Section 5. NOTICES

All correspondence regarding this agreement, including invoices, payments, and notices, shall be directed to the following persons at the following addresses and telephone numbers:

COUNTY: Deputy Director, Building Inspection
Conservation and Development Department
Contra Costa County
651 Pine Street, 3rd Floor, N. Wing, Martinez, CA 94553
(925) 335-1108

CITY: City Manager
City of Clayton
6000 Heritage Trail
Clayton, CA 94517
(925) 673-7300

Section 6. TERMINATION

a. This Agreement may be terminated by either the City or the County, giving at least 90 days written notice thereof to the other party.

b. Should either party be in default of the terms of this Agreement, the non-defaulting party may give written notice of such default and should such default not be cured within thirty days after the mailing of said notice, this Agreement may then be terminated by the non-defaulting party by giving ten days written notice thereof.

The parties, by the Deputy Director of the County's Department of Conservation and Development, Building Inspection Division as authorized by the County Board of Supervisors and by the City Manager of the City as authorized by the City Council, each hereunto duly authorized, have executed this Agreement on the date appearing below.

CONTRA COSTA COUNTY

By: Jason Crapo
Jason Crapo
Deputy Director,
Building Inspection

Dated: 8/12/11

Approved as to form:

By: ____________
Deputy County Counsel

Dated: 8/9/11

CITY OF Clayton

____
Gary A. Napper
City Manager
City of Clayton

Dated: 07 JULY 2011

Approved as to form:

____
City Attorney

Dated: 7/18/11

ATTACHMENT A

SERVICES PROVIDED BY THE COUNTY CONSERVATION AND DEVELOPMENT DEPARTMENT - BUILDING INSPECTION DIVISION (DCD) STAFF TO THE CITY OF CLAYTON'S COMMUNITY DEVELOPMENT DEPARTMENT.

I. Plan Check and Inspection Services

A. Plan check services to determine compliance with applicable State and City codes.

B. Inspection services related to permits issued.

C. Supervision of plan check and inspection operations.

D. Respond to building, electrical, plumbing, mechanical, slide and drainage concerns and complaints.

E. Provide construction inspections of improvements on private property as noted below.

1. City will plan check and approve project prior to submittal to DCD.

2. Owner or contractor will submit to DCD all plans, specifications, and cost estimates approved by the City.

3. DCD will inspect the project at appropriate stages to ensure proper construction methods.

F. DCD will issue permits and collect fees.

G. DCD will complete and remit annual tracking forms of building activity required by outside agencies (i.e., State Department of Finance and State Department of HCD).

II. Code Enforcement

A. Code Enforcement services shall be only upon specific request for this service from the City's Director or his/her designee. DCD will make every attempt possible to respond in a manner to minimize travel time of the inspector assigned to the service request. The city acknowledges that in some cases this might result in a delay in response times of City requests for Coe Enforcement services.

B. At the request of, and as directed by the City, through the Director, DCD staff will investigate complaints regarding zoning and/or building code violations.

C. Inspections and investigations will follow the requirements of the current building codes, as adopted by the City, and applicable provisions of the City's Municipal Code.

D. The DCD staff person providing code enforcement services will be a Building Inspector II.

Comdev/Building Services Agreement/Agreement111.Final

Agenda Date: 5-6-2014
Agenda Item: 3e

CITY OF CLAYTON
Founded 1857 . Incorporated 1964

STAFF REPORT

Approved:

Gary A. Napper
City Manager

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: RICK ANGRISANI, CITY ENGINEER

DATE: MAY 6, 2014

SUBJECT: RESOLUTION DIRECTING THE PREPARATION OF AN ENGINEER'S REPORT FOR THE DIABLO ESTATES BENEFIT ASSESSMENT DISTRICT.

RECOMMENDATION

Adopt the attached resolution.

BACKGROUND

At the request of Toll Bros., Inc., the developer of the Diablo Estates project, the City Council, by passage of Resolution 04-2012 on February 7, 2012, formed the Diablo Estates Benefit Assessment District (BAD) in accordance with the requirements of Landscaping & Lighting Act of 1972 and the Benefit Assessment Act of 1982. The purpose of the District is for the private property owners to collectively provide sufficient funds each year for the proper maintenance of various subdivision improvements constructed as part of the residential project. The Engineer of Work for the preparation of the initial Engineer's Report was the Developer's consultant, SCI Consulting Group. The initial assessment was approved via a Proposition 218 ballot election by the property owner and its authorization included an annual CPI increase in the assessment amount.

Although the Benefit Assessment Act of 1982 does not require further action prior to levying of the annual assessment if the assessments are not increased (other than any authorized adjustment due to a CPI increase), the Landscaping & Lighting Act of 1972 does require the filing and approval of an annual Engineer's Report prior to levying of its annual assessment.

For the purpose of continuing to levy annual assessments, the process must be initiated by the City Council officially calling for such an annual report. After enactment of this resolution, the next step will be for the Engineer of Work (City Engineer) to submit, and the City Council to accept, the Engineer's Report for this District. Following that submittal will be a single public hearing (with property owner notification) prior to formally setting next year's assessments in sufficient time to be collected via the property tax bills issued by the County in 2014-2015.

This resolution does not commit the City Council to any action but is just the first administrative step required by the Landscaping & Lighting Act of 1972.

FISCAL IMPACT

None to the City. All expenses of the BAD are borne by the private property owners as the beneficiaries of their subdivision improvements, maintenance, operation and repair.

Attachment: Resolution [2 pp.]

RESOLUTION NO. - 2014

A RESOLUTION DIRECTING THE FILING OF AN ANNUAL REPORT FOR THE DIABLO ESTATES BENEFIT ASSESSMENT DISTRICT (PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972).

THE CITY COUNCIL
City of Clayton, California

WHEREAS, as requested by the development project's property owner and by Resolution No. 04-2012 adopted February 7, 2012, the Clayton City Council formed the Diablo Estates Benefit Assessment District pursuant to both the Landscaping & Lighting Act of 1972 and the Benefit Assessment Act of 1982; and

WHEREAS, an initial Engineer's Report was prepared by the project developer's own consultant, SCI Consulting Group; and

WHEREAS, an initial annual assessment, along with an allowable rate increase in accordance with annual increases in the San Francisco-Bay Area Consumer Price Index ("CPI"), was approved by the affected property owner(s) in a Proposition 218 ballot election; and

WHEREAS, although the Benefit Assessment Act of 1982 requires no further action to continue levying the annual assessment, the Landscaping & Lighting Act of 1972 does require that the City Council direct the Engineer of Work to prepare an Annual Engineer's Report prior to the levying of an assessment; and

WHEREAS, it is expedient for the City Council to commence said proceedings to ensure sufficient funds be assessed, levied, collected and expended each fiscal year to fulfill the property owner's intent and fiscal obligation to properly maintain, operate and repair the associated Diablo Estates subdivision improvements as private property owner beneficiaries;

NOW THEREFORE, the City Council of Clayton, California does hereby resolve as follows:

1. The City Engineer is hereby directed to file an Annual Engineer's Report in accordance with the provisions of the Landscaping & Lighting Act of 1972.

2. This Resolution is adopted pursuant to Section 23622 of the Streets and Highways Code.

PASSED, APPROVED AND ADOPTED by the City Council of Clayton, California at a regular public meeting thereof held on the 6th day of May 2014 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

THE CITY COUNCIL OF CLAYTON, CA

____
HANK STRATFORD, Mayor

____
Janet Brown, City Clerk

# # # # #

I hereby certify that the foregoing resolution was duly and regularly passed by the City Council of the City of Clayton, California at a regular public meeting held on May 6, 2014.

____
Janet Brown, City Clerk

Agenda Date: 5-6-2014

Agenda Item: 3F

TRANSPAC Transportation Partnership and Cooperation
Clayton, Concord, Martinez, Pleasant Hill, Walnut Creek and Contra Costa County
2300 Contra Costa Boulevard, Suite 110
Pleasant Hill, CA 94523
(925) 969-0841

May 1, 2014

Julie Pierce
Councilmember
City of Clayton
1028 Tiffin Drive
Clayton, CA 94517

Re: TRANSPAC Joint Powers Authority (JPA)

Dear Councilmember Pierce:

At the April 24, 2014 TRANSPAC meeting, TRANSPAC considered and unanimously approved the establishment of a TRANSPAC Joint Powers Agency (JPA). As described in the attached staff report, this action was taken in response to a CalPERS audit affecting 511 Contra Costa employees.

As a representative to TRANSPAC, you are requested to present the formation of the JPA to your Council/Board for consideration and approval. Please note that a report on the need for this action is included with this letter as are the minutes of the action taken April 24, 2014 TRANSPAC meeting.

Sincerely,

Barbara Neustadter
als

Barbara Neustadter
TRANSPAC Manager

Attachments:

1. Report on the Recommendation to Establish a TRANSPAC Joint Powers Authority (JPA)
2. Minutes Excerpt (JPA) from April 24, 2014 Special TRANSPAC Meeting
3. TRANSPAC Joint Exercise of Powers Agreement

CC: City Manager Gary Napper

TRANSPAC Transportation Partnership and Cooperation

Clayton, Concord, Martinez, Pleasant Hill, Walnut Creek and Contra Costa County

Report on the Recommendation to Establish a TRANSPAC Joint Powers Authority (JPA)

Since the passage of Measure C in 1988 and its extension, Measure J in 2004, TRANSPAC has met the Growth Management Program requirements of these measures as the Central County Regional Transportation Planning Committee (RTPC). Since its inception, TRANSPAC has operated as a voluntary association of Central County jurisdictions.

Each sales tax Measure required the promotion of alternatives to commuting in single occupant vehicles. In Central County in 1992, a Transportation Demand Management Program (TDM) was established to assist Central County jurisdictions in meeting this requirement.

At the same time, the City of Pleasant Hill offered to hire the staff necessary to provide these services and to house the staff at the then new Pleasant Hill City Hall. The other Central County jurisdictions concurred in this action. The TDM staff were recruited and hired by the City of Pleasant Hill, subject as employees to the City's employment requirements, salary structure and benefits, including enrollment in CalPERS. Please note that the TDM Program has always been self-funded and relies on grant funds for its operation. No funds for its operation have been sought from Central County jurisdictions.

The TDM program, now labeled as the 511 Contra Costa TDM program has evolved over the years from primarily an employer-based vehicle trip reduction program to include a broader range of services including youth transportation reduction programs and community based programs aimed at reducing Vehicle Miles Traveled (VMT) and transportation related greenhouse gas emissions reductions programs. The City of Pleasant Hill continued to be the base of operations for the TDM program as the program matured and expanded its operations when requested to include fulfilling Growth Management Program TDM requirements for Eastern Contra Costa jurisdictions.

As happens in the course of time, the City of Pleasant Hill, in the fall of 2013 was chosen for a CalPERS audit. The State's audit finding was that the 511 Contra Costa employees, some employed by the City since 1992, were designated as "erroneous" employees and not eligible to receive the retirement benefits established by the City. Affected employees included current and former employees, as well as those who have retired from the City of Pleasant Hill.

When advised of this development, designated TRANSPAC elected officials in concert with the City of Pleasant Hill City Manager and City and TRANSPAC staff established a working group to address how the situation might be rectified.

A few months of deliberations by this working group identified a solution that addressed the CalPERS problem by proposing the establishment of a TRANSPAC Joint Powers Authority (JPA). This action allows moving the 511 Contra Costa employees from employment with the City of Pleasant Hill to employment with the TRANSPAC JPA. TRANSPAC has employed the services of the Best, Best & Krieger law firm to assist in establishment of the JPA and transition of the 511 Contra Costa employees to TRANSPAC employment. Please note that 511 Contra Costa is fully funded by grants and there are no costs required of TRANSPAC jurisdictions to maintain 511 Contra Costa operations.

TRANSPAC Special Meeting Summary Minutes

SPECIAL MEETING DATE: April 24, 2014

ELECTED OFFICIALS PRESENT: Mark Ross, Martinez (Chair); Julie Pierce, Clayton, CCTA Representative; David Durant, Pleasant Hill, CCTA Representative; Ron Leone, Concord; and Karen Mitchoff, Contra Costa County

PLANNING COMMISSIONERS PRESENT: Keith Haydon, Clayton; Bob Pickett, Walnut Creek; and Diana Vavrek, Pleasant Hill

STAFF PRESENT: Deidre Heitmen, BART: Ray Kuzbari, Concord; Jeremy Lochirco, Walnut Creek; Robert Sarmiento, Contra Costa County; Tim Tucker, Martinez; Corinne Dutra-Roberts, 511 Contra Costa; and Barbara Neustadter, TRANSPAC Manager

GUESTS/PRESENTERS: Brad Beck, Senior Transportation Planner, Contra Costa Transportation Authority (CCTA); Chris Lau, Senior Civil Transportation Engineer, Contra Costa County; Angela Viller, Transportation Department, Contra Costa County

MINUTES PREPARED BY: Anita Tucci-Smith

1. Convene Meeting/Pledge of Allegiance/Self Introductions

The meeting was convened at 9:05 A.M. by Chair Mark Ross, the Pledge of Allegiance was observed, and self introductions followed.

2. Public Comment

There were no comments from the public.

CONSENT AGENDA

3. Approval of March 13, 2014 TRANSPAC Minutes

On motion by Director Leone, seconded by Director Pickett, the minutes of the March 13, 2014 TRANSPAC meeting were approved by the following vote:

Ayes:	**Durant, Haydon, Leone, Mitchoff, Pickett, Pierce, Ross, Vavrek**
Noes:	**None**
Abstain:	**None**
Absent:	**Haskew, Mercurio, Stewart**

END OF CONSENT AGENDA

4. **At the February 2014 TRANSPAC Meeting, TRANSPAC Chair Durant Reviewed the Issues Raised by CalPERS Regarding the Status of 511 Contra Costa Employees.** He suggested, and TRANSPAC supported, the use of TRANSPAC funds to engage Best Best & Krieger (BB&K) to provide legal services to establish a TRANSPAC Joint Powers Authority (JPA). This action will establish employee status for current and future 511 Contra Costa employees. This approach also was supported by the TRANSPAC Board at the February 2014 TRANSPAC meeting to be reviewed and considered at the April 10, 2014 TRANSPAC meeting (later scheduled for a special meeting on April 24, 2014), when the draft JPA document would be available for review and action. TRANSPAC is requested to review the attached Proposed Joint Powers Agreement (JPA) document, suggest revisions, and consider adoption of a TRANSPAC JPA.

TRANSPAC Manager Barbara Neustadter advised that Director Durant, who was TRANSPAC Chair at the time, had raised the issues relative to CalPERS and the status of 511 Contra Costa employees, and had suggested moving forward with the creation of a Joint Powers Authority (JPA). She reported that documents were now available to allow that to be done.

Director Durant highlighted the Draft JPA Agreement that had been provided in the TRANSPAC packet and reported that some time had been spent on issues related to CalPERS' new rules that non-elected officials could not actually serve on the Board, which was a concern of his and Director Pierce given that they valued the input of the Planning Commission representatives who served on TRANSPAC. As such, there had been an attempt to create an ex-officio status for Planning Commission representatives. He stated that the other points in the JPA Agreement were agreeable where there would be one elected member from each jurisdiction and one member from Contra Costa County. With approval from the Board, staff would proceed to secure a CalPERS concurrence that 511 Contra Costa employees would be covered and allow TRANSPAC to be in a position to secure bonds as a separate entity.

Director Pierce stated that one of the other pluses with a formal JPA was the efficiencies that might be possible by amalgamating contracts which might be beneficial to all and scheduling them throughout the year which was something that could not be done right now.

Director Durant noted that the JPA documents required a unanimous vote to adopt the budget; he sought a 5/6 or 4/6 vote as more appropriate.

Director Pierce explained the intent to ensure that no one was done unto by the rest, although she expected they had gone beyond those days.

On the discussion of the vote required to adopt a budget, by consensus the Board agreed that two thirds of the membership, or four votes, would be appropriate, and amended the Agreement in Section 5, TRANSPAC Organization, (d) <u>Vote</u>, as follows:

(ii) TRANSPAC Business. <u>Four votes</u> of the voting members present shall be required to take action with respect to the budget. A majority vote of the voting members present will be required to take action on all other matters.

In response to Keith Haydon, Director Pierce explained that there was no current JPA agreement; there was a voluntary cooperative agreement with no legal standing and the JPA would change that and TRANSPAC would become a legal entity.

With respect to the budget and cost, Director Pierce explained that the cost to each jurisdiction was based 50 percent on population and 50 percent on the proportional share of return to source funds.

Director Durant noted that the JPA would allow TRANSPAC to draft rules and procedures and he suggested the adoption of the rules that had been used under the cooperative agreement. He added that the TRANSPAC Manager would draft a budget and the Board would vote on it and then proceed.

Ms. Neustadter concurred that the budget would be 50 percent divided by six, and 50 percent the return to source as a percentage of the budget which took into account the varying sizes of the jurisdictions involved.

Bob Pickett asked if there had been a determination of incremental additional cost of creating another entity and asked if it would cost more if there was no JPA, to which Director Durant stated the expectation was that there would be no additional cost.

In further response to Mr. Pickett, Director Pierce explained that neither the TRANSPAC name nor the number of meetings should change under the JPA.

Diana Vavrek referred to Section 9 of the agreement related to withdrawal from the JPA and asked if that was enforceable, to which Director Pierce advised that it was enforceable because it had been written into the statute of Measure J, and had been tested in East County when the City of Pittsburg had withdrawn from TRANSPLAN. After some time that issue had now been resolved and the City of Pittsburg had now received its return to source monies in arrears.

Director Durant stated that TRANSPAC would be asked to agree that it was interested in pursuing the agreement and each member would have to take the agreement to the respective body to get approval. Once each jurisdiction had signed on, the new cooperative venture in compliance with Measure J would have been formed. He noted that any jurisdiction that did not participate in TRANSPAC would not participate in the cooperative and would therefore not be eligible for return to source funds.

Director Pierce referred to Item 1, Definitions, bullet (f) related to Measure J, and requested the following addition given that it was unknown whether there would be a replacement tax, an augmentation, or an extension beyond Measure J:

(f) "Measure J" shall refer to the extended half-cent local transportation sales tax first established by Measure C or <u>replacement and augmentation</u> thereof.

Director Mitchoff moved to establish the agreement and send it out for everyone to sign and to return as soon as possible.

Ms. Neustadter reported that Mala Subramanian would be provided the notes from the meeting, make the requested changes, and send the agreement to the elected officials and seek approval from the applicable jurisdictions. She expected that Ms. Subramanian would then identify the next steps.

On motion by Director Mitchoff, seconded by Director Durant to approve the establishment of a TRANSPAC Joint Powers Agreement, with the amendments to Section 1 (f) and 5 (d) (ii), as shown, carried by the following vote:

Ayes:	**Durant, Haydon, Leone, Mitchoff, Pickett, Pierce, Ross, Vavrek**
Noes:	**None**
Abstain:	**None**
Absent:	**Haskew, Mercurio, Stewart**

RESOLUTION NO. ___ - 2014

A RESOLUTION APPROVING THE TRANSPAC JOINT EXERCISE OF POWERS AGREEMENT AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT

THE CITY COUNCIL
City of Clayton, California

WHEREAS, the cities of Clayton, Concord, Martinez, Pleasant Hill, and Walnut Creek, and Contra Costa County entered into the Central Contra Costa Transportation/Land Use Partnership Agreement ("TRANSPAC") dated November 29, 1990 ("Partnership Agreement") and superseded by the First Amendment to the Partnership Agreement to cooperate in the establishment of policies and action to more effectively respond to the requirements of voter-approved Measure C (1988) administered and managed by the Contra Costa Transportation Authority (CCTA); and

WHEREAS, Government Code section 6500 *et seq.* allows public entities by agreement to exercise jointly powers common to the contracting parties; and

WHEREAS, the City Council of the City of Clayton has considered and believes it is desirable to establish TRANSPAC as a separate legal entity to more effectively and efficiently respond to and address central county transportation issues.

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

Section 1. **Joint Exercise of Powers Agreement**. The Clayton City Council does hereby approve and its Mayor is hereby authorized to execute the TRANSPAC Joint Exercise of Powers Agreement, attached hereto and incorporated herein by reference as Exhibit "A," which may include any future non-substantive and/or non-substantial revisions as determined by the City Attorney.

Section 2. **Effective Date**. This Resolution shall be effective immediately.

The foregoing Resolution was adopted at a regular public meeting of the City Council of the City of Clayton, California held on the 6th day of May 2014, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

THE CITY COUNCIL OF CLAYTON, CA

____
Hank Stratford, Mayor

ATTEST:

____
Janet Brown, City Clerk

TRANSPAC

JOINT EXERCISE OF POWERS AGREEMENT

This Joint Powers Agreement ("Agreement") is entered into on this ____ day of ________, 2014, by and between the cities of Clayton, Concord, Martinez, Pleasant Hill, and Walnut Creek, all municipal corporations, and Contra Costa County, a state political subdivision. Each public agency which is a party to this Agreement is hereby referred to individually as "Party" and collectively as "Parties".

RECITALS

WHEREAS, the Parties entered into the Central Contra Costa Transportation/Land Use Partnership ("TRANSPAC") Agreement dated November 29, 1990 and superseded by the First Amendment to the Central Contra Costa Transportation/Land Use Partnership Agreement dated February 22, 1993 ("Partnership Agreement") to cooperate in the establishment of policies and action to more effectively respond to the requirements of Measure C; and

WHEREAS, Section 12 of the Partnership Agreement provides that TRANSPAC shall conduct an annual review of the implementation of the Partnership Agreement to determine whether the execution of a Joint Exercise of Powers Agreement that establishes TRANSPAC as a separate legal entity is a more suitable alternative to the Partnership Agreement; and

WHEREAS, Government Code Section 6500 et seq. permits two or more public agencies by agreement to exercise jointly powers common to the contracting parties; and

WHEREAS, the Parties have determined that establishing TRANSPAC as a separate legal entity enables the Parties to more effectively respond to transportation issues and is a more suitable alternative to the Partnership Agreement.

NOW, THEREFORE, THE PARTIES TO THIS AGREEMENT DO AGREE AS FOLLOWS:

1. DEFINITIONS

The following words as used in this Agreement are defined as follows:

(a) "Agency" shall mean each city and county which is a Party to this Agreement.

(b) "Board" or "TRANSPAC Board" shall mean the board designated herein to administer this Agreement.

(c) "Joint Transportation Planning Program" shall mean a transportation planning program undertaken by the Agencies.

(d) "Managing Director" shall mean the person selected by the Board to manage the day-to-day activities of TRANSPAC.

(e) "Measure C" shall refer to half-cent local transportation sales tax established in 1988.

(f) "Measure J" shall refer to the extended half-cent local transportation sales tax first established by Measure C or replacement and augmentation thereof.

(g) "TRANSPAC" shall mean the public and separate entity created by this Agreement.

(h) "TRANSPAC TAC" shall mean a technical advisory committee to TRANSPAC.

2. OBJECTIVES

The intent of this Agreement is to express cooperation between the Parties and to establish policies which will protect and advance the interest of the Central Contra Costa County communities, which include the TRANSPAC boundaries as shown in Appendix A attached hereto and incorporated herein, with respect to transportation issues in general and the utilization of Measure J funds in particular. More specifically, TRANSPAC is hereby authorized to do all acts necessary for the exercise of its objectives, including but not limited to, the following:

(a) Conduct, authorize, review and accept studies and reports;

(b) Periodically review transportation plans and recommend changes thereto;

(c) Hold and conduct meetings pursuant to this Agreement;

(d) Develop regional strategies to meet Measure J requirements;

(e) Address transportation issues that affect the Central Contra Costa County communities;

(f) Assess Central Contra Costa County transportation needs, including transit services;

(g) Coordinate with County Connection regarding transit services;

(h) Advise the Agencies on transportation issues that impact the Agencies and the region;

(i) Coordinate with Agencies on the responses and actions concerning transportation issues;

(j) Work with Central Contra Costa jurisdictions to formulate transportation policy statements;

(k) Sponsor educational forums, workshops and discussions on transportation matters;

(l) Advocate the interest of Agencies concerning transportation management and funding issues to local, state and federal officials;

(m) To provide comprehensive, accurate, reliable and useful multimodal travel information to meet the needs of Central Contra Costa travelers; and

(n) Gather information necessary to accomplish the foregoing purposes.

3. POWERS

The powers of TRANSPAC include, but are not limited to, the following:

(a) To make and enter into contracts;

(b) To apply for and accept grants, advances and contributions;

(c) To employ and contract for services of agents, employees, consultants, engineers, attorneys, and other such persons or firms as it deems necessary to carry out the objectives of this Agreement;

(d) To conduct studies;

(e) To incur debts, liabilities, or obligations, subject to the limitations set forth herein;

(f) To receive and use contributions and advances from an Agency as provided in Government Code section 6504, including contributions or advances of personnel, equipment or property;

(g) To provide a program of benefits for employees, including, but not limited to, contracting for retirement benefits with an existing retirement system; and

(h) To exercise other reasonable and necessary powers in furtherance or support of any purpose of the Authority or the bylaws of the Authority.

4. ORGANIZATIONAL STRUCTURE

The TRANSPAC Board shall provide overall policy direction for the operations and activities of the Joint Transportation Planning Program. TRANSPAC TAC shall provide administrative guidance, technical review, and decision making for the ongoing operational activities of the Joint Transportation Planning Program. Any staff or consultants hired by TRANSPAC shall report directly to the TRANSPAC Board or its designee.

5. TRANSPAC ORGANIZATION

<u>TRANSPAC Board</u>. TRANSPAC shall be governed by the TRANSPAC Board. The TRANSPAC Board is empowered to establish its own procedures for operation and may revise these periodically as deemed necessary.

(a) <u>Members</u>.

The Board shall consist of 6 members (one member from each Agency), which shall be determined as follows:

(i) For the City Agencies, one councilmember shall be appointed by the respective City Council.

(ii) For the County Agency, one Supervisor shall be appointed by the County Board of Supervisors.

Upon execution of this Agreement, the governing body of each Agency shall appoint its member to serve as a member of the Board and an alternate member of the Board to serve in the absence of its regular member, both shall be elected officials. Each member and alternate shall serve at the pleasure of the appointing governing board without compensation.

The Board shall also consist of 6 ex-officio members (one member from each Agency), which shall be determined as follows:

(i) For the City Agencies, one planning commissioner shall be appointed by the respective City Council.

(ii) For the County Agency, one planning commissioner shall be appointed by the County Board of Supervisors.

Upon execution of this Agreement, the governing body of each Agency shall appoint its ex-officio member to serve as an ex-officio member of the Board and an alternate ex-officio member to serve in the absence of its regular ex-officio member, both shall be planning commissioners. Each ex-officio member and alternate shall serve at the pleasure of the appointing governing board without compensation. Ex-officio members shall not be entitled to vote and shall not be counted towards the quorum.

(b) Officers.

TRANSPAC shall select a Chair and a Vice Chair who shall be elected officials and shall hold office for a period of one year, commencing February. However, the first Chair and Vice Chair shall hold office from the date of appointment to the following February. If any Agency removes a Board member who is also an officer, the Board shall appoint a member from the newly constituted Board to fill the vacant office for the remainder of that term.

(i) Chair

The Chair shall preside over Board meetings, call them to order and adjourn them, announce the business and order to be acted upon, recognize people entitled to the floor, put to vote all questions moved and seconded, announce voting results, maintain rules of order, and carry out other duties as set forth in the bylaws.

(ii) Vice Chair

The Vice Chair shall serve as chair in the absence of the regularly elected chair.

(iii) Secretary

The Board shall designate someone to serve as the Secretary and shall prepare, distribute, and maintain minutes of the meeting of the TRANSPAC Board, TRANSPAC TAC and any committees of TRANSPAC or shall contract for such services. The Secretary shall also maintain the official records of TRANSPAC and shall file notices as required by this Agreement.

(iv) Treasurer

TRANSPAC shall employ, appoint, or contract for the services of a Treasurer who shall:

(1) Receive and provide for the receipt of all funds of TRANSPAC and place them in the treasury to the credit and for the account of TRANSPAC.

(2) Be responsible, upon an official bond, for the safekeeping and disbursement of all TRANSPAC funds.

(3) Pay, when due, out of TRANSPAC funds, the indebtedness of TRANSPAC and any other sum duly authorized for payment from TRANSPAC funds.

(4) Verify and report, in writing, in July, October, January, and April of each year to the Board and to the Parties to this Agreement the amount of funds held for TRANSPAC, the amount of receipts and amount paid out since the last report.

(5) Invest TRANSPAC's funds in the manner provided by law and collect interest thereon for the account of TRANSPAC.

(6) If deemed necessary by the Board, an independent audit shall be made by a certified public accountant to ensure that the Treasurer is complying with the aforementioned requirements and Government Code section 6505 regarding strict accountability of all funds.

(c) <u>Board Meetings</u>.

(i) Regular Meetings. The Board should attempt to hold at least one regular meeting a month.

(ii) Special Meetings. Special meetings of the Board may be called as provided in accordance with the Ralph M. Brown Act (Gov. Code sections 54950 et seq.) ("Brown Act").

(iii) Notices of Meetings. All meetings of the Board shall be held in accordance with the Brown Act and other applicable laws.

(iv) Minutes. The Board shall keep written minutes of all meetings. As soon as possible after each meeting, the Board shall cause a copy of the minutes to be distributed to members of the Board and to the Agencies.

(v) Quorum. A majority of the members of the Board shall constitute a quorum, except that less than a quorum may adjourn from time-to-time.

(d) Vote.

(i) Authorized Voting Members. Each voting member or designated alternate when taking the place of the member shall be authorized to vote.

(ii) TRANSPAC Business. Four votes of the voting members present shall be required to take action with respect to the budget. A majority vote of the voting members present will be required to take action on all other matters.

(iii) Appointments of Representatives to the Contra Costa Transportation Authority ("CCTA"). A majority of the members present shall be required to appoint or recall a representative to the CCTA consistent with the requirements of CCTA's Administrative Code. The TRANSPAC representatives and his or her alternate to the CCTA shall be a Board Member of TRANSPAC.

(e) TRANSPAC Staff.

TRANSPAC shall have staff to carry out the objectives of the Agreement. In addition, independent consultants may be engaged as needed. The Managing Director shall report to the TRANSPAC Board. Additional staff may be added with Board approval within the constraints of the then current fiscal year budget.

(f) TRANSPAC TAC.

The TRANSPAC TAC shall serve as the technical advisory committee for Transpac. It shall be made up of at least one staff member from each Agency selected by each Agency. TRANSPAC TAC shall study and discuss issues pertaining to TRANSPAC and shall make recommendations to TRANSPAC concerning those issues.

6. TRANSPAC BUDGET, WORK PROGRAM AND AGENCY PAYMENTS

TRANSPAC shall adopt a budget by an annual resolution. The budget shall set forth all operational expenses of TRANSPAC. It shall also set forth the proportional amount each Agency will be required to pay.

(a) Within 120 days of the effective date of this Agreement the Board shall formulate a budget for the first fiscal year of TRANSPAC's operation. In doing so, the Board shall assign each agency a proportionate share of required funding to meet the budget agreed upon. Absent formal Board action extending this deadline, failure to agree upon a budget within the 120 days' time frame shall cause this Agreement to terminate.

(b) After the first year, the annual budget and work program shall be prepared by April 1 and shall then be submitted to the Board for its review and consideration to be adopted on or after July 1.

(c) All bills and invoices for expenses incurred pursuant to said budget shall be routed to the Treasurer, who shall pay such expenses from the budget. The Treasurer has the authority to set forth the method and timing of payment of such invoices. The Treasurer shall also calculate the amount owed by each Party under the formula set forth in Section 7, and shall bill each Party accordingly. Each Party shall pay its billing by TRANSPAC within 30 days of receipt thereof. Bills shall be prepared for each calendar quarter in which activity occurs and shall be payable by the Parties upon demand.

7. PAYMENT OBLIGATIONS

Each Party shall pay, upon demand, its proportionate share of expenses. The funding allocation of each Party is as follows: each Party shall contribute 50% of TRANSPAC funding on an equal (1/6th) share basis. The remaining 50% TRANSPAC subsidy is based on the percentage of Measure J return-to-source funding received by each Party from Contra Costa Transportation Authority This funding allocation shall be reviewed annually and, if necessary may be altered by written amendment to this Agreement.

8. DISPOSITION OF TRANSPAC FUNDS UPON TERMINATION

In the event this Agreement is terminated, TRANSPAC funds, together will interest accrued thereon, which remain after payment of all outstanding TRANSPAC debts, shall be distributed to the Parties in the same proportion as the Parties have paid into TRANSPAC.

9. WITHDRAWAL

Any Party may, upon 60 days' written notice to the Chair of TRANSPAC, withdraw from this Agreement. However, a withdrawing Party shall be liable for its proportionate share of TRANSPAC expenses incurred up to the date notice of termination became effective, which exceeds the withdrawing Agency's contribution under Section 7, and provided further, that in no event shall a withdrawing Party be entitled to a refund of all or any part of its contribution made under Section 7. A withdrawing Party may no longer be eligible to receive Measure J return-to-source funding.

10. TERMINATION

This Agreement shall remain in effect indefinitely, unless amended or terminated as provided hereunder. This Agreement may be terminated by the affirmative vote of the governing bodies of not less than two-thirds of the Parties.

11. AMENDMENTS

The TRANSPAC Board shall first consider any and all amendments to this Agreement. A majority vote of the TRANSPAC Board shall be required before any recommended amendment to this agreement is forwarded to the Parties for consideration and adoption. The Agreement may be amended by an affirmative vote of the governing bodies of not less than two-thirds of the Parties.

12. NOTICES

All notices shall be deemed to have been given when mailed to the governing body of each Party. Notices to TRANSPAC shall be sent to:

TRANSPAC

____

____

13. LIMITED LIABILITY OF THE AUTHORITY

Consistent with Government Code section 6508.1, the debts, liabilities, and obligations of TRANSPAC shall be limited to the assets of TRANSPAC and shall under no circumstances be the debts, liabilities, and obligations of any of the Parties. A Party may, but has no obligations to, separately contract for or assume responsibility in writing for specific debts, liabilities, or obligations of the Authority. In furtherance of this Section, TRANSPAC shall indemnify the Parties as provided in Section 14 below.

14. INDEMNIFICATION

TRANSPAC shall defend, indemnify and hold harmless each Party and each Party's officers, officials, agents, and employees from any and all liability, including, but not limited to, claims, losses, suits, injuries, damages, costs and expenses, including attorneys' fees and consequential damages, of every kind, nature and description (collectively, "Losses") directly or indirectly arising from or as a result of any act of the Authority or its agents, servants, employees or officers in the observation or performance of any of its responsibilities under this Agreement, or any failure by the Authority to perform any such responsibilities; and/or any actions or inactions of Parties taken as a result of their membership in TRANSPAC. Notwithstanding the foregoing, TRANSPAC shall not be required to indemnify any Party against any Losses that are caused by the negligence or willful misconduct of such Party seeking indemnification or any of their respective officers, agents, or employees.

15. EFFECTIVE DATE

This Agreement shall take effect upon receipt of executed copies of the Agreement from not less than two-thirds of the Parties.

[SIGNATURES ON THE FOLLOWING PAGES]

CITY OF CLAYTON

Executed on _____________, 2014.

____

Mayor

Attest:

____

City Clerk

Approved as to form:

____

City Attorney

CITY OF CONCORD

Executed on ____________, 2014.

____
Mayor

Attest:

____
City Clerk

Approved as to form:

____
City Attorney

CITY OF MARTINEZ
Executed on _____________, 2014.

____
Mayor

Attest:

____
City Clerk

Approved as to form:

____
City Attorney

CITY OF PLEASANT HILL

Executed on _____________, 2014.

____

Mayor

Attest:

____

City Clerk

Approved as to form:

____

City Attorney

CITY OF WALNUT CREEK

Executed on _____________, 2014.

____
Mayor

Attest:

____
City Clerk

Approved as to form:

____
City Attorney

CONTRA COSTA COUNTY

Executed on _____________, 2014.

____
Chair

Attest:

____
Clerk of the Board

Approved as to form:

____
County Counsel

APPENDIX A

[INSERT BEHIND THIS PAGE]

Agenda Date: 5-6-2014

Agenda Item: 4a

CITY OF CLAYTON

Founded 1857 .. Incorporated 1964

Mayor for the Day
SCOTT TOMASZEWICZ

This is to certify that Scott Tomaszewicz has honorably served as Mayor for a Night and successfully led the Clayton City Council in opening the meeting and leading the Pledge of Allegiance. Therefore, I, Hank Stratford, Mayor of Clayton do hereby declare Wednesday, May 7, 2014 as *Scott Tomaszewicz Day* in Clayton.

____

Hank Stratford, Mayor

Agenda Date: 5-6-2014

Agenda Item: 4b

KELSEY MACAULAY

for

"Doing the Right Thing"

at

Mt. Diablo Elementary School

by exemplifying great "Integrity"

March and April 2014

KYLE PACAK

for

"Doing the Right Thing"

at

Mt. Diablo Elementary School

by exemplifying great "Integrity"

March and April 2014

COURTNEY LALLY

for

"Doing the Right Thing"

at

Diablo View Middle School

by exemplifying great "Integrity"

March and April 2014

ALLI MOODY

for

"Doing the Right Thing"

at

Diablo View Middle School

by exemplifying great "Integrity"

March and April 2014

Agenda Date: 5-6-2014

Agenda Item: 4c

Proclamation

The City of Clayton
State of California

declaring

May 2014

As

American Red Cross Month

WHEREAS, The American Red Cross has touched many lives in Contra Costa County, as well as across the country and around the world; and

WHEREAS, During American Red Cross Month, we thank those who contribute to the mission of the Red Cross, whether through time, money or blood, and we invite others to support the Red Cross in helping people in need down the street, across the country, and around the world; and

WHEREAS, The American Red Cross is synonymous with helping people, and has been doing so for more than 130 years. Throughout the past year, the American Red Cross launched hundreds of disaster relief operations in the United States to help people affected by fires, floods, hurricanes, and tornadoes. The American Red Cross Bay Area Chapter deployed more than 300 disaster workers to the relief effort following Superstorm Sandy, which is the most deployments sent from a non-affected region; and

WHEREAS, In Contra Costa County, the American Red Cross Bay Area Chapter works tirelessly through nearly 1,000 volunteers to support us when disaster strikes. When someone needs lifesaving blood, or the comfort of a helping hand, it provides 24-hour support to members of the military, veterans, and their families, and provides training in CPR, aquatics safety, and first aid; and

WHEREAS, In the past year, the American Red Cross Bay Area Chapter helped more than 1066 people with temporary housing, clothing, food, and mental health counseling during 392 local disasters. The chapter trained more than 50,[illegible] people in lifesaving CPR, first aid, water safety, and preparedness education. The Bay Area Chapter provided emergency communications, counseling, financial assistance, and a caring presence to more than 770 local military families. The chapter supported 28 Bay Area hospitals, providing them with nearly 158,717 units of red cells, platelets and plasma to patients in need; and

WHEREAS, For nearly 100 years, United States presidents have called on the American people to support the Red Cross and its humanitarian mission. Our community depends on the American Red Cross and because it is not a government agency, the Red Cross depends on support from the public to continue its humanitarian work. This is especially important in these challenging economic times, which impact the Red Cross and many people in our community and across the nation; and

NOW THEREFORE, I, Hank Stratford, Mayor, on behalf of the Clayton City Council, do hereby proclaim May 2014 as "Red Cross Month" in Clayton and encourage all residents to be cognizant of the compassion, courage, character and civic duty that is inherent in the Red Cross mission to prevent and relieve human suffering.

Mayor

Date

Agenda Date: 5-6-2014

Agenda Item: 8a

CITY OF CLAYTON
Founded 1857 . Incorporated 1964

Approved:

Gary A. Napper
City Manager

AGENDA REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: Janet Brown, City Clerk

DATE: May 6, 2014

SUBJECT: November 4, 2014 General Municipal Election

RECOMMENDATION

By separate motions, adopt the two Resolutions to initiate the process for conducting the City's General Municipal Election on November 4, 2014.

DISCUSSION

The City Council terms for the elected offices held by Mayor Stratford and Vice Mayor Shuey expire following the General Municipal Election in November 2014. In order to conduct the local election, several actions are necessary by the City Council. The first Resolution calls the election for two (2) City Council seats (4-year term of office expiring 2018), requests the Contra Costa County Board of supervisors to permit consolidation with other elections, requests the Contra Costa County Registrar of Voters to conduct the election, and commits the City to reimburse the County for all local election services rendered. The Registrar of Voters' office will conduct services related to our Municipal election, such as preparing, printing and mailing sample ballots and voter information pamphlets, providing absentee voter ballots for use by qualified electors, appointing precinct boards and designating polling places, conducting and canvassing the returns of the election and certifying the votes cast.

The second Resolution adopts our past practice regarding municipal candidates' statements. By adopting this Resolution, the City Council takes the step of establishing the voluntary candidate's statement word limit at 200 words. The City Council may set the word limit at a cap of either 200 words or 400 words; in past elections a 200 word limit has been deemed sufficient. The estimated deposit of $150.00 for a voluntary Candidate's Statement is based on the historical 200 word limit.

By previous action in February 2013, the City Council adopted Ordinance No. 443 standardizing the deposit and filing fee for Municipal election candidates, an action once a discretionary decision of the City Council which inherently created economic conflicts of interest for seated incumbents contemplating re-election. The Ordinance sets the candidate filing fee at $25.00 and sets the candidate statement fee at the rate of the estimate provided by the County Elections Office.

BACKGROUND

In the past, the City of Clayton has consolidated election services with Contra Costa County for the successful conduct of our General and Special Municipal Elections. A resolution requesting these services is required in order for the County to continue with this election consolidation for voter ease and cost efficiencies.

The City Council has the authority to regulate how many words will be allowed in a municipal Candidate Statement. The word count in the past has been limited to 200 with the candidate paying the full printing cost. The law allows either a 200 or 400 word cap (Election Code 13307).

In the 2014 General Election, the City will again require a candidate to submit a deposit toward the cost of a voluntary candidate statement. The County is estimating the printing cost this year to be approximately $150.00 for a 200 word limit statement. Requiring municipal candidates to pay a Candidate Statement deposit will allow funds to be available to pay the County when a bill is submitted. The recommended $150.00 estimate is refundable, in part, if actual printing costs are less; each candidate is billed and must pay for the remaining balance should actual cost exceed the $150.00 deposit.

Once the election process has been initiated with the adoption of the above-mentioned Resolutions, the next steps are the public notice of the election and the opening of the Nomination Period. The Nomination Period for this general election runs from Monday, July 14 through Friday, August 8, 2014. If any one of the incumbents does not file for election, the Nomination Period is automatically extended to Wednesday, August 13, 2014, for all candidates except incumbents.

During the Nomination Period, any currently registered voter in Clayton may take out and file papers with the City Clerk. Nomination papers become public documents once submitted; Candidate Statements become public documents after the nomination filing period has closed.

FISCAL IMPACT

The County Registrar of Voters has determined the cost for our local election to be approximately $1.50 per registered voter. Per the last registration report, the city of Clayton has 7,208 registered voters. Therefore at least $10,812.00 must be inserted in the proposed FY 2014-15 City Budget for the costs of conducting the municipal election.

CONCLUSION

Staff recommends the City Council adopt the two Resolutions.

Attachments: Resolution Calling the Election
Resolution Adopting Policy for Candidates Statement
Ordinance No. 443

RESOLUTION NO. XX-2014

A RESOLUTION CALLING A GENERAL MUNICIPAL ELECTION ON NOVEMBER 4, 2014; REQUESTING AND CONSENTING TO CONSOLIDATION OF THE SAID GENERAL MUNICIPAL ELECTION AND SETTING SPECIFICATIONS OF THE ELECTION ORDER

THE CITY COUNCIL
City of Clayton, California

WHEREAS, by state law the Clayton City Council must call for a General Municipal Election to be held this year on Tuesday, November 4, 2014; and

WHEREAS, other elections may be held in whole or in part of the territory of the city and it is to the advantage of the City and its voters to consolidate such electoral matters pursuant to Elections Code Section 10400; and

WHEREAS, Elections Code Section 10242 provides that the governing board (City Council) shall determine the hours of opening and closing the polls; and

WHEREAS, Elections Code Section 10002 requires the City to reimburse the County in full for said municipal election services performed upon presentation of a bill to the City by the County elections official; and

WHEREAS, Elections Code Section 13307 requires that before the nominating period opens the governing body must determine whether a printing charge shall be levied against each candidate wishing to submit a candidate's statement to be sent to the voters; and

WHEREAS, Elections Code Section 12101 requires the publication of a notice of the election once in a newspaper of general circulation in the City.

NOW, THEREFORE, IT IS HEREBY ORDERED by the City Council of Clayton, California, that a General Election shall be held in accordance with the following specifications:

1. A General Municipal Election is hereby called for and shall be held on Tuesday, the 4th day of November 2014 in the city of Clayton. The purpose of the election is to elect two (2) City Council seats, at-large, for full terms of four years each.

2. The City Council of Clayton hereby respectfully requests of the County of Contra Costa, and herein consents to, the consolidation of its municipal election with other elections, which may be held on said day in whole or in part of the territory of the City, as provided in Elections Code 10400.

3. The City Council hereby designates the hours the local polls shall be kept open from 7:00 a.m. to 8:00 p.m. on the day of the election.

4. The City will reimburse the County for its actual cost incurred in conducting the General Municipal Election upon receipt of a bill itemizing and stating the amount due as determined by the County elections official.

5. The City Council herein determines that each Candidate shall pay for the full cost of a voluntary Candidate's Statement, as set forth in Resolution No. XX-2014.

6. The City Council herein directs the City Clerk to publish the Notice of Election in the *Contra Costa Times*, which is a newspaper of general circulation that is regularly circulated in the city of Clayton.

7. In the event two or more candidates receive an equal number of votes, the resolution of a tie vote will be by lot, pursuant to Section 15651 of the Elections Code of the State of California.

8. The City Council herein directs the City Clerk to send a certified copy of this Resolution to the Registrar of Voters and the Board of Supervisors of Contra Costa County.

9. The City Council, pursuant to the provision of the California Elections Code, hereby respectfully requests the Contra Costa County Board of Supervisors direct the Contra Costa County Registrar to conduct all necessary services related to the Clayton General Municipal Election, and to bill the City for the cost of conducting this election. The City Manager is hereby authorized to reimburse Contra Costa County in full for such services actually performed upon presentation of a bill therefore from the County.

PASSED, APPROVED AND ADOPTED by the City Council of Clayton, California at a regular public meeting thereof held on the 6th day of May 2014 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

THE CITY COUNCIL OF CLAYTON, CA

____
Hank Stratford, Mayor

ATTEST:

____
Janet Brown, City Clerk

RESOLUTION NO. XX-2014

A RESOLUTION ADOPTING A POLICY FOR VOLUNTARY MUNICIPAL CANDIDATES' STATEMENTS PRINTED IN VOTER INFORMATION PAMPHLETS

THE CITY COUNCIL
City of Clayton, California

WHEREAS, the Clayton City Council has ordered a Municipal Election to be held on Tuesday, November 4, 2014 as set forth in Resolution No. XX-2014; and

WHEREAS, California Elections Code Section 13307 requires the governing body of any local agency to adopt regulations pertaining to materials prepared by any candidate for the municipal election, including costs of the voluntary candidates' statements.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Clayton, California does hereby establish the following policy regarding municipal candidates' statements:

1. Candidates' statements are voluntary and shall not exceed 200 words each.

2. Candidates' statements may include the name, age and occupation of the candidate and a brief description regarding the candidate's education and qualifications. Candidates' statements shall not include party affiliation of the candidate, nor membership or activity in partisan political organizations.

3. Candidates' statements shall be prepared on the form provided by the City Clerk to meet the requirements of the Contra Costa County Elections Department.

4. The cost of printing, handling, and mailing the candidates' statements in English and in Spanish (mandatory translation, per Federal Register published on Wednesday, July 16th, 2014) shall be divided equally among those candidates choosing to file a candidate's statement.

5. Each candidate will be required to make a deposit of $150.00 when one files a statement with the City Clerk during the nomination period. The City Clerk shall bill those candidates for any publication costs that exceed the total deposited or refund any credits due, if the amount collected exceeds the total publication costs.

6. Candidates are subject to and must pay a $25.00 local filing fee when nomination papers are filed with the City Clerk.

7. No additional candidates' items shall be included in the Voters' Information Pamphlet.

PASSED, APPROVED AND ADOPTED by the City Council of Clayton, California at a regular public meeting thereof held on the 6th day of May 2014 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

THE CITY COUNCIL OF CLAYTON, CA

____

Hank Stratford, Mayor

ATTEST:

____

Janet Brown, City Clerk

ORDINANCE NO. 443

Ordinance Setting Filing Fees for Filing and Processing of Nomination Papers and Candidate's Statements

THE CITY COUNCIL
City of Clayton, California

WHEREAS, Section 10228 of the California Elections Code authorizes the City to impose a fee by ordinance, not to exceed twenty-five dollars ($25) for the filing and processing of nomination papers by each candidate for elective office in the City of Clayton ("candidate");

WHEREAS, Section 13307 of the California Elections Code authorizes each candidate to prepare a candidate's statement, in accordance with Section 13307, on an appropriate form provided by the City Clerk, to be included in the voter information pamphlet distributed to voters;

WHEREAS, Elections Code Section 13307 also authorizes the City to estimate the total cost of printing, handling, translating, and mailing the candidate's statements filed pursuant to Section 13307, and to require each candidate filing a statement to pay in advance to the City his or her estimated pro rata share as a condition of having his or her candidate statement included in the voter's pamphlet; and

WHEREAS, the City wishes to establish a fee for filing of nomination papers and candidate's statement pursuant to the above outlined authority in order to ensure that these costs are paid by the candidates and not by the City using public funds.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CLAYTON DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. Amendment.

Sections 2.02.20 and 2.02.30 are hereby added to Chapter 2.02 of the Clayton Municipal Code, entitled "General Municipal Election," to read as follows:

"2.02.20 Nomination Papers Filing Fee.

A. Each candidate filing nomination papers for an elective office at a municipal elections held in the City, shall pay a filing fee of twenty-five dollars ($25).

B. The filing fee imposed by Section 2.02.20A shall be paid by each candidate to the City Clerk at the time the candidate files his or her nomination papers with the City Clerk.

2.02.30 Candidate Statement: Filing and Fee.

A. Each candidate running for elective office at a municipal election held in the City and filing a candidate statement shall file his or her candidate statement at the time of filing his or her nomination papers, and shall simultaneously pay his or her estimated pro rata share of the cost of producing and distributing candidate information in the voter's pamphlet, including the cost of printing, handling, translating and mailing the candidates statements and complying with the Federal Voting Rights Act of 1965, as amended, as a condition of having his or her statement included in the voter's pamphlet ("Estimated Candidate Statement Fee"), to the City Clerk at the time the candidate files his or her candidate statement with the City Clerk.

B. The City Clerk shall provide each candidate who pays the Estimated Candidate Statement Fee with a receipt for the payment which shall include a written notice that the Estimated Candidate Statement Fee is just an approximation of the actual cost that varies from one election to another election and that the actual fee that the candidate must pay the City may be significantly more or less than the estimate, depending on the actual number of candidates filing candidate statements ("Actual Candidate Statement Cost").

C. If the Actual Candidate Statement Cost is more than the Estimated Candidate Statement Fee, the candidate shall pay the balance of the cost incurred to the City Clerk upon request for the same. If the Actual Candidate Statement Cost is less than the Estimated Candidate Statement Fee, the City shall prorate the excess amount among the candidates and refund the excess amount paid to each candidate, on a pro rata basis, no later than 30 days after the election.

D. Notwithstanding anything else contained in this section 2.02.30, if a candidate alleges to be indigent and unable to pay the Estimated Candidate Statement Fee, the candidate shall submit to the City a statement of financial worth on a form furnished by the City Clerk, which the City shall use in determining whether or not the candidate is eligible to submit a candidate statement without payment of the Estimated Candidate Statement Fee. The statement of financial worth required by this section shall be submitted by the candidate together with his or her candidate statement in accordance with the deadline specified in Elections Code Section 13307. The candidate shall certify the content of the statement as to its truth and correctness under penalty of perjury. The candidate shall also sign a release form of the candidate's most recent federal income tax report. Upon receipt of a statement of financial worth, the City Clerk shall make a determination of whether or not the candidate is indigent. The City Clerk shall notify the candidate of its findings. If the City Clerk determines that the candidate is not indigent, the candidate shall, within three days of the notification, excluding Saturdays, Sundays, and state holidays, withdraw the statement or pay the requisite Estimated Candidate Statement Fee. If the candidate fails to respond within the time prescribed, the City shall not be obligated to print and mail the candidate statement. If the City Clerk determines that the candidate is indigent, the City shall print and mail the candidate statement. The City Clerk may bill a previously adjudged indigent candidate his or her actual pro rata share of the candidate statement cost after the election."

<u>Section 2.</u> **<u>Action to Challenge This Ordinance</u>.**

Any action or proceeding to attack, review, set aside, void or annul this ordinance must be commenced and the service made on the City no later than ninety (90) days after the effective date of the ordinance.

<u>Section 3.</u> **<u>Conflicting Ordinances Repealed</u>.**

Any ordinance or part thereof, or regulations in conflict with the provisions of this ordinance, are hereby repealed. The provisions of this ordinance shall control with regard to any provision of the Clayton Municipal Code that may be inconsistent with the provisions of this ordinance.

<u>Section 4.</u> **<u>Severability</u>.**

If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this ordinance and each section, subsection, sentence, clause or phrase thereof irrespective of the fact that any one or more section, subsection, sentence, clause or phrase thereof be declared unconstitutional, invalid or ineffective.

Section 5. **CEQA.**

The City Council finds that the adoption of this ordinance is not a "project," as defined in the California Environmental Quality Act because it does not have a potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment and concerns general policy and procedure making.

Section 6. **Notice of Exemption.**

The City Council directs staff to prepare and file a Notice of Exemption no more than five (5) working days after adoption of this ordinance.

Section 7. **Effective Date and Publication.**

This ordinance shall become effective thirty (30) days after its adoption by the City Council. Within fifteen (15) days after the passage of the ordinance, the City Clerk shall cause a copy of the ordinance, including the names of the City Council members voting for and against it, to be posted in three (3) public places heretofore designated by resolution of the City Council for the posting of ordinances and public notices.

The foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Clayton held on the 15th day of January 2013, and PASSED, ADOPTED AND ORDERED posted at a regular meeting of the City Council of the City of Clayton on the 5th the day of February 2013, by the following vote:

AYES: Mayor Pierce, Vice Mayor Stratford, Councilmembers Diaz, Geller, and Shuey.

NOES: None.

ABSENT: None.

ABSTAIN: None.

APPROVED:

Julie K Pierce

Julie K. Pierce, Mayor

ATTEST:

Laci Jackson

Laci Jackson, City Clerk

Agenda Date: 5-6-2014

Agenda Item: 8b

Approved:

Gary A. Napper
City Manager

CITY OF CLAYTON
Founded 1857 .. Incorporated 1964

MEMO

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: Janet Brown, City Clerk

DATE: May 6th, 2014

SUBJECT: SECOND READING AND ADOPTION OF ORDINANCE No. 455 MODIFYING CHAPTER 9.35 TO PROHIBIT CAMPING EXCEPT AS ALLOWED BY ORDINANCE AND PROHIBIT URINATING IN PUBLIC.

RECOMMENDATION

Staff recommends that the City Council receive any public comment; have the City Clerk read the Ordinance by title and number only and waive further reading; following the City Clerks reading the City Council may adopt Ordinance No. 455 (Attachment 1).

BACKGROUND

At its April 15, 2014 , City Council meeting the Council approved the introduction and first reading (by title only) of Ordinance 455 (see report Attachment 2). No members of the public spoke on the proposed ordinance. To date, no public comments have been received regarding proposed Ordinance No. 455.

FISCAL IMPACT

Fiscal impact to the City is unknown, we anticipate future savings in staff time related to cleaning these sites.

Attachments:
1) Ordinance No. 455
2) Staff Report from April 15, 2014 City Council meeting.

ORDINANCE NO. ____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CLAYTON, ADDING CHAPTER 9.35 TO THE CLAYTON MUNICIPAL CODE REGARDING CAMPING

THE CITY COUNCIL

City of Clayton, California

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

Section 1. **Amendment.** Chapter 9.35 is hereby added to the Clayton Municipal Code to read in full as set forth in the attached Exhibit A, incorporated by this reference.

Section 2. **Severability.** If any section, subsection, sentence, clause, or phrase of this Ordinance, or the application thereof to any person or circumstances, is held to be unconstitutional or to be otherwise invalid by any court of competent jurisdiction, such invalidity shall not affect other provisions or clauses of this Ordinance or application thereof which can be implemented without the invalid provisions, clause, or application, and to this end such provisions and clauses of the Ordinance are declared to be severable.

Section 3. **Conflicting Ordinances Repealed.** Any ordinance or part thereof, or regulations in conflict with the provisions of this Ordinance, are hereby repealed. The provisions of this Ordinance shall control with regard to any provision of the Clayton Municipal Code that may be inconsistent with the provisions of this Ordinance.

Section 4. **Effective Date and Publication.** This Ordinance shall become effective thirty (30) days from and after its passage. Within fifteen (15) days after the passage of the Ordinance, the City Clerk shall cause it to be posted in three (3) public places heretofore designated by resolution of the City Council for the posting of ordinances and public notices. Further, the City Clerk is directed to cause Section 1 of this Ordinance to be entered into the City of Clayton Municipal Code.

The foregoing Ordinance was introduced at a regular public meeting of the City Council of the City of Clayton held on April 15, 2014.

Passed, adopted, and ordered posted by the City Council of the City of Clayton at a regular meeting thereof held on May 6, 2014, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

THE CITY COUNCIL OF CLAYTON, CA

____
Hank Stratford, Mayor

ATTEST

____
Janet Brown, City Clerk

APPROVED AS TO FORM

____
Malathy Subramanian, City Attorney

APPROVED BY ADMINISTRATION

____
Gary A. Napper, City Manager

I hereby certify that the foregoing Ordinance was duly introduced at a regular meeting of the City Council of the City of Clayton held on April 15, 2014, and was duly adopted, passed, and ordered posted at a regular meeting of the City Council held on May 6, 2014.

____
Janet Brown, City Clerk

EXHIBIT A

Chapter 9.35

CAMPING

Sections:

9.35.010 Definitions.
9.35.020 Camping.
9.35.030 Public urination.
9.35.040 Enforcement.

9.35.010 Definitions.

Unless the particular provisions or context requires otherwise, the definitions contained in this section shall govern the construction, meaning and application of words and phrases in this chapter.

"Camp facilities" include, but are not limited to, tents, huts, or temporary shelters, trailers, and any other vehicle.

"Camp paraphernalia" includes, but is not limited to, collapsible shelters, cots, beds, sleeping bags, bed rolls, hammocks, barbeques, open fires, portable stoves or other cooking equipment not provided or approved by the city.

"Store" means to put aside or accumulate for use when needed, to put for safekeeping, or to place or leave in a location.

9.35.020 Camping.

A. No person shall camp anywhere in the city, whether on public or private property, except as hereinafter expressly permitted. "To camp" means to do any of the following:

1. Sleeping (10:00 p.m. to 8:30 a.m.). To sleep at any time between the hours of 10:00 p.m. and 8:30 a.m. in any of the following places:

(a) Outdoors, with or without camp paraphernalia.

(b) In, on, or under any structure not intended for human occupancy, whether with or without bedding, tent, hammock, or other similar protection or equipment.

2. Setting up camping paraphernalia (10:00 p.m. to 8:30 a.m.). To establish or maintain, outdoors or in, on, or under any structure not intended for human occupancy, at any time between the hours of 10:00 p.m. and 8:30 a.m., a temporary or permanent place for sleeping by setting up any camp facilities or camp paraphernalia in such a manner as to be immediately usable for sleeping purposes.

3. Setting up campsite (any time). It shall be unlawful for any person to store personal property, including camp facilities and camp paraphernalia, in the following areas, except as otherwise provided:

(a) Any park.

(b) Any street or right of way, including sidewalks, bus stops and public landscaping; and

(c) Any parking lot, yard, building set-back, vacant land, open space or any other area open or accessible to the public, improved or unimproved.

B. Camping is permitted in the city only in the following circumstances:

1. Camping in public areas specifically set aside and clearly marked for public camping purposes;

2. Camping events authorized by the city;

3. Camping in the yard of a residence, with the consent of the owner or occupant of the residence, where the camping is in the rear yard of the residence or where the camping is in an area of a side yard of the residence that is separated from view from the street by a fence or hedge or other obstruction; except that camping shall not be permitted under this subsection where it is conducted in such a manner as to constitute a nuisance because of noise, inadequate sanitation, or other matters offensive to persons of ordinary sensibility; nor shall camping be permitted under this subsection where the camping in any yard is of such frequency, intensity, or duration as to constitute a use of land prohibited by any provision of this Code; nor shall camping be permitted under this subsection where any fee, charge, or other monetary consideration is collected for the privilege of camping or for any services or the use of any facilities related thereto; and

4. Camping events for minors sponsored by any nonprofit organization; except that camping shall not be permitted under this subsection where it is conducted in such a manner as to constitute a nuisance because of noise, inadequate sanitation, or other matters offensive to persons of ordinary sensibility; nor shall camping be permitted under this subsection where the camping at any location is of such frequency, intensity, or duration as to constitute a use of land prohibited by any provision of this Code.

9.35.030 Public urination.

No person shall urinate or defecate in public except when using a urinal, toilet or commode located in a restroom, or when using a portable or temporary toilet or other facility designed for the sanitary disposal of human waste and which is hidden from public view. No person shall urinate or defecate in or upon any public street, sidewalk, alley, plaza, park, public building or other publicly maintained facility or place, or upon the private property of another without the consent of the owner or person in lawful possession, or in any place open to the public or exposed to public view.

9.35.040 Enforcement.

A violation of this chapter shall be a misdemeanor punishable in accordance with section 1.20.010 or as otherwise provided for in this Code.

Agenda Date: 4-15-2014

Agenda Item: 8a

Approved:
Gary A. Napper City Manager

AGENDA REPORT

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: Chris Thorsen, CHIEF OF POLICE

DATE: April 9, 2014

SUBJECT: CONSIDER THE INTRODUCTION AND FIRST READING OF PROPOSED ORDINANCE MODIFYING CHAPTER 9.35 TO PROHIBIT CAMPING EXCEPT AS ALLOWED BY ORIDNANCE AND PROHIBIT URINATING IN PUBLIC.

RECOMMENDATION

) Receive the staff report; 2) Open the Public Hearing and receive public comment; 3) Close the Public Hearing; 4) Adopt a motion to have the City Clerk read Ordinance No. 9.35 by title and number only and waive further reading; and 5) Following the City Clerk's reading, adopt a motion to approve the changes to Ordinance No. 9.35 for Introduction and First Reading.

BACKGROUND

Recently we've experienced an increase in subjects camping or otherwise establishing residence in open spaces, building alcoves and along creek beds in the City of Clayton. The occupants often leave trash, food scraps and human waste in the areas. Additionally, the occupants will use these areas for storage of considerable amounts of personal property leading to unsanitary living conditions and contributing to crime. Ultimately the City becomes responsible for the cleanup of these sites when the occupants have moved on.

Surrounding jurisdictions have increased their efforts in addressing this matter. The increased attention is causing subjects to seek new areas that do not have restrictions on establishing encampments. The modifications to our existing ordinance will give the Police Department an important tool to deal with this growing problem.

DISCUSSION

The City of Clayton takes great pride in providing a safe and clean environment for the public to live, work and recreate. Our residents enjoy a close relationship with the outdoors, taking advantage of numerous walking trails and the many open space opportunities in our area.

Cities in our area are passing more strict regulations on camping and other activities often associated with the homeless population. In some cases, this has caused subjects to relocate to a less restrictive environment. Our current camping ordinance prohibits camping in our public parks, however it does not restrict the activity in other open space areas. These amendments will prohibit camping in all areas of the City except as allowed in section B. Further it will add the prohibition of urinating or defecating in public.

In the past, homeless encampments have been discovered along the banks of our local creeks and surrounding our public facilities such as the library. We have assisted some homeless subjects in seeking housing and other social services, however the City of Clayton does not have the resources to solve the homeless problem.

When called to these encampments we have discovered a variety of unsanitary conditions. These include, trash and food waste strewn about, unsanitary cooking facilities, and human waste either in containers or on the ground. These conditions are unsanitary, and harmful to the environment. When located near creeks, they inhibit our ability to meet our storm water cleanliness requirements. Ultimately, the responsibility and cost for cleaning, and at times storing the property from, these encampments falls to the City.

Having this ordinance will provide the police department an important tool to discourage these encampments within our community. It will assist us in preserving the quality of life our residents enjoy and protect public health.

FISCAL IMPACT

Fiscal impact to the City is unknown, we anticipate future savings in staff time related to cleaning these sites.

Attachments:

1) Revised Ordinance 9.35
2) Photographs of previous encampments

CITY OF CLAYTON
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Approved:

Gary A. Napper
City Manager

Agenda Date: 5-6-2014

STAFF REPORT

Agenda Item: 8c

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

FROM: Laura Hoffmeister, Assistant to the City Manager

MEETING DATE: May 6, 2014

SUBJECT: Consider a proposed 15-year time extension to an existing special real property parcel tax supporting and funding the Downtown Park's ["The Grove Park"] operation and maintenance by a local ballot measure on the November 2014 General Municipal Election.

RECOMMENDATION

Following staff report and public comment, by motion Council provide policy direction to staff regarding the proposed 15-year time extension to the existing special parcel tax for the downtown park (The Grove) and retaining the current tax rate methodology.

BACKGROUND

In 2006 the City received two per capita State park grants and, when combined with park in-lieu fees and Redevelopment funds, was able to accumulate sufficient funds to construct the Downtown Park (The Grove Park). Before commencing construction the City Council determined General Fund monies were insufficient to undertake the ongoing maintenance and operations of the park. The City Council established a Community Facilities District (CFD) 2006-1, which would be able to receive dedicated maintenance and operation funds if the public voted for a special parcel tax. In November 2006 a ballot measure for such dedicated funds was placed before the voters for the special tax known as Measure "O" for a 10 year period through June 2017 (FY 16/17. It received 68.19% voter approval. The Grove Park was then constructed and opened to public use in January 2008. The special tax was initially collected via direct bill in November/December 2007 by the City due to timing of the election after the tax levy deadlines, however thereafter it has been levied on the real property tax bills.

.DISCUSSION

In November 2006 the electorate voted to establish a special tax, known as Measure O, for the care and maintenance of Downtown Park, now known as "The Grove". Measure O was established for a 10 year period (through June 2017).

This special tax serves as the sole funding source for the Downtown Park Operation and Maintenance – known officially as Community Facilities District (CFD) 2006-1. To levy the tax the City placed a ballot measure on the November 2006 consolidated election and received more than the minimum vote threshold (66.66%) to enact the tax.

The tax revenue pays for costs related to the operation, maintenance, repair and replacement landscaping, irrigation, hardscape, lights, public restroom, gazebo, playground, water, electricity, etc. Other City parks are not maintained by this special tax (but through the General Fund).

The actual collection of the tax is done by the County. Established in the current voter-approved tax is the authorization after the initial year, to increase the assessment by the CPI with a maximum of 3% annually. It is recommended the City Council direct staff to prepare ballot information for the November 2014 election which would extend the time period of the tax by 15 years beyond its expiration in 2017 with the same tax rate methodology.

FISCAL IMPACT

For fiscal year 2013-14 fiscal year the total annual levy amount was $18.56 per residential parcel. The non-residential parcels for 2013-14 fiscal year are: Downtown Core, $250.56 per ¼ acre or fraction thereof; Other Commercial $109.84 per ¼ acre or fraction thereof; Recreation Open Space $54.92 per ¼ acre or fraction thereof; Multifamily Residential Care Facilities $57.72 per ¼ acre or fraction thereof.

Currently there are approximately 4,103 parcels subject to the special tax; of these 4,043 are residential and approximately 60 are non-residential. The total amount of revenue received from this tax for FY 2013-14 is $116,834. These tax revenues are placed into a Special Revenue (restricted use) Fund (No. 211) through which all eligible expenses are tracked, paid and audited. Allowable expenses include only that for the purposes of the Downtown Park Operation and Maintenance District such as materials, supplies, equipment, utilities, labor, and administration.

If the special tax is not placed before the voters the last levy will occur in FY 16/17 and thereafter there is no funding to continue its operations and maintenance. If the flat-lined General Fund must absorb operation and maintenance of The Grove, cuts elsewhere in the General Fund Budget totaling approximately $120,000 would be necessary. By acceptance of State grant funds to construct the public park, the City agreed to maintain and operate the facility for a period of 20 years. .

FISCAL IMPACT

No general fund monies will be expended in connection with this ballot measure; cost for the ballot portion related to the Park Tax would be paid for out of the CFD Funds. The cost for an election are less expensive when combined with a general consolidated election cycle rather than during a primary or off year (ie: 2015) election cycle. If the election is held in the next general election cycle (November 2016) and is unsuccessful there would be no opportunity to place it on a future election without a gap in the funding stream.

CONCLUSION

It is recommended the City Council direct staff to prepare necessary documents and authorize other matters relating thereto, for proceeding with the process for placement of a time extension only of 15 years with the same tax rate methodology for Community Facilities District (CFD 2006-1) special tax for the Downtown Park (Grove Park) on the November 2014 general election ballot.

Attachments:

1. Election Schedule

Schedule for Extending Special Tax in Community Facilities District 2006-001 (Downtown Grove Park Special Tax)

May 6, 2014	City Council reviews proposal to extend the special tax and provides direction to staff to begin the extension process.
May 20, 2014	City Council adopts Resolution of Consideration to extend the special tax. (Gov. Code, § 53331) This resolution schedules a public hearing regarding the potential extension that must occur between 30-60 days from the date of the resolution. The City Council can also begin to review ballot language at this meeting if it wishes.
On or by June 24, 2014	City Clerk publishes notice of the public hearing on the proposed tax extension in a newspaper of general circulation. (Gov. Code, §§ 53322, 53335.) The City may (but is not required to) mail notice to all voters. (Gov. Code, § 53322.4.)
July 1, 2014	City Council holds a public hearing on the proposed tax extension. Assuming less than a majority of eligible voters protest the tax, the City Council may schedule an election to approve the tax extension. At this meeting, the City Council may place the tax extension on the ballot, direct the City Attorney to prepare an impartial anaylsis and authorize one or more Councilmembers to prepare ballot arguments.
August 8, 2014	Deadline to place the tax extension measure on the ballot. This is only an issue if the City Council continues its discussion of the measure to a future meeting after July 1st.
August 13, 2014	Deadline to modify or remove the tax extension measure from the ballot.
August 15, 2014	Deadline for impartial anaylsis to be submitted to the County.
August 20, 2014	Deadline for initial arguments to be submitted to the County.
August 25, 2014	Deadline for rebuttal arguments to be submitted to the County.
November 4, 2014	Election day. Measure must receive 2/3 voter approval to pass.

Agenda Date: 5-6-2014

Agenda Item: 3a sa

MINUTES
OF THE
REGULAR MEETING

CLAYTON SUCCESSOR and SUCCESSOR HOUSING AGENCIES

January 7, 2014

1. **CALL TO ORDER & ROLL CALL** - the meeting was called to order at 7:39 p.m. by Mayor Stratford in Hoyer Hall of the Clayton Community Library, 6125 Clayton Road, Clayton, CA. Boardmembers present: Vice Mayor Shuey, Councilmembers Diaz, Geller and Pierce. Boardmembers absent: None. Staff present: City Manager Napper, Interim City Clerk Janet Brown, and City Attorney Mala Subramanian.

2. **PUBLIC COMMENTS** – None.

3. **CONSENT CALENDAR- It was moved by Boardmember Pierce, seconded by Boardmember Geller, to approve the Consent Calendar as submitted (Passed; 5-0 vote).**

(a) Approved the minutes of the regular public meetings of November 19, 2013.

(b) Acceptance of the Successor Agencies' "unmodified opinion" Audited Financial Statement for the Fiscal Period of February 1, 2012 through June 30, 2012, prepared by Cropper Accountancy Corporation, independent Certified Public Accountants.

4. **PUBLIC HEARINGS** – None.

5. **ACTION ITEMS** – None.

6. **BOARD ITEMS** – None.

7. **ADJOURN** – on call by Vice Mayor Stratford the meeting adjourned at 7:40 p.m.

Respectfully submitted,

____
Janet Brown, Interim Secretary

Clayton Successor and Successor Housing Agency Board

____
Hank Stratford, Mayor

MINUTES
OF THE
REGULAR MEETING

CLAYTON SUCCESSOR and SUCCESSOR HOUSING AGENCIES

February 18, 2014

1. **CALL TO ORDER & ROLL CALL** - the meeting was called to order at 7:58 p.m. by Mayor Stratford in Hoyer Hall of the Clayton Community Library, 6125 Clayton Road, Clayton, CA. Boardmembers present: Vice Mayor Shuey, Councilmembers Diaz, Geller and Pierce. Boardmembers absent: None. Staff present: Assistant to the City Manager Laura Hoffmeister, Interim City Clerk Janet Brown, Finance Manager Kevin Mizuno and City Attorney Mala Subramanian.

2. **PUBLIC COMMENTS** – None.

3. **CONSENT CALENDAR- It was moved by Vice Mayor Shuey, seconded by Councilmember Diaz, to approve the Consent Calendar as submitted (Passed; 5-0 vote).**

(a) Approved the minutes of the regular public meetings of January 7, 2014.

4. **PUBLIC HEARINGS** – None.

5. **ACTION ITEMS**

(a) Consider a Resolution to approve and adopt the Agency's 6th Recognized Obligations Payment Schedule (ROPS 2014-15-A) covering the time period from July 1, 2014 through December 31, 2014, pursuant to California Redevelopment Laws.

The Finance Manager presented the report for the 6th ROPS schedule 2014-15-A covering the time period from July 1, 2014 through December 31, 2014. He noted to date, three amendments have been made to the FY 2013-14 adopted General Fund budget the award of a contract to Pacific Municipal Consultants (PMC) to prepare the 2014 – 2022 Housing Element Update, Appropriation of FY 2011-12 General Fund surplus and roll over of prior year (FY 2012-13) encumbrances into the FY 2013-14 budget. Significant unexpected and non-recurring items: unusual circumstances resulting in significant unexpected increases in expenditures include: (1) essential temporary salaries for an accounting consultant, (2) an unavoidable increase in audit fees resulting from internal delays, (3) a significant dispatch services claim for an unbilled month in 2012 billed to the City in the Fall of 2013 by the City of Concord, and (4) the transfer of a portion of the FY 2011-12 General Fund surplus to the Self-Insurance and Capital Equipment Replacement Fund. At this point, no budget amendments to the General Fund are deemed necessary due to the non-linear nature of the expenditure increases described above and as it is reasonably possible other expenditure line items will come in under budget. The necessity to amend the General Fund budget will be re-addressed towards the end of the fiscal year.

No public comments were received.

It was moved by Councilmember Pierce, seconded by Councilmember Shuey, to approve resolution 01-2014 adopting the ROPS 2014-15-A (Passed; 5-0 vote).

6. **BOARD ITEMS** – None.

7. **ADJOURN** – on call by Mayor Stratford the meeting adjourned at 8:03 p.m.

Respectfully submitted,

____

Janet Brown, Interim Secretary

Clayton Successor and Successor Housing Agency Board

____

Hank Stratford, Mayor

Agenda Date: 5-6-2014
Agenda Item: 5a sa

CITY OF CLAYTON
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Approved:	
Gary A. Napper City Manager	

STAFF REPORT

TO: HONORABLE CHAIR AND SUCCESSOR AGENECY MEMBERS

FROM: Laura Hoffmeister, Assistant to the City Manager
Kevin Mizuno, Finance Manager

MEETING DATE: May 6, 2014

SUBJECT: Consider a Resolution approving and authorizing the refunding (refinancing) of the former Clayton Redevelopment Agency's existing and outstanding 1999 Bonds and 1996 Bonds (debt) in an amount not to exceed $4,000,000 resulting in an estimated total savings of $610,657 over the remaining bond term which remains unchanged (maturity date of 2024).

RECOMMENDATION

It is recommended the Successor Agency to the former Redevelopment Agency of the City of Clayton (the "Former Agency") adopt the attached Resolution, authorizing the issuance of refunding bonds to refinance certain outstanding bonds issued by the Former Agency, and authorizing certain other matters relating thereto.

BACKGROUND

Previously, the former Clayton Redevelopment Agency issued $7,720,000 of tax allocation bonds in 1996 and $7,460,000 of such bonds in 1999 in order to finance redevelopment projects within the Redevelopment Project Area. Tax allocation bonds are a type of long-term debt secured by and payable from a portion of the real property taxes collected from within a redevelopment project area, known as "tax increment". After August 1, 2014 there will remain $4,560,000 of the 1996 and 1999 bonds principal outstanding. The 'average' interest rate on the outstanding bonds is approximately 5.00%.

Subsequent to the 'dissolution' of California redevelopment agencies in 2011, Assembly Bill 1484 was passed on June 27, 2012 permitting Successor Agencies to refund (refinance) outstanding bonds of former redevelopment agencies, if doing so results in debt service savings, similar to refinancing a home mortgage, and does not extend the term of the repayment. At today's relatively low interest rates, an opportunity exists for the Clayton Successor Agency to refinance its outstanding tax allocation bonds at an 'all-inclusive' interest rate of approximately 3.00%, which is well below the interest rate on the outstanding bonds.

In doing so it is estimated to achieve approximately $610,657 in overall savings (principal and interest) over the remaining 10 year term of the bond. Pursuant to redevelopment dissolution, the savings will be shared to all the taxing entities; the City of Clayton will see apx. $41,733 in total savings over the 10 year period. These savings will result in an equal amount of general fund revenue; as the tax increment is reduced, there is resulting proportional adjustment to the base tax revenue to each of the taxing entities, as the redistributed funding is no longer needed to pay debt.

Pursuant to State Law, the proposed refunding bonds must be approved by the Oversight Board and the State Department of Finance (DOF). A meeting of the Oversight Board is anticipated to occur during the week of May 12; if as expected the Oversight Board approves the refinancing, then immediately thereafter a request for DOF approval will be submitted. By law, DOF has 60-days to act; however, staff is hopeful that DOF will grant its approval within approximately three weeks as there is State interest in returning these fund to public entities. If all goes according to plan, this refinancing will close during the week of June 16.

DISCUSSION

METHOD OF SALE

There are three common methods of selling municipal bonds: competitive sales, negotiated sales and private placements. Depending on a variety of factors including the security, structure, size, term and creditworthiness of the bonds, one or another method of sale is likely to achieve the best overall result (e.g. the lowest possible interest rate).

With respect to the proposed refunding bonds, the Successor Agency in consultation with its financial advisor and bond counsel determined that a private placement would likely achieve the best overall result due to the small size, short term and strong creditworthiness of the bonds.

A private placement is when an issuer such as the Successor Agency sells its bonds directly to an investor; by comparison, in a competitive sale or negotiated sale, an issuer sells its bonds to a broker-dealer (e.g. an underwriter) who then re-sells the bonds to investors.

SOLICITATION OF BIDS

During the week of April 7, approximately eight large commercial banks that regularly purchase municipal bonds via private placement were asked to submit proposals to purchase the Successor Agency refunding bonds. Five banks subsequently submitted proposals.

The proposal submitted by JP Morgan Chase (JPM) was deemed best, based upon the interest rate and not requiring a reserve. The Successor Agency staff worked to prepare draft documents that would be required to complete the transaction which are attached at the end of this staff report. JPM has reviewed and indicated their satisfaction with the documents.

PROPOSED BOND SALE/PURCHASER

JPM proposed an 'indicative' interest rate of 2.30%. An indicative interest rate is the rate at which an investor is willing to purchase bonds on the date its proposal is submitted. The actual rate at which JPM may ultimately purchase the refunding bonds will be determined shortly before the financing closes. Depending on market conditions, the actual rate may differ from the indicative rate. Moreover, JPM is under no obligation to purchase the refunding bonds, and JPM reserves the right to rescind its offer at any time prior to closing. Likewise the Successor Agency also has the same rights to rescind prior to closing.

Notwithstanding the above, JPM is highly experienced in transactions of this nature, and has a very strong track record of completing such transactions once begun. Furthermore various other external factors that influence interest rates seem to be mild at this time so completing the transaction as timely as possible also ensures the interest rate sticks. The interest rate is not locked until the bond sell documents are signed and executed which staff estimates could take about 30-45 days. Locking a rate prior to document execution would require either result in higher interest rates, or other costs which were not recommended given the small bond amount and term.

FISCAL IMPACT

No general fund monies will be expended in connection with this refinancing. Attached to the staff report is a summary of the debt service savings analysis.

Based on the 2.30% indicative interest rate proposed by JP Morgan Chase, and the associated 3.00% 'all-inclusive' interest rate, this refinancing will result in total debt service savings of approximately $610,657 over the life of the financing, net of all transaction costs. As measured on a 'real' or 'present value' basis, estimated savings equal approximately 13% of the amount of outstanding bonds being refinanced, which by industry standards is considered an excellent result. The final maturity of the bonds will remain unchanged which terminate in 2024.

The exact amount of savings will not be determined until after Oversight Board and DOF approval are granted, at which time the interest rate on the refunding bonds will be finalized. If interest rates increase appreciably between now and then, it is possible the amount of savings may be insufficient to warrant proceeding, in which case the refinancing may be cancelled, or delayed until a later date.

Refinancing tax allocation bonds does not result in lower property taxes or any direct savings for homeowners or local businesses. Under State law, any savings that result from this refinancing will be shared among all of the local taxing entities, including the City itself, whose territory lies within the Redevelopment Project Area. The City would see apx. $41,733 in such savings.

The costs of issuance for legal services, financial advisory services, placement agent services, city staff time/materials, and other related costs and expenses incurred in connection with the issuance of the refunding bonds, equal approximately $137,500. These costs are payable from the proceeds of the refunding bonds, contingent upon closing. If the refinancing is not successful, then all transaction costs will be waived, except the Bank Counsel fee estimated at not-to-exceed $7,500 would be a payment that would still need to be made and could be requested to be paid through the ROPS process.

The 1996 and 1999 Bonds have a requirement to have a debt service reserve fund of about $600,000. This $600,000 would have been used to make the final year debt service payment.

The refunding bonds don't have a reserve fund requirement, so the final payment must be made by the Agency from the ROPS; as such, there are no savings in 2024, but rather a payment via the tax increment method which reduces the pass through to the base rate.

FINANCING DOCUMENTS

The Attached Resolution authorizes the execution and delivery of various Financing Documents, including a Fourth Supplemental Indenture and Fiscal Agent Agreement, Bond Purchase Contract, and Refunding Instructions. Attached hereto are drafts of each such Document, which drafts may be modified prior to execution by authorized Successor Agency staff, as necessary.

CONCLUSION

Staff recommends that Successor Agency adopt the attached Resolution, No. __-2014, authorizing the issuance of refunding bonds to refinance certain outstanding bonds issued by the Former Agency, and authorizing certain other matters relating thereto.

Attachments:

1. Debt Service Savings Analysis
2. Resolution No __-2014
3. Proposed Term Sheet
4. Fourth Supplemental Indenture and Fiscal Agent Agreement
5. Purchase Contract
6 Irrevocable Refunding Instructions (Series 1999)
7. Irrevocable Refunding Instructions (Series 1996A)

Successor Agency to the Clayton Redevelopment Agency

2014 Tax Allocation Refunding Bonds Debt Service Savings Analysis

April 30, 2014

Prepared by Steven Gortler
Independent Financial Advisor
Telephone (415) 298-3319
Email: steven.gortler@att.net

ATTACHMENT 1

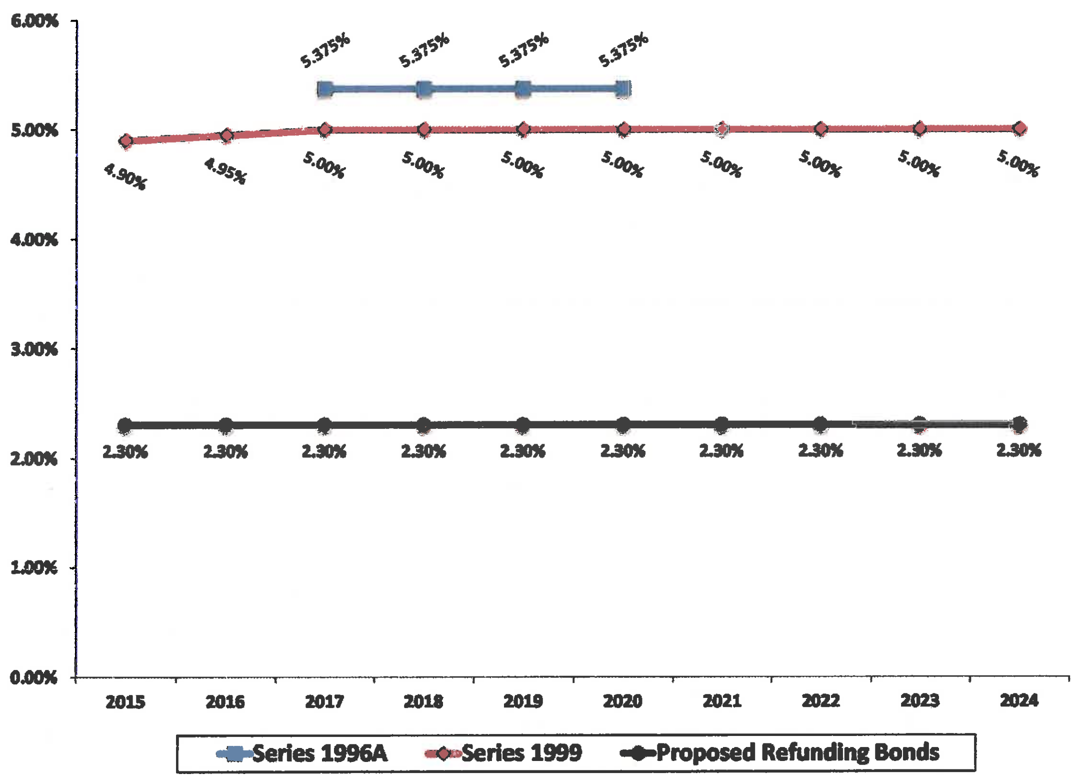
Outstanding Bonds of the Agency

	Series 1996A	Series 1999
Issuer	Clayton RDA	Clayton RDA
Dated Date	Nov 1, 1996	Jun 15, 1999
Original Par	7,225,000	7,460,000
Outstanding Par	230,000	4,330,000
Final Maturity	Aug 1, 2020	Aug 1, 2024

Annual Debt Service on Outstanding Bonds

12-Mo. Ending Aug. 1,	Series 1996A			Series 1999			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2015		12,363	12,363	320,000	200,513	520,513	320,000	212,875	532,875
2016		12,363	12,363	335,000	184,833	519,833	335,000	197,195	532,195
2017	55,000	12,363	67,363	355,000	168,250	523,250	410,000	180,613	590,613
2018	55,000	9,406	64,406	370,000	150,500	520,500	425,000	159,906	584,906
2019	60,000	6,450	66,450	390,000	132,000	522,000	450,000	138,450	588,450
2020	60,000	3,225	63,225	410,000	112,500	522,500	470,000	115,725	585,725
2021				425,000	92,000	517,000	425,000	92,000	517,000
2022				450,000	70,750	520,750	450,000	70,750	520,750
2023				470,000	48,250	518,250	470,000	48,250	518,250
2024				495,000	24,750	519,750	495,000	24,750	519,750
	230,000	**56,169**	**286,169**	**4,020,000**	**1,184,345**	**5,204,345**	**4,250,000**	**1,240,514**	**5,490,514**

Interest Rate Comparison: Outstanding Bonds vs. Proposed Refunding Bonds



Term Sheet: Proposed Refunding Bonds

Issuer	Successor Agency to the Clayton Redevelopment Agency
Issue	2014 Tax Allocation Refunding Bonds
Tax Status	Tax-Exempt
Purpose	Current refunding of all outstanding bonds
Estimated Par Amount	$3,790,000
Final Maturity	Aug 1, 2024
Security	Property taxes deposited in the RPTTF

Estimated Sources & Uses of Funds: Proposed Refunding Bonds

Sources of Funds:	
Par Amount of Bonds	3,790,000
Transfer from Prior Debt Service Fund	423,955
Transfer from Prior Reserve Funds	602,142
Total Sources	4,816,097

Uses of Funds:	
Deposit to Redemption Fund	4,673,643
Estimated Costs of Issuance*	137,500
Rounding Amount	4,954
Total Uses	4,816,097

*** Estimated costs of issuance include fees and expenses for bond counsel ($55,000), Successor Agency time and materials ($25,000), financial advisor ($20,000), placement agent ($15,000), bank counsel ($10,000), verification agent ($3,500), trustee ($2,000), California Debt and Investment Advisory Commission ($600) and contingency ($6,400)**

Estimated Debt Service Savings

12-Mo. Ending Aug. 1,	Outstanding Bonds				Proposed Refunding Bonds			Savings	
	Principal	Interest	Reserve	Total	Principal	Interest	Total	$	%
2015	320,000	212,875		532,875	325,000	87,170	412,170	**120,705**	**22.7%**
2016	335,000	197,195		532,195	330,000	79,695	409,695	**122,500**	**23.0%**
2017	410,000	180,613		590,613	395,000	72,105	467,105	**123,508**	**20.9%**
2018	425,000	159,906		584,906	400,000	63,020	463,020	**121,886**	**20.8%**
2019	450,000	138,450		588,450	415,000	53,820	468,820	**119,630**	**20.3%**
2020	470,000	115,725		585,725	420,000	44,275	464,275	**121,450**	**20.7%**
2021	425,000	92,000		517,000	360,000	34,615	394,615	**122,385**	**23.7%**
2022	450,000	70,750		520,750	375,000	26,335	401,335	**119,415**	**22.9%**
2023	470,000	48,250		518,250	380,000	17,710	397,710	**120,540**	**23.3%**
2024	495,000	24,750	(602,142)	(82,392)	390,000	8,970	398,970	**(481,362)**	
	4,250,000	**1,240,514**	**(602,142)**	**4,888,372**	**3,790,000**	**487,715**	**4,277,715**	**610,657**	**14.0%**

Estimated Present Value Savings

Gross Present Value Debt Service Savings	1,479,774
Effect of Changes in Debt Service Reserve Fund	(477,215)
Transfers from Prior Issue Debt Service Fund	(423,955)
Rounding Amount	4,954
Net Present Value Benefit	583,558
Net PV Benefit / Refunded Principal	13.0%

Estimated Distribution of Savings

12-Mo. Ending Aug. 1,	City	County	Special Districts	K-12 Schools	Comnty Colleges	Office Of Ed.	ERAF	Total
2015	8,249	16,999	25,767	42,146	6,300	1,313	19,931	**120,705**
2016	8,372	17,252	26,151	42,772	6,394	1,332	20,227	**122,500**
2017	8,441	17,394	26,366	43,124	6,447	1,343	20,393	**123,508**
2018	8,330	17,165	26,020	42,558	6,362	1,326	20,126	**121,886**
2019	8,176	16,848	25,538	41,770	6,244	1,301	19,753	**119,630**
2020	8,300	17,104	25,926	42,406	6,339	1,321	20,054	**121,450**
2021	8,364	17,236	26,126	42,732	6,388	1,331	20,208	**122,385**
2022	8,161	16,817	25,492	41,695	6,233	1,299	19,718	**119,415**
2023	8,238	16,976	25,732	42,088	6,292	1,311	19,903	**120,540**
2024	(32,897)	(67,791)	(102,759)	(168,073)	(25,125)	(5,235)	(79,482)	**(481,362)**
	41,733	**86,000**	**130,360**	**213,218**	**31,874**	**6,642**	**100,831**	**610,657**

RESOLUTION NO. __-2014

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF CLAYTON , APPROVING THE ISSUANCE OF REFUNDING BONDS IN ORDER TO REFUND CERTAIN OUTSTANDING BONDS OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF CLAYTON, APPROVING THE EXECUTION AND DELIVERY OF A FOURTH SUPPLEMENTAL INDENTURE AND FISCAL AGENT AGREEMENT RELATING THERETO, REQUESTING OVERSIGHT BOARD APPROVAL OF THE ISSSUANCE OF THE REFUNDING BONDS, REQUESTING CERTAIN DETERMINATIONS BY THE OVERSIGHT BOARD, AND PROVIDING FOR OTHER MATTERS PROPERLY RELATING THERETO

THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF CLAYTON
City of Clayton, California

WHEREAS, pursuant to the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.; the "Redevelopment Law"), the City Council (the "City Council") of the City of Clayton (the "City") adopted in accordance with the California Community Redevelopment Law, City Ordinance No. 243 on 20 July 1987 adopting the Redevelopment Plan for the Clayton Redevelopment Project Area (the "Redevelopment Plan"), as amended from time to time; and

WHEREAS, the Redevelopment Agency of the City of Clayton (the "Former Agency") was responsible for implementing the Redevelopment Plan pursuant to said Redevelopment Law; and

WHEREAS, the Former Agency has previously issued its City of Clayton Redevelopment Project Area Tax Allocation Bonds, Series 1990 (the "Series 1990 Bonds"), pursuant to an Indenture and Fiscal Agent Agreement, dated as of December 1, 1990, by and between the Former Agency and Bankers Trust Company of California, N.A. (the "Original Agreement"); and

WHEREAS, the Former Agency has previously issued Parity Obligations (as defined in the Original Agreement) designated its City of Clayton Redevelopment Project Area Tax Allocation Bonds, Series 1993 (the "Series 1993 Bonds"), pursuant to a First Supplemental Indenture and Fiscal Agent Agreement, dated as of December 1, 1993 (the "First Supplemental Agreement"), by and between the Former Agency and First Trust of California, National Association; and

WHEREAS, the Former Agency has previously issued Parity Obligations designated its City of Clayton Redevelopment Project Area Refunding Tax Allocation Bonds, Series 1996A (the "Series 1996A Bonds") and its City of Clayton Redevelopment Project Area Refunding Tax Allocation Bonds, Series 1996B (Taxable) the "Series 1996B Bonds" and, together with the Series 1996A Bonds, the "Series 1996 Bonds"), pursuant to a Second Supplemental Indenture and Fiscal Agent Agreement, dated as of November 1, 1996 (the "Second Supplemental

Agreement"), by and between the Former Agency and First Trust of California, National Association; and

WHEREAS, the Former Agency has previously issued Parity Obligations designated its City of Clayton Redevelopment Project Area Tax Allocation Bonds, Series 1999 (the "Series 1999 Bonds"), pursuant to a Third Supplemental Indenture and Fiscal Agent Agreement, dated as of May 1, 1999 (the "Third Supplemental Agreement"), by and between the Former Agency and U.S. Bank Trust National Association; and

WHEREAS, Assembly Bill X1 26 (as amended, the "Dissolution Act") and Assembly Bill X1 27 (the "Alternative Redevelopment Program Act") were enacted by the State of California on 28 June 2011, to significantly modify the Community Redevelopment Law and to end the existence of or modify continued operation of redevelopment agencies throughout the state (Health & Safety Code §33000, et seq.; the "Redevelopment Law"); and

WHEREAS, on August 11, 2011, the California Supreme Court agreed to review the California Redevelopment Association and League of California Cities' petition challenging the constitutionality of these Redevelopment Restructuring Acts; and

WHEREAS, on December 29, 2011, the California Supreme Court ruled that the Dissolution Act is largely constitutional and the Alternative Redevelopment Program Act is unconstitutional; and

WHEREAS, the Court's decision means that all California redevelopment agencies, including the Former Agency, are now terminated and have been automatically dissolved on February 1, 2012 pursuant to the Dissolution Act; and

WHEREAS, on January 17, 2012 by Resolution No. 03-2012, the Clayton City Council did exercise its priority right and took action to become the Successor Agency to the Former Agency (the "Successor Agency"); and

WHEREAS, AB 1484, enacted by the California Legislature in June 2012 amended the Dissolution Act and specified that the Successor Agency is a separate legal entity; and

WHEREAS, Section 34177.5 of the Dissolution Act, as defined herein (except as otherwise noted, all section references herein are to the Dissolution Act), authorizes the Successor Agency to undertake proceedings for the refunding of outstanding bonds and other obligations of the Former Agency, subject to the conditions precedent contained in said Section 34177.5; and

WHEREAS, the Dissolution Act, among other things, authorizes the Successor Agency to issue bonds pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the "Refunding Law") for the purpose of achieving debt service savings within the parameters (the "Savings Parameters") set forth said Section 34177.5(a)(1); and

WHEREAS, the Successor Agency has determined that it will achieve debt service savings within such parameters by the issuance pursuant to the Law, the Dissolution Act, the Refunding Law and the Original Agreement, as heretofore amended and supplemented by the First Supplemental Agreement, the Second Supplemental Agreement and the Third Supplemental Agreement, and as amended and supplemented by the Fourth Supplemental Indenture and Fiscal Agent Agreement expected to be dated as of June 1, 2014 (the "Fourth

Supplemental Agreement" and, together with the Original Agreement, the First Supplemental Agreement, the Second Supplemental Agreement and the Third Supplemental Agreement, the "Agreement"), by and between the Successor Agency and U.S. Bank National Association, as fiscal agent (the "Fiscal Agent"), of its not to exceed $4,000,000 aggregate principal amount of Successor Agency to the Redevelopment Agency of the City of Clayton City of Clayton Redevelopment Project Area Refunding Tax Allocation Bonds, Series 2014 (the "Refunding Bonds"), to refund the Series 1996A Bonds and the Series 1999 Bonds (collectively, the "Prior Bonds"), which bonds are the only obligations currently outstanding under the Agreement; and

WHEREAS, to determine compliance with the Savings Parameters for purposes of the issuance by the Successor Agency of the Refunding Bonds, the Successor Agency has caused its financial advisor (the "Financial Advisor") to prepare an analysis of the potential savings that will accrue to the Successor Agency and to applicable taxing entities as a result of the use of the proceeds of the Refunding Bonds to repay the Prior Bonds and, thereby, to refund the Prior Bonds (the "Debt Service Savings Analysis"); and

WHEREAS, the Successor Agency wishes at this time to approve the issuance of the Refunding Bonds and to approve the form of and authorize the execution and delivery of the Fourth Supplemental Agreement and the Irrevocable Refunding Instructions to be delivered by the Successor Agency to the Fiscal Agent, as fiscal agent for the Prior Bonds, one each for the Series 1996A Bonds and the Series 1999 Bonds, each to be dated as of the date of the issuance and delivery of the Refunding Bonds (collectively, the "Refunding Instructions"); and

WHEREAS, pursuant to Section 34179 of the Dissolution Act, an oversight board (the "Oversight Board") has been established for the Successor Agency; and

WHEREAS, the Successor Agency is now requesting that the Oversight Board approve the issuance of the Refunding Bonds pursuant to this Resolution and the Agreement; and

WHEREAS, the Successor Agency further requests that the Oversight Board make certain determinations described below on which the Successor Agency will rely in undertaking the refunding proceedings and the issuance of the Refunding Bonds; and

WHEREAS, the Successor Agency has determined to sell the Refunding Bonds to JPMorgan Chase Bank, N.A. (the "Original Purchaser") pursuant to the terms of the Purchase Contract (the "Purchase Contract") to be entered into by the Successor Agency and the Original Purchaser;

NOW, THEREFORE, BE IT RESOLVED that the Successor Agency does hereby find the above Recitals are true and correct and have served, together with the supporting documents, as the basis for the findings and approvals set forth below.

BE IT FURTHER RESOLVED:

1. <u>Determination of Savings</u>. The Successor Agency has determined that there are significant potential savings available to the Successor Agency and to applicable taxing entities in compliance with the Savings Parameters by the issuance by the Successor Agency of the Refunding Bonds to provide funds to refund and defease the Prior Bonds, all as evidenced by the Debt Service Savings Analysis on file with the City Clerk [as the secretary (the "Secretary") of the Successor Agency] which Debt Service Savings Analysis is hereby approved.

2. Approval of Issuance of the Refunding Bonds. The Successor Agency hereby authorizes and approves the issuance of the Refunding Bonds under the Law, the Dissolution Act and the Refunding Law in the combined aggregate principal amount of not to exceed $4,000,000, provided that the Refunding Bonds are in compliance with the Savings Parameters at the time of sale and delivery.

3. Approval of Fourth Supplemental Agreement. The Successor Agency hereby approves the Fourth Supplemental Agreement prescribing the terms and provisions of the Refunding Bonds and the application of the proceeds of the Refunding Bonds. Each of the Mayor, as the Chair and presiding officer of the Successor Agency, the Vice Mayor, as the Vice Chair of the Successor Agency, or the City Manager of the City of Clayton, as the chief administrative officer of the Successor Agency (each, an "Authorized Officer"), is hereby authorized and directed to execute and deliver, and the City Clerk, [as the Secretary of the Successor Agency], is hereby authorized and directed to attest to, the Fourth Supplemental Agreement for and in the name and on behalf of the Successor Agency, in substantially the form on file with the Secretary of the Successor Agency, with such changes therein (including the change with respect to the Reserve Account as provided below), deletions therefrom and additions thereto as the Authorized Officer executing the same shall approve, such approval to be conclusively evidenced by the execution and delivery of the Indenture. The Successor Agency hereby authorizes the delivery and performance of the Fourth Supplemental Agreement.

In the event that the Authorized Officers determine it is in the best interest of the Successor Agency to include a Reserve Account to be held by the Fiscal Agent pursuant to the Fourth Supplemental Agreement in order to provide additional security for the Refunding Bonds, the Authorized Officers are hereby authorized and directed to cause the Fourth Supplemental Agreement to be revised to include a Reserve Account, provided that the amount deposited therein shall not exceed the amount generally deposited in reserve accounts securing similar tax exempt tax increment obligations.

4. Approval of Refunding Instructions. The forms of the Refunding Instructions on file with the City Clerk [as the Secretary of the Successor Agency], are hereby approved, and the Authorized Officers are, each acting alone hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to execute and deliver the Refunding Instructions. The Successor Agency hereby authorizes the delivery and performance of its obligations under the Refunding Instructions.

5. Oversight Board Approval of the Issuance of the Refunding Bonds. The Successor Agency hereby requests the Oversight Board as authorized by Section 34177.5(f) and Section 34180 to approve the issuance of the Refunding Bonds pursuant to Section 34177.5(a)(1) and this Resolution and the Agreement (including the Fourth Supplemental Agreement), and such approval shall be deemed to be the direction of the Oversight Board to the Successor Agency to proceed with the issuance, sale and delivery of the Refunding Bonds pursuant to Section 34177.5(f) for purposes of the recovery of its related costs in connection with the Refunding Bonds.

6. Determinations by the Oversight Board. The Successor Agency requests that the Oversight Board make the following determinations upon which the Successor Agency will rely in undertaking the refunding proceedings and the issuance of the Refunding Bonds:

(a) The Successor Agency is authorized, as provided in Section 34177.5(f), to recover its costs related to the issuance of the Refunding Bonds from the proceeds of the Refunding Bonds, including the cost of reimbursing the City for administrative staff time spent with respect to the authorization, issuance, sale and delivery of the Refunding Bonds;

(b) The application of proceeds of the Refunding Bonds by the Successor Agency to the refunding and defeasance of the Prior Bonds, as well as the payment by the Successor Agency of costs of issuance of the Refunding Bonds, as provided in Section 34177.5(a), shall be implemented by the Successor Agency promptly upon sale and delivery of the Refunding Bonds, notwithstanding Section 34177.3 or any other provision of law to the contrary, without the approval of the Oversight Board, the California Department of Finance, the Contra Costa County Auditor-Controller or any other person or entity other than the Successor Agency;

(c) The Successor Agency shall be entitled to receive its full Administrative Cost Allowance under Section 34183(a)(3) without any deductions with respect to continuing costs related to the Refunding Bonds, such as trustee's fees, auditing and fiscal consultant fees and continuing disclosure and rating agency costs (collectively, "Continuing Costs of Issuance"), and such Continuing Costs of Issuance shall be payable from property tax revenues pursuant to Section 34183. In addition and as provided by Section 34177.5(f), if the Successor Agency is unable to complete the issuance of the Refunding Bonds for any reason, the Successor Agency shall, nevertheless, be entitled to recover its costs incurred with respect to the refunding proceedings from such property tax revenues pursuant to Section 34183 without reduction in its Administrative Cost Allowance.

7. <u>Filing of Debt Service Savings Analysis and Resolution</u>. The City Clerk [as the Secretary of the Successor Agency] is hereby authorized and directed to file the Debt Service Savings Analysis, together with a certified copy of this Resolution, with the Oversight Board, and, as provided in Section 34180(j) with the Contra Costa County Chief Administrative Officer, the Contra Costa Auditor-Controller and the California Department of Finance.

8. <u>Sale of Refunding Bonds</u>. The Successor Agency hereby approves the Purchase Contract and the sale and delivery of the Refunding Bonds to the Original Purchaser on the terms and conditions set forth therein and in the Term Sheet dated April 23, 2014 (the "Term Sheet") from the Original Purchaser. The Authorized Officers, each acting alone, are hereby authorized and directed to execute and deliver the Purchase Contract for and in the name and on behalf of the Successor Agency, in substantially the form on file with the City Clerk [as the Secretary of the Successor Agency], with such changes therein, deletions therefrom and additions thereto as the Authorized Officer executing the same shall approve, such approval to be conclusively evidenced by the execution and delivery of the Purchase Contract. The Successor Agency hereby authorizes the delivery and performance of its obligations under the Purchase Contract and the Term Sheet.

9. <u>Issuance of Refunding Bonds in Whole or in Part</u>. It is the intent of the Successor Agency to sell and deliver the Refunding Bonds in whole, provided that there is compliance with the Savings Parameters and that such refunding in whole is otherwise feasible. However, the Successor Agency hereby authorizes the sale and delivery of the Refunding Bonds in whole or, if such Savings Parameters cannot be met or if it is otherwise not feasible to refund certain of the Prior Bonds, then in part; provided that the Refunding Bonds so sold and delivered in part are in compliance with the Savings Parameters. The sale and delivery of the Refunding Bonds in part will in each instance provide sufficient funds only for the refunding of that portion of the Refunding Bonds that meet the Savings Parameters. In the event the

Refunding Bonds are initially sold in part, the Successor Agency intends to sell and deliver additional parts of the Refunding Bonds without the prior approval of the Oversight Board provided that in each such instance the Refunding Bonds so sold and delivered in part are in compliance with the Savings Parameters.

10. Bank Qualification. The Successor Agency hereby designates the Series 2014 Bonds for purposes of paragraph (3) of section 265(b) of the Code and represents that not more than $10,000,000 aggregate principal amount of obligations the interest on which is excludable (under section 103(a) of the Code) from gross income for federal income tax purposes (excludable (i) private activity bonds, as defined in section 141 of the Code, except qualified 501(c)(3) bonds as defined in section 145 of the Code and (ii) current refunding obligations to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligation), including the Series 2014 Bonds, has been or will be issued by the Successor Agency, including all subordinate entities of the Successor Agency, during the calendar year 2014.

11. Official Actions. The Authorized Officers and any and all other officers of the Successor Agency are hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to do any and all things and take any and all actions, which they, or any of them, may deem necessary or advisable in obtaining the requested approvals by the Oversight Board and the California Department of Finance and in the issuance, sale and delivery of the Refunding Bonds. Whenever in this Resolution any officer of the Successor Agency is directed to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

AND BE IT FURTHER RESOLVED that this Resolution shall and does take immediate effect upon its adoption.

PASSED, APPROVED AND ADOPTED by the Successor Agency to the Former Redevelopment Agency of the City of Clayton, California at a regular public meeting thereof held on the 6th day of May 2014 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

THE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF CLAYTON

Hank Stratford, Chair

ATTEST:

Janet Brown, Agency Secretary

* * * * *

I certify that the foregoing is a true and correct copy of the original Resolution on file in the office of the Secretary of the Successor Agency.

Janet Brown, Agency Secretary

CHASE

April 23, 2014

Mike Cavanaugh
Southwest Securities, Inc
c/o Successor Agency to the Redevelopment Agency of the City of Clayton (Contra Costa County, California)

RE: Private Placement for $3,745,000, 2014 Tax Allocation Refunding Bond (the "Bond")

JPMorgan Chase Bank, NA ("Bank") is pleased to submit this proposal for tax-exempt financing to the Successor Agency to the Redevelopment Agency of the City of Clayton (the "Agency" or "Issuer"), Contra Costa County, California. This proposal is presented in the form of a non-binding "Term Sheet", subject to final credit approval, negotiation and acceptance of all terms, conditions and documentation for the transaction. The letter does NOT signify a commitment by Bank to extend credit or purchase the Bond.

TYPE OF FINANCING:	Tax-exempt Bond (the "Bond") to be issued by the Agency and privately placed with the Bank pursuant to the provisions of federal, state and local statutes. Bank intends to hold the Bond to final maturity. Bank will not require either a rating for the Bond, or the purchase of insurance for repayment.
FORM OF BOND:	Bank will require a single term instrument with sinking fund payments equivalent to the maturity schedule and without DTC registration.
LEGAL OPINION:	Purchase of the Bond will be subject to the opinion of Jones Hall, Agency Counsel, to the effect that under existing laws and assuming continuous compliance by the Borrower with certain covenants designed to meet the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Bond will be excluded from gross income of the owners for Federal income tax purposes. Purchase of the Bond will also be subject to a satisfactory opinion of Bond Counsel that the Issuer's obligations under the Bond documents are legal, valid, binding and enforceable against the Issuer.
USE OF PROCEEDS:	Refunding of the Community Redevelopment Agency's 1996A Tax Allocation Bonds and 1999 Tax Allocation Bonds, originally issued in the amount of $7,225,000 and $7,460,000, respectively.
PRINCIPAL AMOUNT:	$3,745,000
FINANCING TERM:	Eleven (11) years
INTEREST RATE:	<u>The rates provided below are provided exclusively for indicative purposes, based on market conditions as of April</u>

ATTACHMENT 3

23, 2014. The actual rate of interest borne by the Bond will be set by mutual agreement between Bank and the Issuer.

The interest rate will be fixed immediately prior to closing, based upon 65 percent of the aggregate of an index of the 10-year Treasury Constant Maturity Rate as most recently published by the Federal Reserve Board in the Federal Reserve Statistical Release H.15 (519) (the "Index") plus 0.88% (the "Margin") over the index. However, prior to acceptance, the interest rate may increase if the Bank's cost of funds increases. Bank's cost of funds may increase due to a number of factors including, but not limited to, changes in market conditions. Interest will be calculated on a 30/360 basis.

To illustrate, if the financing closed on the date of this Term Sheet, the interest rate would be fixed at 2.30 %, based upon the Index for the week ending April 18, 2014.

Rate Option: Indicative Non-Callable Tax-Exempt Fixed Rate of 2.30%

REPAYMENT TERMS: The 2014 Bond will be structured with ten (10) annual principal sinking fund payments on each August 1st, commencing August 1, 2015; and twenty-one (21) semi-annual payments of accrued interest on each August 1st and February 1st (each a "Payment Date") commencing August 1, 2014, with a final maturity of August 1, 2024.

OPTIONAL REDEMPTION: The Bonds will not be subject to optional redemption prior to maturity.

SECURITY: Pledged tax increment revenues generated from the City of Clayton Redevelopment Project Area, deposited into the Successor Agency's Redevelopment Property Tax Trust Fund (RPTTF) by the County Auditor-Controller.

FINANCIAL REPORTING: The Agency will be required to provide Bank with audited annual financial statements, free of significant deficiencies or material weakness, and prepared by an independent Certified Public Accountant, within 270 days of the close of its fiscal year. Additionally, the Agency will provide Bank with a copy of its annual budget, as adopted or amended, within 30 days of adoption or amendment. Other reporting, such as Bank may require from time to time, could include copies of any long-term capital improvement plans.

The Agency shall manage its fiscal affairs in a manner which ensures that it will have sufficient Tax Revenues available in the amounts and at the times required to enable the Agency to pay the principal of and interest and premium (if any) on the outstanding Bonds and any outstanding Parity Debt when due and provide the Bank such annual information on its remaining tax increment revenues as the Bank shall request

DOCUMENTATION:	Documentation shall be prepared by Issuer's counsel, Jones Hall which firm represents Issuer at Issuer's expense. This Term Sheet is subject to approval of the documentation by the Bank and its independent Bank counsel, Squire Sanders, in the Bank's sole discretion, including but not limited to the form of Bond Agreement and form of Bond.
EVENT OF DEFAULT:	In the event of payment default, the Bank may seek all remedies available to it under law or equity in the state of California.
FEES AND EXPENSES:	The independent Bank counsel fees and costs not expected to exceed $10,000. Upon acceptance of this proposal, the Agency shall be responsible for reimbursing the Bank for all fees and expenses related to the transaction, including but not limited to rate lock "breakage" fees (if any), and costs of documentation review by outside counsel. The Agency's responsibility for fees is not contingent on the closing of this transaction. The District will also pay CDIAC Fees in the amount of 1.5 bps of the par amount of the Bonds.
EXPIRATION:	This Term Sheet must be accepted on or before April 25, 2014 and funded on or before May 30, 2014. If acceptance or funding has not occurred by the respective dates, the Bank may, at its option and in its sole discretion, terminate the Term Sheet and/or the Interest Rate may be adjusted.
MATERIAL CHANGE:	Any change (whether material or not) in the amount to be financed or a material change in the financial condition or prospects of the Issuer may constitute a re-pricing event and Bank may, at its option and in its sole discretion, terminate this Term Sheet and/or the Interest Rate may be adjusted.

We appreciate your interest in us and look forward to your favorable response. Should you have any questions regarding this Term Sheet, please contact me at (925) 256-4829 or via email at abdul.h.maiwand@chase.com.

Sincerely,

JPMORGAN CHASE BANK, NA

Abdul H. Maiwand
Vice President

ACCEPTED BY: Successor Agency to the Redevelopment Agency of the City of Clayton (Contra Costa County, California)

By: ______________________

Name: GARY NAPPER

Title: CITY MANAGER

Date: 24 APRIL 2014

IRS Circular 230 Disclosure: Bank and its affiliates (collectively, "Chase") do not provide tax advice. Accordingly, any discussion of U.S. tax matters contained herein (including any attachments) is not intended or written to be used, and cannot be used, in connection with the promotion, marketing or recommendation by anyone unaffiliated with Chase of any of the matters addressed herein or for the purpose of avoiding U.S. tax-related penalties.

FOURTH SUPPLEMENTAL INDENTURE AND FISCAL AGENT AGREEMENT

by and between the

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF CLAYTON

and

U.S. BANK NATIONAL ASSOCIATION,
as Fiscal Agent

Dated as of June 1, 2014

Relating to

$__________ Principal Amount of
Successor Agency to the Redevelopment Agency of the City of Clayton,
City of Clayton Redevelopment Project Area
Refunding Tax Allocation Bonds, Series 2014

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DRAFT

FOURTH SUPPLEMENTAL INDENTURE AND FISCAL AGENT AGREEMENT

THIS FOURTH SUPPLEMENTAL INDENTURE AND FISCAL AGENT AGREEMENT (this "Fourth Supplemental Agreement") is made and entered into as of June 1, 2014, by and between the Successor Agency to the Redevelopment Agency of the City of Clayton, California, a public body, organized and existing under and by virtue of the Community Redevelopment Law of the State of California (the "Successor Agency"), and U.S. Bank National Association, a national banking association, duly organized and existing under the laws of the United States of America, as fiscal agent (the "Fiscal Agent").

W I T N E S S E T H:

WHEREAS, the Redevelopment Agency of the City of Clayton (the "Former Agency") was a public body, corporate and politic, duly established and authorized to transact business and exercise powers under and pursuant to the provisions of the Community Redevelopment Law of the State of California, constituting Part 1 of Division 24 of the Health and Safety Code of the State (the "Law");

WHEREAS, a redevelopment plan for a redevelopment project area designated the "City of Clayton Redevelopment Project" (the "Redevelopment Project") was adopted in compliance with all requirements of the Law;

WHEREAS, pursuant to Section 34172(a) of the California Health and Safety Code (unless otherwise noted, Section references hereinafter being to such Code), the Former Agency has been dissolved and no longer exists as a public body, corporate and politic, and pursuant to Section 34173, the City of Clayton (the "City") has become the successor entity to the Former Agency (the "Successor Agency"), as more fully described below;

WHEREAS, the Former Agency has previously issued its City of Clayton Redevelopment Project Area Tax Allocation Bonds, Series 1990 (the "Series 1990 Bonds"), pursuant to an Indenture and Fiscal Agent Agreement, dated as of December 1, 1990, by and between the Former Agency and Bankers Trust Company of California, N.A. (the "Original Agreement"); and

WHEREAS, the Former Agency has previously issued Parity Obligations (as defined in the Original Agreement) designated its City of Clayton Redevelopment Project Area Tax Allocation Bonds, Series 1993 (the "Series 1993 Bonds"), pursuant to a First Supplemental Indenture and Fiscal Agent Agreement, dated as of December 1, 1993 (the "First Supplemental Agreement"), by and between the Former Agency and First Trust of California, National Association; and

WHEREAS, the Former Agency has previously issued Parity Obligations designated its City of Clayton Redevelopment Project Area Refunding Tax Allocation Bonds, Series 1996A (the "Series 1996A Bonds") and its City of Clayton Redevelopment Project Area Refunding Tax Allocation Bonds, Series 1996B (Taxable) the "Series 1996B Bonds" and, together with the Series 1996A Bonds, the "Series 1996 Bonds"), pursuant to a Second Supplemental Indenture and Fiscal Agent Agreement, dated as of November 1, 1996 (the "Second Supplemental Agreement"), by and between the Former Agency and First Trust of California, National Association; and

WHEREAS, the Former Agency has previously issued Parity Obligations designated its City of Clayton Redevelopment Project Area Tax Allocation Bonds, Series 1999 (the "Series 1999 Bonds"), pursuant to a Third Supplemental Indenture and Fiscal Agent Agreement, dated as of May 1, 1999 (the "Third Supplemental Agreement"), by and between the Former Agency and U.S. Bank Trust National Association; and

WHEREAS, the Original Agreement provides that the Former Agency and, by succession, the Successor Agency, may provide for the issuance of, and sell, Parity Obligations by fiscal agent agreement or similar agreement or resolution, which may be a Supplemental Agreement, and that the Former Agency and, by succession, the Successor Agency, may provide for the issuance of, and sell, such Parity Obligations in such principal amounts as it estimates will be needed for the Redevelopment Project purposes, subject to the conditions precedent set forth in the Original Agreement;

WHEREAS, Section 34177.5 of the Dissolution Act, as defined herein, authorizes the Successor Agency to undertake proceedings for the refunding of outstanding bonds and other obligations of the Former Agency, subject to the conditions precedent contained in said Section 34177.5;

WHEREAS, the Dissolution Act, among other things, authorizes the Successor Agency to issue bonds pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the "Refunding Law") for the purpose of achieving debt service savings within the parameters set forth in said Section 34177.5(a)(1);

WHEREAS, the Successor Agency has determined that it will achieve debt service savings within such parameters by the issuance pursuant to the Law, the Dissolution Act, the Refunding Law and the Original Agreement, as heretofore amended and supplemented by the First Supplemental Agreement, the Second Supplemental Agreement and the Third Supplemental Agreement, and as amended and supplemented by this Fourth Supplemental Agreement, of its $______________ aggregate principal amount of Successor Agency to the Redevelopment Agency of the City of Clayton City of Clayton Redevelopment Project Area Refunding Tax Allocation Bonds, Series 2014 (the "Bonds"), to refund the Series 1996A Bonds and the Series 1999 Bonds (collectively, the "Prior Bonds"), which bonds are the only obligations currently outstanding under the Agreement; and

WHEREAS, all acts and proceedings required by law necessary to make the Series 2014 Bonds, when executed by the Successor Agency and authenticated and delivered by the Fiscal Agent, the duly issued, valid, binding and legal special obligation of the Successor Agency, and to constitute this Fourth Supplemental Agreement a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this Fourth Supplemental Agreement have been in all respects duly authorized;

NOW, THEREFORE, in order to secure the payment of the principal of and the interest and premium, if any, on the Series 2014 Bonds and all other obligations under this Fourth Supplemental Agreement, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and in consideration of the premises and of the mutual covenants herein contained, and of the purchase and acceptance of the Series 2014 Bonds by the holders thereof, and for other valuable consideration, the receipt whereof is hereby acknowledged, the Successor Agency does hereby covenant and agree with the Fiscal Agent, for the benefit of the holders from time to time of the Series 2014 Bonds, as follows:

ARTICLE I
DEFINITIONS

SECTION 1.01. Definitions. Unless the context otherwise requires, the capitalized terms used in this Fourth Supplemental Agreement shall have the meanings assigned to such terms in the Original Agreement, as heretofore amended, unless otherwise defined below or elsewhere in this Fourth Supplemental Agreement. Definitions of terms below that are not defined in the Original Agreement, as heretofore amended, shall constitute a supplement to the definitions in the Original Agreement.

Agreement

The term "Agreement" means the Indenture and Fiscal Agent Agreement, dated as of December 1, 1990, by and between the Former Agency and the Fiscal Agent, as amended and supplemented from time to time by any Supplemental Agreements, including the First Supplemental Agreement, the Second Supplemental Agreement, the Third Supplemental Agreement and this Fourth Supplemental Agreement.

Department of Finance

The term "Department of Finance" means the Department of Finance of the State of California.

Dissolution Act

The term "Dissolution Act" means Part 1.85 (commencing with Section 34170) of Division 24 of the California Health and Safety Code.

Investment Securities

For purposes of investment of amounts on deposit in the Special Fund Series 2014 Interest Account and the Series 2014 Principal Account, the term "Investment Securities" means any of the following (but only to the extent that the same are acquired at Fair Market Value) which at the time are legal investments under the laws of the State for moneys held hereunder and then proposed to be invested therein:

(1) direct obligations of (including obligations issued or held in book entry form on the books of the Department of Treasury of the United States of America;

(2) obligations of any of the following federal agencies Which obligations represent truly faith and credit of the United States of America Export - Import Bank; Farm Credit System Financial Assistance Corporation; Rural Economic Community Development Administration (formerly the Farmers Home Administration); General Services Administration; U. S. Maritime Administration; Small Business Administration; Government National Mortgage Association (GNMA); U. S. Department of Housing & Urban Development (PHA's); and Federal Housing Administration;

(3) senior debt obligations rated "AA" or higher by S&P and "Aa" or higher by Moody's issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation or of other government sponsored agencies;

(4) U. S. dollar denominated deposit accounts, federal funds and banker's acceptances with domestic commercial banks (including the Fiscal Agent) which have a rating on their short term certificates of deposit on the date of purchase of "A-l" or "A-1+" by S&P and "P-1" by Moody's and maturing no more than 360 days after the date of purchase (for purposes of this paragraph (4), ratings on holding companies are not considered as the rating of the bank);

(5) commercial paper which is rated at the time of purchase in the single highest classification, "A-1+" by S&P and "P-1" by Moody's and which matures not more than 270 days after the date of purchase;

(6) investments in a money market fund rated "AAm" or "AAm-G" or higher by S&P, including those for which the Fiscal Agent, its parent, its affiliates or subsidiaries provide investment advisory or other management services, provided this portfolio meets the criteria set forth above; and

(7) 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 S&P and Moody's; or (B) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph (1) above, which escrow may be applied only to the payment of such principal of and 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 of and 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.

<u>Original Purchaser</u>

The term "Original Purchaser" means JPMorgan Chase Bank, N.A..

<u>Oversight Board</u>

The term "Oversight Board" means the Oversight Board of the Successor Agency established pursuant to the Section 34179 of the Dissolution Act.

<u>Principal Corporate Trust Office</u>

The term "Principal Corporate Trust Office" means the corporate trust office of the Fiscal Agent in San Francisco, California, or such other or additional offices as the Fiscal Agent may designate in writing to the Successor Agency from time to time as the corporate trust office for purposes of the Agreement; except that with respect to presentation of Series 2014 Bonds for payment or for registration of transfer and exchange such term means the office or agency of the Fiscal Agent at which, at any particular time, its corporate trust agency business is conducted, initially in Saint Paul, Minnesota.

Redevelopment Property Tax Trust Fund

The term "Redevelopment Property Tax Trust Fund" means the Redevelopment Property Tax Trust Fund established pursuant to Health & Safety Code Sections 34170.5(a) and 34172(c) and administered by the County Auditor-Controller of the County of Contra Costa.

Refunding Law

The term "Refunding Law" means Article 10 (commencing with Section 53570) and Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of title 5 of the California Government Code.

Reserve Requirement

The term "Reserve Requirement" means, with respect to the Series 2014 Bonds, $0.

Retirement Fund

The term "Retirement Fund" means the Redevelopment Obligation Retirement Fund established and held by the Successor Agency pursuant to Section 34170.5(a) of the California Health and Safety Code.

Series

The term "Series" means all of the Series 2014 Bonds designated as being of the same series, authenticated and delivered in a simultaneous transaction, regardless of variations in maturity, interest rate, redemption and other provisions, and any Series 2014 Bonds thereafter authenticated and delivered upon transfer or exchange of or in lieu of or in substitution for (but not to refund) such Series 2014 Bonds as herein provided.

Series 1996A Refunding Instructions

The term Series 1996A Refunding Instructions means those Irrevocable Refunding Instructions relating to the Series 1996A Bonds dated the Closing Date and given by the Successor Agency to the Fiscal Agent.

Series 1999 Refunding Instructions

The term Series 1999 Refunding Instructions means those Irrevocable Refunding Instructions relating to the Series 1999 Bonds dated the Closing Date and given by the Successor Agency to the Fiscal Agent.

Series 2014 Bond Proceeds Fund

The term "Series 2014 Bond Proceeds Fund" means the fund by that name established and held by the Fiscal Agent pursuant to Section 2.12.

Series 2014 Bonds

The term "Series 2014 Bonds" means the Successor Agency's City of Clayton Redevelopment Project Area Refunding Tax Allocation Bonds, Series 2014.

Series 2014 Closing Date

The term "Series 2014 Closing Date" means June __, 2014.

Series 2014 Tax Certificate

The term "Series 2014 Tax Certificate" means the Certificate As To Arbitrage and Certificate Regarding the Use of Proceeds concerning certain matters pertaining to the use and investment of proceeds of the Series 2014 Bonds, executed and delivered by the Successor Agency on the Series 2014 Closing Date, including any and all exhibits attached thereto.

ARTICLE II
THE SERIES 2014 BONDS

SECTION 2.01. Authorization and Purpose of the Series 2014 Bonds. The Successor Agency hereby authorizes the issuance of the Series 2014 Bonds for the purpose of providing moneys for the refinancing of the Redevelopment Plan. [The parties hereto hereby acknowledge that the Series 2014 Bonds are secured on a parity with any Outstanding Parity Obligations issued under the Agreement.][applicable only if the Series 1996A Bonds are not refunded]

SECTION 2.02. Terms of the Series 2014 Bonds. The Series 2014 Bonds authorized to be issued by the Successor Agency under and subject to the terms of this Agreement, the Law, the Dissolution Act and the Refunding Law shall be designated the "Successor Agency to the Redevelopment Agency of the City of Clayton, City of Clayton Redevelopment Project Area Refunding Tax Allocation Bonds, Series 2014," and shall be in the principal amount of $_______. The Series 2014 Bonds shall be dated the date of delivery thereof, shall bear interest at the rates set forth herein (calculated on the basis of a 360-day year comprised of twelve 30-day months) shall be issued as fully registered bonds in any Authorized Denominations, shall be numbered in such manner as the Fiscal Agent may deem appropriate so long as each Series 2014 Bond receives a distinctive number and shall mature, subject to the right of prior redemption in whole or in part, as described herein, and become payable, as provided herein.

The Series 2014 Bonds shall bear interest at the rates per annum, payable February I and August 1 of each year commencing February 1, 2015 and shall mature on August 1, 2024.

The Series 2014 Bonds shall bear interest from the Interest Payment Date immediately preceding the date of authentication thereof unless (i) the date of authentication thereof is prior to the first regular Record Date in which event from the dated date of such Series 2014 Bond, or (ii) the date of authentication thereof is an Interest Payment Date, in which event from that Interest Payment Date, or (iii) the date of authentication thereof is after a regular Record Date but before the following Interest Payment Date, and if the Successor Agency shall not default in the payment of interest due on such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date.

Payment of interest on the Series 2014 Bonds shall be paid by check mailed by the Fiscal Agent on the Interest Payment Date via first-class mail to the Holders at their addresses shown on the registration books of the Fiscal Agent as of the close of business on the Record Date with respect to such Interest Payment Date; provided that payment of interest may be paid by federal wire transfer to an account in the continental United States designated by any Holder in the aggregate principal amount of $1,000,000 or more, upon provision of a written notice received by the Fiscal Agent prior to the applicable Record Date Any such written notice shall remain in effect until terminated or changed by subsequent written notice of the Holder.

Interest shall be paid notwithstanding the cancellation of any Series 2014 Bonds upon any exchange or registration of transfer thereof subsequent to the Record Date and prior to such interest Payment Date, except that, if and to the extent there shall be a default in the payment of the interest due on such Interest Payment Date, such defaulted interest shall be paid to the Holders in whose names any such Series 2014 Bonds (or any Series 2014 Bond or Series 2014 Bonds issued upon registration of transfer or exchange thereof) are registered at the close of business on the fifth (5th) Business Day next preceding the date of payment of such defaulted interest.

Principal of and redemption premiums, if any, on the Series 2014 Bonds shall be payable upon the surrender thereof at the Principal Corporate Trust Office of the Fiscal Agent Principal of and redemption premiums, if any, and interest on the Series 2014 Bonds shall be paid in lawful money of the United States of America

SECTION 2.03. Redemption of the Series 2014 Bonds.

(a) No Optional Redemption. The Series 2014 Bonds are not subject to optional redemption prior to their stated maturities.

(b) Mandatory Sinking Fund Payments. The Series 2014 Bonds shall be subject to mandatory redemption in part by lot prior to their maturity date, upon notice as provided in subparagraph (d) below, on each August 1, commencing August 1, 2015, solely from money which has been deposited into the Series 2014 Principal Account in amounts and upon the dates hereby established for the Bonds, as follows:

Date (August 1)	Amount	Date (August 1)	Amount
2015		2020	
2016		2021	
2017		2022	
2018		2023	
2019		2024 (maturity)	

*Maturity

The portion of the Series 2014 Bonds so redeemed shall be redeemed at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium.

(c) Effect of Redemptions. After the date filed for redemption, notice of such redemption shall have been duly given and funds available for the payment of such redemption price of the Series 2014 Bonds or portion thereof so called for redemption shall have been duly provided, no interest shall accrue on the Series 2014 Bonds or portion thereof after the redemption date specified in such notice and said Series 2014 Bonds shall cease to be entitled to any lien, benefit or security under this Agreement, and the Holders of said Series 2014 Bonds shall have no rights in respect thereof except to receive payment of the redemption price.

All Series 2014 Bonds redeemed in whole pursuant to this Section 2.03 shall, upon written order of the Successor Agency delivered to the Fiscal Agent, be destroyed by the Fiscal Agent which shall thereupon deliver to the Successor Agency a certificate evidencing such destruction

(d) Notice of Redemption. Notice of redemption shall be given by the Fiscal Agent for and on behalf of the Successor Agency, by first class mail, not more than sixty (60) and not less than thirty (30) days prior to the redemption date, to the Holder of each Series 2014 Bond called for redemption, at its address as it appears on the registration books, but neither failure to mail such notice to any Holder of a Series 2014 Bond nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of any of the Series 2014 Bonds with respect to which such failure or defect shall have occurred. Each notice of redemption shall state the redemption date, the place of redemption, the source of the funds to be used for such redemption, the principal amount and, if less than all the Series 2014 Bonds are called for redemption, the CUSIP numbers, if any, of the Series 2014 Bonds to be redeemed, the distinctive numbers of the Series 2014 Bonds to be redeemed, and shall also state that the interest on the Series 2014 Bonds in such notice designated for redemption shall cease to accrue from and after such redemption date and that on said date there will become due and payable on each of said Series 2014 Bonds the principal amount thereof to be redeemed, interest accrued thereon to the redemption date and the premium, if any, thereon (such premium to be specified).

(e) Partial Redemption. Any Series 2014 Bond may be redeemed in whole or in part, but no part of any Series 2014 Bond shall be redeemed in an amount less than a minimum Authorized Denomination. Upon surrender of any Series 2014 Bond redeemed in part only, the Successor Agency shall execute and the Fiscal Agent shall authenticate and deliver to the Holder thereof, without charge to the Holder thereof, a new Series 2014 Bond or Series 2014 Bonds or like series and maturity and of Authorized Denominations designated by such Holder equal in aggregate principal amount to the unredeemed portion of the Series 2014 Bond surrendered.

SECTION 2.04. Forms of Series 2014 Bond. The Series 2014 Bonds and the forms of authentication and registration endorsement and the assignment to appear thereon shall be substantially in the forms attached hereto as Appendix A, with necessary or appropriate variations, omission and insertions as permitted or required by the Agreement. The Series 2014 Bonds may be typed, printed, lithographed or engraved.

SECTION 2.05. Execution of Series 2014 Bonds. Notwithstanding Section 2.05 of the Original Agreement, the Series 2014 Bonds shall be executed on behalf of the Successor Agency with the manual or facsimile signature of the Chair, the Vice Chair or the Executive Director of the Successor Agency and attested with the manual or facsimile signature of the Secretary of the Successor Agency. In case any officer whose signature appears on the Series 2014 Bonds shall cease to be such officer before the delivery of the Series 2014 Bonds to the purchaser thereof, such signature shall nevertheless be valid and sufficient for all purposes the same as though he had remained in office until such delivery of the Series 2014 Bonds.

The Series 2014 Bonds shall bear thereon a certificate of authentication and registration substantially in the forms recited in Appendix A hereto, executed and dated by the Fiscal Agent, and only if such certificate of authentication is executed by the Fiscal Agent shall the Series 2014 Bonds be entitled to any benefits under the Agreement or be valid or obligatory for any purpose, and such certificate of the Fiscal Agent shall be conclusive evidence that the Series 2014 Bonds so registered have been duly issued and delivered hereunder and are entitled to the benefits of the Agreement.

SECTION 2.06. Transfer and Registration of the Series 2014 Bonds; Exchange of Series 2014 Bonds.

(a) Transfer and Registration of the Series 2014 Bonds. Subject to the provisions of Section 2.13, any Series 2014 Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of Section 2.08, by the person in whose name it is registered or by his duly authorized attorney, upon surrender of such Series 2014 Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Fiscal Agent, duly executed.

Whenever any Series 2014 Bond or Series 2014 Bonds shall be surrendered for transfer, the Successor Agency shall execute and the Fiscal Agent shall authenticate and deliver a new Series 2014 Bond or Series 2014 Bonds of the same Series, of any Authorized Denomination, and for the same aggregate principal amount and maturity. The Fiscal Agent shall require the payment by the Holder requesting such transfer or any exchange of any tax or other governmental charge required to be paid with respect to such transfer.

(b) Exchange of Series 2014 Bonds Subject to the provisions of Section 2.13, Series 2014 Bonds may be exchanged at the Principal Corporate Trust Office of the Fiscal Agent for a like aggregate principal amount of Series 2014 Bonds of the same Series of other Authorized Denominations of the same maturity and interest rate. All Series 2014 Bonds surrendered pursuant to the provisions of this Section shall be cancelled by the Fiscal Agent and shall not be redelivered.

The Successor Agency shall not be required to issue, register the transfer of, or exchange, any Series 2014 Bonds during the period from a Record Date to the succeeding Interest Payment date during the fifteen (15) days preceding the selection of Series 2014 Bonds for redemption, on any date on which notice of redemption is scheduled to be mailed, or on any redemption date.

SECTION 2.07. Temporary Series 2014 Bonds. Until definitive Series 2014 Bonds shall be prepared, the Successor Agency may cause to be executed and delivered in lieu of such definitive Series 2014 Bonds and subject to the same provisions, limitations and conditions as are applicable in the case of definitive Series 2014 Bonds, except that they may be in any denominations authorized by the Successor Agency, one or more temporary typed, printed, lithographed or engraved Series 2014 Bonds in fully registered form, as may be authorized by the Successor Agency, substantially of the same tenor and, until exchange for definitive Series 2014 Bonds, entitled and subject to the same benefits and provisions of the Agreement as definitive Series 2014 Bonds. If the Successor Agency issues temporary Series 2014 Bonds it will execute and furnish definitive Series 2014 Bonds without unnecessary delay and thereupon the temporary Series 2014 Bonds may be surrendered to the Fiscal Agent at its Principal Corporate Trust Office, without expense to the Holder in exchange for such definitive Series 2014 Bonds. All temporary Series 2014 Bonds so surrendered shall be cancelled by the Fiscal Agent and shall not be reissued.

SECTION 2.08. Series 2014 Bond Registration Books. The Fiscal Agent will keep at its Principal Corporate Trust Office sufficient books for the registration and transfer of the Series 2014 Bonds, which shall at all times be open to inspection by the Successor Agency during reasonable business hours; and, upon presentation for such purpose, the Fiscal Agent shall, under such reasonable regulations as it may prescribe, register or transfer the Series 2014 Bonds on said books as hereinbefore provided.

SECTION 2.09. Mutilated, Destroyed, Stolen or Lost Series 2014 Bonds. In case any Series 2014 Bond shall become mutilated in respect of the body of such Series 2014 Bond, or shall be believed by the Fiscal Agent to have been destroyed, stolen or lost, upon proof of ownership satisfactory to the Fiscal Agent, and upon the surrender of such mutilated Series 2014 Bond at the Principal Corporate Trust Office of the Fiscal Agent, or upon the receipt of evidence satisfactory to the Successor Agency of such destruction, theft or loss, and upon receipt also of indemnity satisfactory to the Fiscal Agent, and upon payment of all expenses incurred by the Successor Agency in the premises, the Successor Agency shall execute, and the Fiscal Agent shall authenticate and deliver at said office a new Series 2014 Bond of such Series for the same aggregate principal amount, of like tenor and date, bearing the same number, with such notations as the Successor Agency shall determine, in exchange and substitution for and upon cancellation of the mutilated Series 2014 Bond, or in lieu of and in substitution for the Series 2014 Bond so destroyed, stolen or lost.

If any such destroyed, stolen or lost Series 2014 Bond shall have matured or shall have been called for redemption, payment of the amount due thereon may be made by the Successor Agency upon receipt of like proof, indemnity and payment of expenses.

Any such replacement Series 2014 Bonds issued pursuant to this Section shall be entitled to equal and proportionate benefits with all other Series 2014 Bonds issued hereunder. The Successor Agency and the Fiscal Agent shall not be required to treat both the original Series 2014 Bond and any replacement Series 2014 Bond as being Outstanding for the purpose of determining the principal amount of Series 2014 Bonds which may be issued hereunder or for the purpose of determining any percentage of Series 2014 Bonds Outstanding hereunder, but both the original and replacement Series 2014 Bond shall be treated as one and the same.

SECTION 2.10. Validity of Series 2014 Bonds. The validity of the authorization and issuance of the Series 2014 Bonds shall not be affected in any way by any proceedings taken by the Successor Agency for the financing of the Redevelopment Project, or by any contracts, made by the Successor Agency in connection therewith, and shall not be dependent upon the completion of the financing of the Redevelopment Project or upon the performance by any person of his obligation with respect to the Redevelopment Project, and the recital contained in the Series 2014 Bonds that the same are issued pursuant to the Law, the Dissolution Act and the Refunding Law shall be conclusive evidence of their validity and of the regularity of their issuance.

SECTION 2.11. Application of Proceeds and Other Moneys. Upon receipt of payment for the Series 2014 Bonds in the amount of $____________ (representing the aggregate principal amount of the Series 2014 Bonds) the Fiscal Agent shall apply such amount as follows:

(i) An amount equal to $____________ shall be deposited in the Series 2014 Bond Proceeds Fund established pursuant to Section 2.12.

(ii) An amount equal to $____________ shall be deposited in the Costs of Issuance Account established pursuant to Section 2.12.

SECTION 2.12. Series 2014 Bond Proceeds Fund.

(a) There is hereby created with the Fiscal Agent a special trust fund called the "City of Clayton Redevelopment Project Area Series 2014 Bond Proceeds Fund" (hereinafter sometimes called the "Series 2014 Bond Proceeds Fund").

(b) The moneys set aside in the Series 2014 Bond Proceeds Fund, other than amounts deposited into the Costs of Issuance Account, shall be disbursed as follows:

(i) $_______ shall be deposited by the fiscal Agent in the Escrow Fund created pursuant to the Series 1996A Refunding Instruction; and

(ii) $______ shall be deposited by the fiscal Agent in the Escrow Fund created pursuant to the Series 1999 Refunding Instruction.

(c) There is hereby created with the Fiscal Agent an account within the Series 2014 Bond Proceeds Fund called the "Costs of Issuance Account." Amount on deposit in the Costs of Issuance Account shall be used to pay the Costs of Issuance with respect to the Series 2014 Bonds upon the filing with the Fiscal Agent of a Written Request of the Successor Agency stating the number, amount and general purpose of the requisitioned payment and certifying that such amount has not previously been paid. Amounts remaining on deposit in the Costs of Issuance Account on December 15, 2014 shall be transferred to the Series 2014 Interest Account.

SECTION 2.13. No-Book-Entry System. Notwithstanding anything in the Original Agreement, the First Supplemental Agreement, the Second Supplemental Agreement and the Third Supplemental Agreement to the contrary, the Series 2014 Bonds shall be initially executed and delivered as a single registered bond in the name of the Original Purchaser.

ARTICLE III
TAX REVENUES

SECTION 3.01. Special Fund; Pledge of Tax Revenues. There is hereby continued with the Fiscal Agent a special trust fund called the City of Clayton Redevelopment Project Area Special Fund (the "Special Fund") with special trust accounts created therein and known as the Series 2014 Interest Account and the Series 2014 Principal Account. Separate special trust funds or accounts may be created therein with respect to further Parity Obligations. The parties hereto hereby acknowledges and agree that the Series 2014 Bonds are secured on a parity with [the Outstanding Parity Obligations and] any Parity Obligations hereafter issued under the Agreement.

The Pledged Tax Revenues received by the Successor Agency on or after the date of issue of the Series 2014 Bonds, any proceeds of the Series 2014 Bonds deposited with the Fiscal Agent, including all moneys deposited and held from time to time by the Fiscal Agent in the funds and accounts established hereunder (other than the Series 2014 Rebate Fund), and investment income with respect to any moneys held by the Fiscal Agent hereunder are hereby irrevocably pledged to the punctual payment of the interest on and principal of and redemption premiums, if any, on the Series 2014 Bonds and all Parity Obligations, and the Pledged Tax Revenues and such other money shall not be used for any other purpose while any of the Series 2014 Bonds or Parity Obligations remain Outstanding. This pledge shall constitute a first and exclusive lien on the Pledged Tax Revenues and such other money for the payment of the Series 2014 Bonds and the Parity Obligations, if any, all in accordance with the terms thereof.

In addition to being secured by a pledge of the Pledged Tax Revenues, the Series 2014 bonds shall also be secured a pledge of, and lien on, and shall be repaid from moneys deposited from time to time in the Redevelopment Property Tax Trust Fund established pursuant to subdivision (c) of Section 34172 of the Dissolution Act, as provided in paragraph (2) of subdivision (a) of Section 34183 of the Dissolution Act.

SECTION 3.02. Special Fund. Moneys accumulated in the Special Fund shall be used by the Fiscal Agent for deposit in the accounts provided in the Agreement; provided, however, that the following additional accounts are created with respect to the Series 2014 Bonds; provided further, however, that to the extent that deposits have been made in any of the accounts referred to below from the proceeds of the sale of the Series 2014 Bonds or otherwise, the deposits below need not be made:

(a) Interest Accounts. Transfers shall be made by the Fiscal Agent from the Special Fund to the Series 2014 Interest Account on or before January 31 and July 31 of each year, commencing January 31, 2015, so that the amount in said Account on said date shall be equal to the aggregate amount of interest becoming due and payable on the then Outstanding Series 2014 Bonds on the next succeeding Interest Payment Date. Moneys in the Series 2014 Interest Account shall be used by the Fiscal Agent for the payment of interest on the Series 2014 Bonds as the same becomes due. The Fiscal Agent shall also, from the Special Fund, transfer to any bond interest accounts now existing or henceforth created with respect to any Parity Obligations, without preference or priority, and in the event of any insufficiency of such moneys ratably without any discrimination or preference, any other interest becoming due and payable on such Outstanding Parity Obligations on the next succeeding interest payment date with respect thereto.

(b) Principal Accounts. After the deposits have been made pursuant to subparagraph (a) above and beginning on or before July 31 of each year, commencing July 31, 2015, transfers shall be made by the Fiscal Agent from the Special Fund to the Series 2014 Principal Account so that the balance in said Account on said date is equal to the principal and sinking fund payments coming due on the then Outstanding Series 2014 Bonds on the next succeeding August 1. Moneys in the Series 2014 Principal Account shall be used by the Fiscal Agent for the payment of principal and sinking fund payments on the Series 2014 Bonds as they become due. The Fiscal Agent shall also, from the Special Fund, transfer to any principal accounts now existing or henceforth created with respect to any Parity Obligations, without preference or priority, and in the event of any insufficiency of such moneys ratably without any discrimination or preference, any other principal or sinking fund payments becoming due and payable on such Outstanding Parity Obligations on the next succeeding principal or sinking fund payment date with respect thereto.

In lieu of redemption under this Section 3.02(b), moneys in the Series 2014 Principal Account may be used and withdrawn by the Fiscal Agent for purchase of Outstanding Series 2014 Bonds, upon the filing with the Fiscal Agent of a Written Request of the Successor Agency requesting such purchase, at public or private sale as and when, and at such prices (including brokerage and other charges) as such Written Request of the Successor Agency may provide, but in no event may Series 2014 Bonds be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase.

(c) Tax Revenues; Pledged Tax Revenues. The Successor Agency acknowledges that, due to the passage of Dissolution Act, it will need to take certain actions to ensure that it collects sufficient Pledged Tax Revenues to make the deposits as and when required to be made into the Special Fund pursuant to Section 3.01 hereof, and in order to insure the payment of debt service on the Series 2014 Bonds, on a timely basis. The Successor Agency covenants that it will take all such actions as required to make the deposits as and when required to be made into the Special Fund pursuant to Section 3.01 hereof, and to make the timely payment of debt service on the Series 2014 Bonds. The Successor Agency further acknowledges that the provisions of the Dissolution Act require that it establish the Retirement Fund, into which all Tax Revenues are required to be deposited. The Successor Agency has heretofore established the Retirement Fund as required by Section 34170.5(a) of the Dissolution Act, and covenants that it shall continue to hold and maintain the Retirement Fund so long as any of the Series 2014 Bonds are Outstanding. The Successor Agency hereby agrees that it will deposit all Pledged Tax Revenues in the Retirement Fund until such amounts are transferred to the Fiscal Agent for deposit into the Special Fund in order to ensure that all Pledged Tax Revenues are available for the payment of debt service on the Series 2014 Bonds on a timely basis.

The Successor Agency further covenants and agrees that it will duly and punctually pay or cause to be paid the principal of and interest on each of the Series 2014 Bonds on the date, at the place and in the manner provided in the Series 2014 Bonds, and that it will take all actions required under the Dissolution Act to include scheduled debt service on the Series 2014 Bonds and all amounts required to be deposited in the Special Fund pursuant to and in accordance with Section 3.01 hereof in Recognized Obligation Payment Schedules (as defined in the Dissolution Act) for each six-month period so as to enable the County Auditor-Controller of the County of Contra Costa to distribute from the Redevelopment Property Tax Trust Fund on each January 2 and June 1 all amounts required for the Successor Agency to pay principal of, and interest on, the Senior Bonds, and all amounts required to be deposited in the Special Fund (pursuant to and in accordance with Section 3.01 hereof), which amounts will to be used to pay debt service on the Series 2014 Bonds. Specifically, the Successor Agency covenants that it will place on the periodic Recognized Obligation Payment Schedules for approval by the Oversight Board and State Department of Finance, all amounts required by Section 3.01 hereof to be deposited with the Successor Agency and transferred to the Fiscal Agent for deposit into the Special Fund, as contemplated by paragraph (1)(A) of subdivision (d) of Section 34171 of the Dissolution Act.

The Successor Agency also covenants to calculate the amount of Pledged Tax Revenues received during each six-month period, as described above, to ensure that Pledged Tax Revenues are properly credited to and deposited in the Special Fund, as required by Section 3.01 hereof.

SECTION 3.03. Deposit and Investment of Moneys in Funds. Subject to the provisions of Article IV hereof, all moneys held by the Fiscal Agent in the Special Fund shall be invested in Investment Securities upon Written Request of the Successor Agency. Moneys in the Series 2014 Interest Account and the Series 2014 Principal Account of the Special Fund shall be invested only in Investment Securities which will by their terms mature on such dates as to ensure that before each Interest Payment Date or principal payment dates, as applicable, there will be in the respective Fund, from matured obligations and other moneys already in the respective Account, cash equal to the interest or principal, as applicable, payable on such date, and

It shall be the responsibility of the Successor Agency to determine whether investments of moneys in the Funds established hereunder are permitted by law or the Agreement in the absence of any Written Request of the Successor Agency, the Fiscal Agent shall invest in Investment Securities listed in clause (6) of the definition of Investment Securities.

Obligations purchased as an investment of moneys in any of said Funds or Accounts shall be declined at all times to be a part of such Fund or Account and, subject to the provisions of Article IV hereof, the interest accruing thereon and any gain realized from such investment shall be credited to such Fund or Account and any loss resulting from any such authorized investment shall be charged to such Fund or Account without liability to the Successor Agency or the members and officers thereof or to the Fiscal Agent or its members or officers. The Successor Agency or the Fiscal Agent, as the case may be, shall sell or present for redemption any obligation so purchased whenever it shall be necessary to do so in order to provide moneys to meet any payment or transfer from such Fund or Account as required by the Agreement. The Fiscal Agent and its affiliates may act as sponsor, principal or agent with respect to the making of any investments.

For the purpose of determining the amount in any fund or account established by this Fourth Supplemental Agreement, which shall be determined as of the end of each month, the value of any investments shall be calculated as follows: (i) as to investments the bid and asked prices of which are published on a regular basis in *The Wall Street Journal* (or, if not there, then in the *New York Times*); the average of the bid and asked prices for such investments so published on or most recently prior to such time of determination; (ii) as to investments the bid and asked prices of which are not published on a regular basis in *The Wall Street Journal* or the *New York Times*: the average bid price at such time of determination for such investments by any two nationally recognized government securities dealers (selected by the Fiscal Agent in its absolute discretion) at the time making a market in such investments or the bid price published by a nationally recognized pricing service; (iii) as to certificates of deposit and bankers acceptances: the face amount thereof, plus accrued interest; and (iv) as to any investment not specified above, the value thereof established by prior agreement between the Successor

Agency and the Fiscal Agent. Alternatively, the value of investments in any fund or account may be calculated in the manner currently employed by the Fiscal Agent or in any other manner consistent with industry standard.

The Successor Agency acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Successor Agency the right to receive brokerage confirmations of security transactions as they occur, the Successor Agency specifically waives receipt of such confirmations to the extent permitted by law. The Fiscal Agent will furnish the Successor Agency periodic cash transaction statements which include detail for all investment transactions made by the Fiscal Agent hereunder.

The Fiscal Agent shall not be liable for any loss from any investment or disposition thereof made by it in accordance with the provisions hereof.

ARTICLE IV
TAX COVENANTS

SECTION 4.01. <u>Series 2014 Bond Rebate Fund</u>.

(a) The Fiscal Agent shall establish a special fund designated "City of Clayton Redevelopment Project, Series 2014 Bonds Rebate Fund" (the "Series 2014 Rebate Fund"). All amounts at any time on deposit in the Series 2014 Rebate Fund shall be held by the Fiscal Agent in trust, to the extent required to satisfy the requirement to make rebate payments to the United States (the "Rebate Requirement") pursuant to Section 148(f) of the Code and the Treasury Regulations promulgated thereunder (the "Treasury Regulations"). Such amounts shall be free and clear of any lien under the Agreement and shall be governed by this Section and Section 4.04 of the Original Agreement and by the Series 2014 Tax Certificate. The Fiscal Agent shall be deemed conclusively to have complied with the Rebate Requirement if it follows the directions of the Successor Agency, and shall have no independent responsibility to, or liability resulting From its failure to, enforce compliance by the Successor Agency with the Rebate Requirement.

(b) Within 45 days of the end of each Bond Year, (1) the Successor Agency shall calculate or cause to be calculated with respect to the Series 2014 Bonds the amount that would be considered the "rebate amount" within the meaning of Section 1.148-3 of the Treasury Regulations, using as the "computation date" for this purpose the end of such Bond Year, and (2) upon the Successor Agency's written direction, the Fiscal Agent shall deposit to the Rebate Fund from deposits by the Successor Agency or from available investment earnings on amounts held in accounts held by the Fiscal Agent hereunder with respect to the Series 2014 Bonds, if and to the extent required, amounts sufficient to cause the balance in the Series 2014 Rebate Fund to be equal to the "rebate amount" so calculated. The Fiscal Agent shall not be required to deposit any amount to the Series 2014 Rebate Fund in accordance with the preceding sentence if the amount on deposit in the Series 2014 Rebate Fund prior to the deposit required to be made under this subsection (b) exceeds the "rebate amount" calculated in accordance with the preceding sentence. Such excess may be withdrawn from the Series 2014 Rebate Fund to the extent permitted under subsection (g) of this section. The Successor Agency shall not be required to calculate the "rebate amount" within the meaning of Section 1.148-3 of the Treasury Regulations, and the Fiscal Agent shall not by directed to deposit any amount to the Series 2014 Rebate Fund in accordance with this subsection (b), with respect to all or a portion of the proceeds of the Series 2014 Bonds (including amounts treated as proceeds of the Series 2014 Bonds) (1) to the extent such proceeds satisfy the expenditure requirements of Section 148(f)(4)(B) or Section 148(f)(4)(C) of the Code, whichever is applicable, and otherwise qualify for the exception to the Rebate requirements pursuant to whichever of said sections is applicable, (2) to the extent such proceeds are subject to an election by the Successor Agency under Section 148(f)(4)(C)(vii) of the Code to pay a 1-1/2% penalty in lieu of arbitrage rebate in the event any of the percentage expenditure requirements of Section 148(f)(4)(C) are not satisfied, or (3) to the extent such proceeds qualify for the exception to arbitrage rebate under Section 148(b)(4)(A)(ii) of the Code for amounts in a "bona fide debt service fund." In such event, and with respect to such amounts, the Successor Agency shall provide written direction to the Fiscal Agent that the Fiscal Agent shall not be required to deposit any amount to the Series 2014 Rebate Fund in accordance with this subsection (b).

(c) Any funds remaining in the Series 2014 Rebate Fund after redemption of all the Series 2014 Bonds, deposit of the amounts described in paragraph (2) of subsection (d) of this Section, and payment of any applicable fees and expenses to the Fiscal Agent and any reimbursement obligations to the Series 2014 Bond Insurer, shall be withdrawn by the Fiscal Agent and remitted to the Successor Agency.

(d) Upon the Successor Agency's written direction, but subject to the exceptions contained in subsection (b) of this Section to the requirement to calculate the "rebate amount" and make deposits to the Series 2014 Rebate Fund, the Fiscal Agent shall pay to the United States, from amounts on deposit in the Series 2014 Rebate Fund,

(1) not later than 60 days after the end of (i) the fifth Bond Year, and (ii) each fifth Bond Year thereafter, an amount that, together with all previous rebate payments, is equal to at least 90% of the "rebate amount" calculated as of the end of such Bond Year in accordance with Section 1.148-3 of the Treasury Regulations; and

(2) not later than 60 days after the payment of all Series 2014 Bonds, an amount equal to 100% of the "rebate amount" calculated as of the date of such payment (and any income attributable to the rebatable arbitrage determined to be due and payable) in accordance with Section 1.148-3 of the Treasury Regulations.

(c) In the event that, prior to the time of any payment required to be made from the Series 2014 Rebate Fund, the amount in the Series 2014 Rebate Fund is not sufficient to make such payment when such payment is due, the Successor Agency shall calculate the amount of such deficiency and direct the Fiscal Agent to deposit an amount received from the Successor Agency equal to such deficiency into the Series 2014 Rebate Fund prior to the time such payment is due. Any such payment shall be made solely from the Tax Revenues.

(d) Each payment required to be made pursuant to subsection (d) of this Section shall be made to the Internal Revenue Service Center, Philadelphia, Pennsylvania 19255 on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T, which shall be prepared by the Successor Agency and provided to the Fiscal Agent.

(e) In the event that immediately following the calculation required by subsection (b) of this Section, but prior to any deposit made under said subsection, the amount on deposit in the Series 2014 Rebate Fund exceeds the "rebate amount" calculated in accordance with said subsection upon written instructions from the Successor Agency, the Fiscal Agent shall withdraw the excess fiord the Series 2014 Rebate Fund and credit such excess to the Series 2014 Interest Account.

(f) The Successor Agency shall retain records of all determinations made hereunder until six years after the complete retirement of the Series 2014 Bonds.

(g) Notwithstanding anything herein to the contrary, the Rebate Requirement shall survive the defeasance of the Series 2014 Bonds.

SECTION 4.02. <u>Series 2014 Bond Tax Covenants</u>.

(a) The Successor Agency shall assure that the proceeds of the Series 2014 Bonds are not so used as to cause the Series 2014 Bonds to satisfy the private business test of section 141(b) of the Code or the private loan financing test of section 141(c) of the Code.

(b) The Successor Agency 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 Series 2014 Bonds to be "federally guaranteed" within the meaning of section 149(c) of the Code.

(c) The Successor Agency 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 Series 2014 Bonds.

(d) The Successor Agency shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Series 2014 Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Series 2014 Bonds would have caused the Series 2014 Bonds to be "arbitrage bonds" within the meaning of section 148 of the Code.

(e) The Successor Agency shall take all actions necessary to assure the exclusion of interest on the Series 2014 Bonds from the gross income of the Holders of the Series 2014 Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Series 2014 Bonds.

(f) Except as provided in the following sentence, the Successor Agency covenants that all investments of amounts deposited in any fund or account created by or pursuant to this Fourth Supplemental Agreement, or otherwise containing gross proceeds of the Series 2014 Bonds (within the meaning of section 148 of the Code) shall be acquired, disposed of, and valued (as of the date that valuation is required by this Indenture or the Code) at Fair Market Value. Investments in funds or accounts (or portions thereof) that are subject to yield restriction under applicable provisions of the Code.

(g) The Successor Agency hereby designates the Series 2014 Bonds for purposes of paragraph (3) of section 265(b) of the Code and represents that not more than $10,000,000 aggregate principal amount of obligations the interest on which is excludable (under section 103(a) of the Code) from gross income for federal income tax purposes (excludable (i) private activity bonds, as defined in section 141 of the Code, except qualified 501(c)(3) bonds as defined in section 145 of the Code and (ii) current refunding obligations to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligation), including the Series 2014 Bonds, has been or will be issued by the Successor Agency, including all subordinate entities of the Successor Agency, during the calendar year 2014.

ARTICLE V
COVENANTS OF THE SUCCESSOR AGENCY

SECTION 5.01. Covenants of the Successor Agency. The Successor Agency hereby covenants to observe the covenants, agreements, and conditions set forth herein and in Sections 5.01 through 5.14 of Article V of the Original Agreement, and any references to the Bonds included in such Section or in the defined terms used therein shall be deemed to be equally applicable to the Series 2014 Bonds.

Additionally, the Successor Agency hereby covenants that it will annually review the total amount of Tax Revenues remaining available to be received by the Successor Agency under the Redevelopment Plan's then-effective cumulative tax increment limitation, as well as future cumulative Annual Debt Service, estimated future fees of the Fiscal Agent and any other obligations of the Successor Agency payable from Tax Revenues. If the allocation of tax increment revenue to the Successor Agency in any year will cause an amount equal to _______ (__%) of the amount remaining under the tax increment limit to fall below the remaining cumulative Annual Debt Service with respect to the Series 2014 Bonds, estimated future fees of the Fiscal Agent and any other obligations of the Successor Agency payable from Tax Revenues, the Successor Agency shall deposit an amount of such revenues equal to the amount by which such cumulative amounts exceeds _______ percent (__%) of such tax increment limit in escrow, invested in Federal Securities, for the payment of interest on and principal of and redemption premiums, if any, on the Series 2014 Bonds and any Parity Obligations, unless otherwise approved in writing by the Original Purchaser.

The Successor Agency shall annually no later than [November 1] (commencing [November 1, 2014]), transmit to the Fiscal Agent and the Original Purchaser a Certificate of the Successor Agency setting forth the calculation required by this Section, including the remaining Annual Debt Service with respect to the Series 2014 Bonds, estimated future fees of the Fiscal Agent, any other obligations of the Successor Agency payable from Tax Revenues, remaining tax increment under the then-current limit set forth in the Redevelopment Plan, the amount of Tax Revenues allocated to the Successor Agency during the period covered by the statement, and the amount, if any, to be used or escrowed for use to pay interest on and principal of and redemption premiums, if any, on the Series 2014 Bonds and any Parity Obligations.

ARTICLE VI
THE FISCAL AGENT

SECTION 6.01. Appointment of Fiscal Agent. U.S. Bank National Association is hereby appointed Fiscal Agent and paying agent for the Series 2014 Bonds. The provisions of Article VI of the Original Agreement governing the duties, obligations and functions of the Fiscal Agent with respect to the 1990 Bonds, and any references to the Bonds included in such Article or in the defined terms used therein shall be deemed to be equally applicable to the Series 2014 Bonds.

ARTICLE VII
EVENT OF DEFAULT AND REMEDIES OF HOLDER

SECTION 7.01. Events-of-Default. The provisions of Article VII of the Original Agreement are hereby incorporated by reference herein as if fully set forth herein. Any references to the Bonds included in Article VII of the Original Agreement shall be deemed to include the Series 2014 Bonds; provided, however, that with respect to the application of funds upon acceleration as provided in Section 7.02 of the Original Agreement the payment of the costs and expenses of the Fiscal Agent in declaring an event of default with respect to the Series 2014 Bonds shall be paid prior to the payment of any costs and expenses of the Bondholders in declaring such event of default.

Notwithstanding the foregoing or any other provision of the Agreement, for so long as a majority in aggregate principal amount of the Outstanding Series 2014 Bonds are owned by the Original Purchaser, the Original Purchaser shall be entitled to exercise all of the powers, consents, rights and remedies to which the Owners of a majority in aggregate principal amount of Series 2014 Bonds then Outstanding are entitled hereunder, including all remedies available under law or equity, including but not limited to the right, at any time, by an instrument in writing executed and delivered to the Fiscal Agent, to direct the time, method and place of conducting all remedial proceedings on behalf of the Bondholders available to the Fiscal Agent under the Agreement to be taken in connection with the enforcement of the terms of the Agreement or exercising any trust or power conferred on the Fiscal Agent by the Agreement.

SECTION 7.02. Waiver of Jury Trial; Agreement for Judicial Reference; No Sovereign Immunity. To the fullest extent permitted by law, the Successor Agency hereby waives its right to trial by jury in any action, proceeding and/or hearing on any matter whatsoever arising out of, or in any way connected with, the Series 2014 Bonds, the Agreement or any documents relating to the Series 2014 Bonds or the Agreement, or the enforcement of any remedy under any law, statute, or regulation. To the extent such waiver is not enforceable, the Successor Agency hereby consents to the adjudication of any and all such matters pursuant to Judicial Reference as provided in Section 638 of the California Code of Civil Procedure, and the judicial referee shall be empowered to hear and determine any and all issues in such Reference whether fact or law. The Successor Agency hereby represents that it does not possess and will not invoke a claim of sovereign immunity for disputes arising out of contractual claims relating to the Successor Bonds or the Agreement.

ARTICLE VIII
AMENDMENT OF THE AGREEMENT

SECTION 8.01. Amendment of the Agreement. The provisions of Article VIII of the Original Agreement are hereby incorporated by reference herein as if fully set forth herein. Any references to the Bonds included in Article VIII of the Original Agreement shall be deemed to include the Series 2014 Bonds

ARTICLE IX
DEFEASANCE

SECTION 9.01. Discharge of Indebtedness. The provisions of Article IX of the Original Agreement relating to the defeasance of the Bonds shall govern the provisions for defeasance of the Series 2014 Bonds and any references to the Bonds included in such Article or in the defined terms used therein shall be equally applicable to the Series 2014 Bonds

ARTICLE X
MISCELLANEOUS

SECTION 10.01. Application of Original Agreement. The provisions of Article X of the Original Agreement shall apply to this Fourth Supplemental Agreement and any references to the Bonds included in such Article or in the defined terms used therein shall be deemed to be equally applicable to the Series 2014 Bonds unless otherwise provided herein.

SECTION 10.02. Execution in Several Counterparts. This Supplemental Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, shall together constitute but one and the same instrument.

SECTION 10.03. Governing Laws. This Fourth Supplemental Agreement shall be governed by and construed in accordance with the laws of the State of California.

SECTION 10.04. Notices. All written notices to be given under this Fourth Supplemental Agreement shall be given by mail or personal delivery 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 deemed to have been received upon the earlier of actual receipt or three days after deposit in the United States mail, first class (unless otherwise provided herein), postage prepaid or, in the case of personal delivery, upon delivery to the address set forth below:

Successor Agency:	Successor Agency to the Redevelopment Agency of the City of Clayton 6000 Heritage Trail Clayton, California 94517 Attention: Executive Director
Fiscal Agent:	U.S. Bank Trust National Association One California Street, Suite 1000 San Francisco, California 94111 Attention: Global Corporate Trust Services
Original Purchaser:	JPMorgan Chase Bank, N.A. 7600 Dublin Blvd., Suite 101ADublin, California 94568 Attention: Abdul H. Maiwand

Any notices sent to the Series 2014 Bondholders shall also be sent to the Original Purchaser for so long as any Series 2014 Bonds are registered in the name of the Original Purchaser.

SECTION 10.05. Parties Interested Herein. Nothing in the Agreement, this Fourth Supplemental Agreement or in the Series 2014 Bonds expressed or implied is intended or shall be construed to confer upon, or to give or grant to any person or entity other than the Successor Agency, the Fiscal Agent and the Holders of the Series 2014 Bonds, including the Original Purchaser, any legal or equitable right, remedy or claim under or in respect of the Agreement or the Series 2014 Bonds or any covenant, condition or provision therein or herein contained or stipulation thereof or hereof; and all such covenants, stipulations, conditions and provisions in the Agreement contained are and shall be held to be for the sole and exclusive benefit of the Successor Agency, the Fiscal Agent and the Holders of the Series 2014 Bonds, including the Original Purchaser.

SECTION 10.06. Agreement to Remain in Effect. Except as provided in the First Supplemental Agreement, the Second Supplemental Agreement, the third Supplement Agreement and this Fourth Supplemental Agreement, the Original Agreement shall remain in full force and effect.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Fourth Supplemental Agreement as of the date first above written.

SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE
CITY OF CLAYTON

By: ______________________________
____

U.S. BANK NATIONAL ASSOCIATION,
as Fiscal Agent

By: ______________________________
Authorized Officer

DRAFT

APPENDIX A

(FORM OF SERIES 2014 BOND)

No.__________ $______

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF CONTRA COSTA
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OF THE CITY OF CLAYTON
CITY OF CLAYTON REDEVELOPMENT PROJECT AREA
REFUNDING TAX ALLOCATION BOND, SERIES 2014

Interest Rate	Maturity Date	Dated Date	[CUSIP]

PRINCIPAL AMOUNT:

REGISTERED OWNER:

The SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF CLAYTON (hereinafter sometimes called the "Successor Agency"), a public entity existing under the laws of the State of California, for value received, hereby promises to pay (but solely out of the funds hereinafter mentioned) to the registered owner hereof as shown above or registered assigns (herein sometimes referred to as "registered owner"), subject to the right of prior redemption hereinafter mentioned, the principal amount specified above, on the maturity date specified above, and to pay such registered owner on each February 1 and August 1 of each year, commencing on February 1, 2015 (each an "Interest Payment Date") by check mailed by the Fiscal Agent via first-class mail to such owner at such owner's address shown on the registration books of the Fiscal Agent as of the close of business on the fifteenth day of the month preceding each interest payment date (the "Record Date"), or by federal wire transfer to an account in the continental United States designated by such owner of Bonds in the aggregate principal amount of $1,000,000 or more, upon provision of a written notice received by the Fiscal Agent prior to the applicable Record Date, interest on such principal amount from the Interest Payment Date immediately preceding the date of authentication hereof (unless (i) the date of authentication hereof is prior to the first regular Record Date in which event from the dated date specified above, or (ii) the date of authentication hereof is an Interest Payment Date, in which event from that Interest Payment Date, or (iii) the date of authentication hereof is after a regular Record Date but before the following Interest Payment Date and if the Successor Agency shall not default in the payment of interest due on such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date) until the principal hereof shall have been paid or provided for in accordance with the Agreement hereinafter referred to, at the interest rate per annum set forth above payable semiannually on each Interest Payment Date. Both principal and interest and any premium upon the redemption prior to maturity of all or part hereof are payable in lawful money of the United States of America, and (except for interest which is payable by check as stated above) are payable upon surrender hereof at the Principal Corporate Trust Office (as defined in the Agreement) of U.S. Bank National Association, Fiscal Agent for the Successor Agency.

This Bond is one of a duly authorized issue of Bonds of the Successor Agency designated "Successor Agency to the Redevelopment Agency of the City of Clayton, City of Clayton Redevelopment Project Area Tax Allocation Bonds, Series 2014" (herein called the "Bonds"), in an aggregate principal amount of $_________, all of like tenor and date (except for bond numbers, interest rates, amounts and maturity) and all of which have been issued pursuant to and in full conformity with the Constitution and laws of the State of California, including the Law, the Dissolution Act and the Refunding Law (as such terms are defined in the hereinafter defined Agreement) for the purpose of refinancing certain outstanding obligations of the Successor Agency. The Bonds are authorized by and issued pursuant to a resolution duly adopted by the Successor Agency and under an Indenture and Fiscal Agent Agreement, dated as of December 1, 1990, as supplemented by a First Supplemental Indenture and Fiscal Agent Agreement, dated as of December 1, 1993, a Second Supplemental Indenture and Fiscal Agent Agreement, dated as of November 1, 1996, a Third Supplemental Indenture and Fiscal Agent Agreement, dated as of May 1, 1999 and a Fourth Supplemental Indenture and Fiscal Agent Agreement, dated as of June 1, 2014 (as supplemented, the "Agreement"), by and between the Successor Agency and U.S. Bank National Association, as successor Fiscal Agent (the "Fiscal Agent"), copies of which are on file with the Secretary of the Successor Agency and the Fiscal Agent.

The Bonds are special obligations of the Successor Agency secured by an irrevocable pledge of, and payable as to principal, premium, if any, and interest from Pledged Tax Revenues (as defined in the Agreement) and other moneys as provided in the Agreement. The principal of the Bonds, the interest thereon and any redemption premiums payable with respect thereto are not a debt of the City of Clayton, the State of California or any of its political subdivisions, and neither the City, the State nor any of its political subdivisions is liable thereon, nor in any event shall the Bonds, said interest or said premium be payable out of any funds or properties other than the funds of the Successor Agency as set forth in the Agreement. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Neither the members of the Successor Agency nor any persons executing the Bonds are liable personally on the Bonds by reason of their issuance.

All of the Bonds are equally secured in accordance with the terms of the Agreement, reference to which is hereby made for a specific description of the security thereon provided for said Bonds, for the nature, extent and manner of enforcement of such security, for the covenants and agreements made for the benefit of the owners of the Bonds (the "Bondholders" or "Holders"), and for a statement of the rights of the Bondholders. By the acceptance of this Bond the registered owner hereof consents to all of the terms, conditions and provisions of the agreement. In the manner provided in the Agreement, said Agreement and the rights and obligations of the Successor Agency and of the Bondholders may (with certain exceptions as stated in said Agreement) be amended or supplemented, subject to the terms and conditions of the Agreement.

The Bonds are not subject to redemption at the option of the Successor Agency.

The Bonds are subject to mandatory redemption in part by lot prior to their maturity date on each August 1, commencing August 1, 2015, solely from money which has been deposited into the Series 2014 Principal Account in amounts and upon the dates established for such Bonds as set forth in the Agreement. The portion of the Bonds so redeemed shall be redeemed at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium.

Notice of call and redemption prior to maturity shall be given as provided in the Agreement.

This Bond is issued in fully registered form in the denomination of $5,000 and any integral multiple thereof and is negotiable upon proper transfer of registration. This Bond is, transferable by the registered owner hereof or by his duly authorized attorney, at the Principal Corporate Trust Office of the Fiscal Agent, but only in the manner, subject to the limitations and upon payment of the taxes and charges provided in the Agreement, upon surrender and cancellation of this Bond. Upon such transfer, a new Bond of any authorized denomination or denominations for the same aggregate principal amount and maturity of the same issue will be issued to the transferee in exchange therefor. This Bond may also be exchanged for a like aggregate principal amount of Bonds of other authorized denominations of the same maturity and interest rate, but only in the manner, subject to the limitations and upon payment of the taxes and charges provided in the Agreement, upon surrender and cancellation of this Bond.

The Successor Agency shall not be required to issue, register the transfer of, or exchange any Bond, during the period from the fifteenth (15th) day of the month preceding each Interest Payment Date to such Interest Payment Date, during the fifteen (15) days preceding the selection of Bonds for redemption, on any date on which notice of redemption is scheduled to be mailed, or on any redemption date.

The Successor Agency and the Fiscal Agent may treat the registered owner hereof as the absolute owner hereof for all purposes, and the Agency and the Fiscal Agent shall not be affected by any notice to the contrary.

This Bond shall not be entitled to any benefit under the Agreement, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been signed by the Fiscal Agent.

It is hereby recited, certified and declared that any and all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this Bond exist, have happened and have been performed in due time, form and manner as required by the Constitution and laws of the State of California.

The Successor Agency has designated the Bonds as "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

IN WITNESS WHEREOF, the Successor Agency to the Redevelopment Agency of the City of Clayton has caused this Bond to be signed on its behalf by the manual or facsimile signature of its Executive Director and by the manual or facsimile signature of its Secretary all as of the Dated Date set forth above.

____

__________________ of the Successor Agency to the Redevelopment Agency of the City of Clayton

____

Secretary of the Successor Agency to the Redevelopment Agency of the City of Clayton

(FORM OF CERTIFICATE OF AUTHENTICATION
AND REGISTRATION OF BONDS)

This is one of the Bonds described in the within mentioned Agreement.

Date of Authentication:______________________

U.S. BANK TRUST NATIONAL ASSOCIATION

By: __________________________________
Authorized Officer

(FORM OF ASSIGNMENT OF BONDS)

For value received, the undersigned sells, assigns and transfers to (print or typewrite name, address and zip code of Transferee): this bond and irrevocably constitutes and appoints attorney to transfer this bond on the books for registration thereof with full power of substitution in the premises.

Dated:________________________

Signature Guaranteed:

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the within bond in every particular, without alteration or any change whatever and the signature(s) must be guaranteed by an eligible guarantor institution.

Social Security Number, Taxpayer Identification Number or other identifying number of Assignee:

Unless this certificate is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

$__________

**Successor Agency to the Redevelopment Agency of the City of Clayton,
City of Clayton Redevelopment Project Area
Refunding Tax Allocation Bonds, Series 2014
(Bank Qualified)**

PURCHASE CONTRACT

June __, 2014

Successor Agency to the Redevelopment
Agency of the City of Clayton
6000 Heritage Trail
Clayton, California 94517

Ladies and Gentlemen:

The undersigned, JPMorgan Chase Bank, N.A. (the "Purchaser") offers to enter into this Purchase Contract (the "Purchase Contract") with you, the Successor Agency to the Redevelopment Agency of the City of Clayton (the "Successor Agency"), which, upon your acceptance hereof, will be binding upon the Successor Agency and the Purchaser. This offer is made subject to the written acceptance of this Purchase Contract by the Successor Agency and delivery of such acceptance to us at or prior to 11:59 p.m., California time, on the date hereof.

Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in the Resolution (defined below).

The Successor Agency hereby acknowledges that: (a) the Purchaser is acting solely as purchaser of the Bonds for its own account and not as a fiduciary for the Successor Agency or in the capacity of broker, dealer, municipal securities underwriter or municipal advisor; (b) the Purchaser has not provided, and will not provide, financial, legal, tax, accounting or other advice to or on behalf of the Successor Agency with respect to the issuance of the Bonds; (c) the Successor Agency will seek and obtain financial, legal, tax, accounting and other advice (including as it relates to structure, timing, terms and similar matters) with respect to the issuance of the Bonds from its financial, legal and other advisors (and not the Purchaser) to the extent that the Successor Agency desires to obtain such advice.

1. **Purchase and Sale of the Bonds**. Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Purchaser hereby agrees to purchase from the Successor Agency, and the Successor Agency hereby agrees to sell to the Purchaser, all (but not less than all) of $__________ aggregate principal amount of the Successor Agency's City of Clayton Redevelopment Project Area Refunding Tax Allocation Bonds, Series 2014 (the "Bonds"). The Bonds shall bear interest at the rates, shall mature in the years, and shall be subject to redemption as shown on Appendix A hereto, which is incorporated herein by this reference. The Bonds shall be dated the date of delivery thereof (the "Date of Delivery") and shall be payable as to interest on each February 1 and August 1,

commencing February 1, 2015. The Purchaser shall purchase the Bonds at a price of $___________ (which is equal to the principal amount of the Bonds).

Capitalized terms used herein and not otherwise defined shall have the meanings assigned to them in the hereinafter defined Agreement.

2. The Bonds. The Bonds shall be issued and secured pursuant to the provisions of the Indenture and Fiscal Agent Agreement, dated as of December 1, 1990, by and between the Redevelopment Agency of the City of Clayton (the "Former Agency") and Bankers Trust Company of California, N.A., as fiscal agent, as heretofore amended and supplemented and as amended and supplemented by the Fourth Supplemental Indenture and Fiscal Agent Agreement date as of June 1, 2014 (as so amended, the "Agreement") between the Successor Agency and U.S. Bank National Association, as fiscal agent (the "Fiscal Agent"), and the Law, the Dissolution Act and the Refunding Law (as such terms are defined in the Agreement). The net proceeds of the Bonds will be used to refund the Series 1996A Bonds and the Series 1999 Bonds (the "Refunded Bonds"), pursuant to the Series 1996A Refunding Instructions and the Series 1999 Refunding Instructions (collectively, the "Refunding Instructions"), respectively, both given by the Successor Agency to the Fiscal Agent. Such net proceeds will be deposited into escrow funds held by the Fiscal Agent and applied to pay the interest on the Refunded Bonds due on and prior to August 1, 2014, and to redeem on such date the outstanding principal of the Refunded Bonds, at a redemption price equal to 100% of the principal amount thereof.

The Bonds shall be executed and delivered under and in accordance with the provisions of the Agreement. The Bonds shall be issued as bonds registered as to both principal and interest, in the denominations of $5,000 principal amount or any integral multiple thereof. The Bonds shall be initially registered in the name of the Purchaser (rather than the Depository Trust Company ("DTC") or a nominee thereof). The book-entry only system of DTC shall not be initially employed with respect to the Bonds. The Bonds shall not initially bear CUSIP numbers.

3. Closing. At 9:00 A.M., California Time, on June __, 2014 or at such other time or on such other date as shall have been mutually agreed upon by you and us (the "Closing"), you will deliver to us, at such place as we may mutually agree upon, the Bonds in fully registered form, duly executed and authenticated, and at the offices of Jones Hall, A Professional Law Corporation ("Bond Counsel"), in San Francisco, California, the other documents hereinafter mentioned; and we will accept such delivery and pay the purchase prices of the Bonds identified in Section 1 above.

4. Representations, Warranties and Agreements of the Successor Agency. The Successor Agency hereby represents, warrants and agrees with the Purchaser that:

(a) <u>Due Organization</u>. The Successor Agency is a public entity validly existing under the laws of the State of California, with the power to issue the Bonds pursuant to the Law, the Dissolution Act and the Refunding Law.

(b) <u>Due Authorization</u>. (i) At or prior to the Closing, the Successor Agency will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the Successor Agency has full legal right, power and authority to refund the Refunded Bonds, to enter into this Purchase Contract, the Agreement and the Refunding Instructions, to adopt the resolution authorizing the issuance of the Bonds (the "Resolution"), to perform its obligations under each such document or instrument, and to carry out and effectuate the transactions contemplated by this Purchase Contract, the Agreement, the Refunding Instructions and the Resolution; (iii) the execution and delivery or adoption of, and the performance by the Successor Agency of the obligations contained in the Bonds, the Agreement, the Refunding Instructions and this Purchase Contract have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) this Purchase Contract constitutes a valid and legally binding obligation of the Successor Agency; (v) the Successor Agency has duly authorized the consummation by it of all transactions contemplated by this Purchase Contract; and (vi) when duly authenticated by the Fiscal Agent, the Bonds will constitute legally valid and binding obligations of the Successor Agency, enforceable against the Successor Agency in accordance with their terms except as enforcement thereof may be limited by bankruptcy, insolvency, moratorium or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles if equitable remedies are sought.

(c) Consents. No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any person, organization, court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Bonds, the execution and delivery of this Purchase Contract, the adoption of the Resolution, or the consummation of the other transactions effected or contemplated herein or hereby, that has not been taken or obtained.

(d) Internal Revenue Code. The Successor Agency has complied with the Internal Revenue Code of 1986, as amended, with respect to the Bonds.

(e) No Conflicts. To the best knowledge of the Successor Agency, the issuance of the Bonds, and the execution, delivery and performance of this Purchase Contract, the Agreement, the Refunding Instructions and the Bonds, and the compliance with the provisions hereof do not conflict with or constitute on the part of the Successor Agency a violation of or default under the Constitution of the State of California or any existing law, charter, ordinance, regulation, decree, order or resolution and do not conflict with or result in a violation or breach of, or constitute a default under, any agreement, indenture, mortgage, lease or other instrument to which the Successor Agency is a party or by which it is bound or to which it is subject.

(f) Litigation. As of the time of acceptance hereof, no action, suit, proceeding, hearing or investigation is pending or, to the best knowledge of the Successor Agency, threatened against the Successor Agency: (i) in any way affecting the existence of the Successor Agency or in any way challenging the respective powers of the several offices of the Successor Agency or of the titles of the officials of the Successor Agency to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, the application of the proceeds of the sale of the Bonds, the collection of Pledged Tax Revenues contemplated by the Agreement and the application thereof to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, this Purchase Contract, the Agreement or the Refunding Instructions or contesting the powers of the Successor Agency or its authority with respect to the Bonds, this Purchase Contract, the Agreement or the Refunding Instructions; or (iii) in which a final adverse decision could (a) materially adversely affect the operations of the Successor Agency or the consummation of the transactions contemplated by this Purchase Contract, the Agreement or the Refunding Instructions, (b) declare this Purchase Contract to be invalid or unenforceable in whole or in material part, or (c) adversely affect the exclusion of the interest paid on the Bonds from gross income for federal income tax purposes and the exemption of such interest from California personal income taxation (all such actions, suits, proceedings, hearings or investigations being, "Material Litigation").

(g) No Default. To the best of Successor Agency's knowledge, no event has occurred that would constitute (i) an event of default (other than a payment default) with respect to which Successor Agency received written notice or (ii) a payment default (whether or not Successor Agency received written notice) under any debt, revenue bond or obligation which Successor Agency has issued during the past ten years, and, the Successor Agency has never failed to budget for and include and maintain funds sufficient and available to meet all payment obligations under any debt, revenue bond or obligation which Successor Agency has issued in each of its past ten fiscal years.

(h) No Other Debt. Between the date hereof and the Closing, without the prior written consent of the Purchaser, neither the Successor Agency, nor any person on behalf of the Successor Agency, will have issued in the name and on behalf of the Successor Agency any bonds, notes, or other obligations for borrowed money.

(i) Certificates. Any certificates signed by any officer of the Successor Agency and delivered to the Purchaser shall be deemed a representation and warranty by the Successor Agency to the Purchaser, but not by the person signing the same, as to the statements made therein.

(j) Financial Condition. The financial statements of the Successor Agency for the year ended June 30, 2013, supplied to the Purchaser (i) were prepared in accordance with generally accepted accounting principles, consistently applied, and (ii) fairly present the Successor Agency's financial condition as of the date of the statements. There has been no material adverse change in the Successor Agency's financial condition subsequent to June 30, 2013.

(k) Collection of Pledged Tax Revenues. The Successor Agency hereby agrees to take any and all actions as may be required in order to collect the Pledged Tax Revenues to ensure the timely payment of debt service on the Bonds and compliance with the provisions of the Agreement.

(l) Financial Statements. The Successor Agency hereby agrees to furnish or cause to be furnished to the owner, at the Successor Agency's expense, (i) within 270 days of the end of the Successor Agency's fiscal year, the audited financial statements of the City, which present the Successor Agency as a fiduciary fund of the City, for that year, (ii) within 30 days of the end of the Successor Agency's fiscal year, the annual, approved operating budget of the City, which contains information regarding the budget of the Successor Agency for the subsequent fiscal year, and (iii) such other information that the owner of the Bonds may from time to time reasonably request. Any audited financial statements furnished to the owner shall be prepared in accordance with generally accepted accounting principles, consistently applied, and shall fairly present the Successor Agency's financial condition as of the date of the statements.

(m) Facilitation of Transfers. The Successor Agency hereby agrees that, upon the request of the owner of the Bonds, the Successor Agency shall answer questions from and furnish all documents and information requested by a potential buyer of the Bonds concerning the Successor Agency, the Agreement, the Bonds and the security therefor, and the transactions and documents related to or contemplated by the foregoing and all matters related thereto.

(n) Notices. The Successor Agency hereby agrees that it shall provide timely notice to the Purchaser of any and all of the following occurrences, through and until the date upon which the Bonds have been fully repaid, redeemed and/or defeased: (i) an event of default under any debt, revenue bond or obligation of the Successor Agency that is outstanding as of the date hereof or that is issued by the Successor Agency hereafter, (ii) any Material Litigation, or governmental proceeding having the effect of Material Litigation, is brought against or to include the Successor Agency, and (iii) any material adverse change in the Successor Agency's financial condition.

(o) No Financial Advisory Relationship. The Successor Agency has had no financial advisory relationship with the Purchaser.

(p) Purchaser Not Fiduciary. Inasmuch as this purchase and sale represents a negotiated transaction, the Successor Agency understands, and hereby confirms, that the Purchaser is not acting as a fiduciary of the Successor Agency, but rather is acting solely in its capacity as Purchaser, for its own account.

(q) Waiver of Sovereign Immunity. During the period the Purchaser holds the Bonds, and to the extent the Successor Agency has or hereafter may acquire under any applicable law any rights to sovereign immunity in any suits or judicial proceedings, the Successor Agency hereby waives and agrees not to claim, to the extent permitted by law, any such rights to immunity for itself in connection with the provision of products and services of the Purchaser, including the purchase of the Bonds.

5. **Representations, Warranties and Agreements of the Purchaser.** The Purchaser represents to and agrees with the Successor Agency that, as of the date hereof and as of the Closing:

(a) The Purchaser is validly organized and existing under the laws of the United States of America;

(b) This Purchase Contract constitutes a valid and binding obligation of the Purchaser, enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and by the application of equitable principles and by the exercise of judicial discretion in appropriate cases;

(c) The Purchaser is a Qualified Institutional Buyer within the meaning of Rule 144A promulgated under the Securities Act of 1933, as amended;

(d) The Purchaser is not purchasing the Bonds for more than one account, is purchasing the Bonds for its own account and is not purchasing the Bonds with a view to distributing the Bonds;

(e) The Purchaser understands and acknowledges that it is purchasing all of the Bonds and, therefore, the Bonds are being sold to no more than 35 purchasers, each of which is a Qualified Institutional Buyer and each of which is purchasing the Bonds for no more than one account;

(f) The Purchaser has sufficient knowledge and experience in financial and business matters, including the purchase and ownership of municipal bonds and other tax-exempt obligations similar to the Bonds, to be capable of evaluating the merits and risks of an investment in the Bonds, and the Purchaser is able to bear the economic risks of such an investment;

(g) The Purchaser understands and agrees that ownership of a Bond may be transferred (i) only to a Person that the Purchaser reasonably believes is either (A) a Qualified Institutional Buyer that is purchasing such Bond for not more than one account, for their own account and not with a view to distributing such Bond, or (B) an "accredited investor" (each, an "Institutional Accredited Investor") as defined in Section 501(a)(1), (2), (3) or (7) of Regulation D promulgated under the Securities Act that is purchasing such Bond for not more than one account for investment purposes and not with a view to distributing such Bond, and (ii) only if such Qualified Institutional Buyer or Institutional Accredited Investor delivers to the Successor Agency a completed and duly executed Investor Letter substantially in the form attached hereto as Appendix B;

(h) The Purchaser is not relying upon the Successor Agency, or any of its affiliates, agents or employees, for advice as to the merits and risks of investment in the Bonds, and the Purchaser has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision;

(i) The Purchaser has conducted its own independent examination of, and has had an opportunity to ask questions and receive answers concerning, the Successor Agency, the Agreement, this Purchase Contract, the Bonds and the security therefor and the transactions and documents related to or contemplated by the foregoing;

(j) The Purchaser has been furnished with the documents listed in Appendix C hereto, as well as all documents and information regarding the Successor Agency, the Agreement, the Bonds and the security therefor and the transactions and documents related to or contemplated by the foregoing, and all matters related thereto, that it has requested;

(k) The Purchaser understands and acknowledges that the initial offering and sale of the Bonds are not subject to or are otherwise exempt from the requirements of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934;

(l) Any certificates signed by any officer of the Purchaser and delivered to the Successor Agency shall be deemed a representation and warranty by the Purchaser to the Successor Agency, but not by the person signing the same, as to the statements made therein.

6. Conditions to Closing. The Purchaser has entered into this Purchase Contract in reliance upon the representations and warranties of the Successor Agency contained herein and the performance by the Successor Agency of its obligations hereunder, both as of the date hereof and as of the date of Closing. The Purchaser's obligations under this Purchase Contract are and shall be subject at the option of the Purchaser, to the following further conditions at the Closing:

(a) The representations and warranties of the Successor Agency contained herein shall be true, complete and correct in all material respects at the date hereof and at and as of the Closing, as if made at and as of the Closing, and the statements made in all certificates and other documents delivered to the Purchaser prior to the Closing pursuant to the Purchaser's request and at the Closing pursuant hereto shall be true, complete and correct in all material respects on the date of the Closing; and the Successor Agency shall be in compliance with each of the agreements made by it in this Purchase Contract;

(b) At the time of the Closing, (i) this Purchase Contract and the Agreement shall be in full force and effect and shall not have been amended, modified or supplemented except with respect to the Agreement, and as may otherwise be agreed to in writing by us; (ii) all actions under the Act which, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; and (iii) the Successor Agency shall perform or have performed all of its obligations required under or specified in the Agreement, this Purchase Contract, or the Refunding Instructions to be performed at or prior to the Closing;

(c) No decision, ruling or finding shall be entered by any court or governmental authority since the date of this Purchase Contract (and not reversed on appeal or otherwise set aside), or shall be pending or threatened, which has any of the effects described in Section 4(e) hereof;

(d) Between the date hereof and the Closing, the market price of the Bonds reflected in Appendix A shall not have been materially adversely affected in the judgment of the Purchaser (evidenced by a written notice to the Successor Agency terminating the obligation of the Purchaser to accept delivery of and pay for the Bonds) by reason of any of the following:

(i) legislation enacted or introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court established under Article III of the Constitution of the United States or by the United States Tax Court, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made:

(A) by or on behalf of the United States Treasury Department, or by or on behalf of the Internal Revenue Service, with the purpose or effect, directly or indirectly, of causing the inclusion in gross income for purposes of federal income taxation of the interest received by the owners of the Bonds; or

(B) by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, to the effect that the Bonds, or obligations of the general character of the Bonds, including any and all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended;

(ii) legislation enacted by the legislature of the State of California (the "State"), or a decision rendered by a court of the State, or a ruling, order or regulation (final or temporary) made by the State authority, which would have the effect of changing, directly or indirectly, the State tax consequences of interest on obligations of the general character of the Bonds in the hands of the holders thereof;

(iii) an order, decree or injunction of any court of competent jurisdiction, or an order, filing, regulation or official statement by the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, issued or made to the effect that the issuance or sale of the Bonds, as contemplated hereby, is or would be in violation of the federal securities laws, as amended and then in effect;

(iv) the occurrence of any adverse change of a material nature of the financial condition, results of operation or properties of the Successor Agency; or

(v) the withdrawal or downgrading of any rating of any of the Successor Agency's outstanding indebtedness by a national rating agency;

(e) At or prior to the date of the Closing, the Purchaser shall receive copies of the following documents satisfactory in form and substance thereto:

(1) Bond Opinion. (i) The approving opinion of Bond Counsel, as to the validity and tax-exempt status of the Bonds, dated the date of the Closing, addressed to the Successor Agency, in substantially the form attached hereto as Appendix D;

(2) Reliance Letter. A reliance letter from Bond Counsel to the effect that the Purchaser can rely upon the opinions described in (e)(1)(i) above;

(3) Supplemental Opinion of Bond Counsel. A supplemental opinion of Bond Counsel addressed to the Successor Agency and the Purchaser, in form and substance acceptable to the Purchaser, dated as of the Closing, substantially to the following effect:

(i) assuming due authorization, execution and delivery by all the parties thereto (other than the Successor Agency), the Agreement, the Purchase Contract and the Refunding Instructions have been duly authorized, executed and delivered by the Successor Agency and constitute legal, valid and binding agreements of the Successor Agency enforceable in accordance with their terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors' rights and except as such enforcement may be subject to the application of equitable principles and the exercise of judicial discretion in appropriate cases if equitable remedies are sought and by the limitations on legal remedies against public agencies in the State of California;

(ii) no authorization, approval, consent or other order of the State or any local agency of the State, other than such authorizations, approvals and consents which have been obtained, is required for the valid authorization, execution and delivery by the Successor Agency of this Purchase Contract or the consummation by the Successor Agency of the other transactions contemplated by the Purchase Contract (provided no opinion need be expressed as to any action required under state securities or blue sky laws in connection with the purchase of the Bonds by the Purchaser); and

(iii) the Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Agreement is exempt from qualification as indentures pursuant to the Trust Indenture Act of 1939, as amended; and

(4) Certificates. A certificate signed by appropriate officials of the Successor Agency to the effect that (i) such officials are authorized to execute this Purchase Contract, (ii) the representations, agreements and warranties of the Successor Agency herein and all statements made in all certificates and other documents delivered to the Purchaser prior to the Closing pursuant to the Purchaser's request are true and correct in all material respects as of the date of Closing, (iii) the Successor Agency has complied with all the terms of the Agreement, the Refunding Instructions and this Purchase Contract to be complied with by the Successor Agency prior to or concurrently with the Closing, and, as to the Successor Agency, such documents are in full force and effect, and (iv) the Bonds being delivered on the date of the Closing to the Purchaser under this Purchase Contract substantially conform to the descriptions thereof contained in the Agreement;

(5) Arbitrage. A nonarbitrage and tax certificate or certificates of the Successor Agency in form satisfactory to Bond Counsel;

(6) Resolution. A certificate or certificates, together with a fully executed copy of the Resolution, of the Secretary to the Successor Agency to the effect that:

(i) such copy is a true and correct copy of the Resolution; and

(ii) that the Resolution was duly adopted and has not been modified, amended, rescinded or revoked except as provided herein, and is in full force and effect on the date of the Closing.

(7) Oversight Board Resolution. A certificate or certificates, together with a fully executed copy of the resolution of the Oversight Board to the Successor Agency approving the issuance of the Bonds (the "Oversight Board Resolution"), of the Clerk to the such Oversight Board to the effect that:

(i) such copy is a true and correct copy of the Oversight Board Resolution; and

(ii) that the Oversight Board Resolution was duly adopted and has not been modified, amended, rescinded or revoked except as provided herein, and is in full force and effect on the date of the Closing.

(8) Department of Finance Approval. A letter from the Department of Finance approving the Oversight Board Resolution and the issuance of the Bonds.

(9) Purchase Contract. An executed copy of this Purchase Contract.

(10) Agreement. An executed copy of the Agreement.

(11) Fiscal Agent Certificate. A certificate of the Fiscal Agent, dated the date of closing, signed by a duly authorized officer of the Fiscal Agent, and in form and substance satisfactory to the Purchaser, to the effect that (i) the Fiscal Agent has all necessary power and authority to enter into and perform its duties under the Agreement and the Refunding Instructions; (ii) the Fiscal Agent has duly authorized, executed and delivered the Agreement and the Refunding Instructions, and, assuming due authorization, execution and delivery by the Successor Agency, the Agreement and the Refunding Instructions constitute the valid and binding agreements of the Fiscal Agent enforceable against the Fiscal Agent in accordance with their terms, except as enforceability may be subject to bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights and to the application of equitable principles; (iii) the execution and delivery of the Agreement and the Refunding Instructions and compliance with the provisions thereof have been duly authorized by all necessary corporate action on the part of the Fiscal Agent and, to the best knowledge of the Fiscal Agent, will not conflict with or constitute a breach of or default under any law, administrative regulation, court decree, resolution, charter, bylaws or any agreement to which the Fiscal Agent is subject or by which it is bound; and (iv) no litigation is pending or, to the best knowledge of the Fiscal Agent, threatened (either in state or federal courts) against the Fiscal Agent in any way contesting or affecting the validity or enforceability of the Bonds, the Agreement or the Refunding Instructions;

(12) Tax Forms. Evidence that federal tax information forms 8038-G with respect to the Bonds have been prepared for filing;

(13) CDIAC. Copies of preliminary filings with the California Debt and Investment Advisory Commission ("CDIAC") relating to the Bonds;

(14) Verification Report. A report and opinion (the "Verification Report") of a firm acceptable to the Purchaser with respect to the sufficiency of the funds held under the Refunding Instructions to refund the Refunded Bonds as provided in the Refunding Instructions;

(15) Defeasance Opinion. A defeasance opinion of Bond Counsel, dated the date of Closing and addressed to the Successor Agency and the Purchaser, with respect to the defeasance of the Refunded Bonds;

(16) Investor Letter. The Investor Letter, executed by the Purchaser, substantially in the form attached hereto as Appendix B;

(17) Wire Transfer Request. A copy of the wire transfer request form provided by the Purchaser and executed by the Successor Agency; and

(18) Other Documents. Such additional legal opinions, certificates, proceedings, instruments and other documents as the Purchaser may reasonably request to evidence compliance (i) by the Successor Agency with legal requirements, (ii) the truth and accuracy, as of the time of Closing, of the representations of the Successor Agency herein contained, and (iii) the due performance or satisfaction by the Successor Agency at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Successor Agency.

(f) Termination. Notwithstanding anything to the contrary herein contained, if for any reason whatsoever the Bonds shall not have been delivered by the Successor Agency to the Purchaser as provided herein, then the obligation to purchase Bonds hereunder shall terminate and be of no further force or effect except with respect to the obligations of the Successor Agency and the Purchaser under Section 10 hereof.

If the Successor Agency is unable to satisfy the conditions to the Purchaser's obligations contained in this Purchase Contract or if the Purchaser's obligations shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract may be cancelled by the Purchaser at, or at any time prior to, the time of Closing. Notice of such cancellation shall be given to the Successor Agency in writing, or by telephone or telegraph, confirmed in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the Successor Agency hereunder and the performance of any and all conditions contained herein for the benefit of the Purchaser may be waived by the Purchaser in writing at its sole discretion.

7. **Conditions to Obligation of the Successor Agency.** The Successor Agency has entered into this Purchase Contract in reliance upon the representations and warranties of the Purchaser contained herein and the performance by the Purchaser of its obligations hereunder, both as of the date hereof and as of the Closing. The Successor Agency's obligations under this Purchase Contract are and shall be subject, at the option of the Successor Agency, to the following conditions: (1) the representations and warranties of the Purchaser contained in this Purchase Contract shall be true, complete and correct on the date hereof and on the Closing, (2) at the time of the Closing, this Purchase Contract shall be in full force and effect, (3) at the time of the Closing, the Purchaser shall perform or shall have performed all of its obligations under this Purchase Contract to be performed at or prior to the Closing, and (4) at or prior to the Closing, the Successor Agency shall have received the following, in each case satisfactory in form and substance to the Successor Agency:

(a) The purchase price of the Bonds, in accordance with Section 1 hereof;

(b) The receipt of the Purchaser, dated as of the Closing, confirming delivery of the Bonds to the Purchaser;

(c) A certificate of the Purchaser, dated as of the Closing and signed by an appropriate official of the Purchaser, to the effect that (i) the representations and warranties of the Purchaser contained in this Purchase Contract are true and correct in all material respects on and as of the Closing with the same effect as if made on the Closing, and (ii) the Purchaser has complied with all the terms of this Purchase Contract to be complied with by the Purchaser prior to or concurrently with the Closing and the Purchase Contract is in full force and effect.

8. Expenses. The Successor Agency shall pay the following expenses from proceeds of the Bonds: (i) the cost of the preparation and reproduction of the Agreement; (ii) the fees and disbursements of Bond Counsel, the Successor Agency's placement agent, and the financial advisor to the Successor Agency; (iii) the cost of the preparation, printing and delivery of the Bonds; (iv) the initial fees of the Fiscal Agent; (v) the fees for obtaining the Verification Report; (vi) expenses for travel, lodging, and subsistence related to meetings connected to the authorization, sale, issuance and distribution of the Bonds, if any; (vii) all reasonable, out-of-pocket costs and expenses incurred by the Purchaser in connection with due diligence and the preparation of documentation, including but not limited to, financial advisory fees (if applicable), and fees of Purchaser's counsel in an amount not to exceed $10,000; and (viii) all other fees and expenses incident to the issuance and sale of the Bonds, including the CDIAC fees.

The Successor Agency may cause proceeds of the Bonds designated to pay expenses to be deposited with a fiscal agent of the Successor Agency appointed for such purpose.

9. Notices. Any written notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication to be given hereunder shall be given to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other parties in writing from time to time, namely:

If to the Successor Agency: Successor Agency to the Redevelopment Agency
of the City of Clayton
6000 Heritage Trail
Clayton, California 94517
Attention: Executive Director

If to the Purchaser, to: JPMorgan Chase Bank, N.A.
[to come]

Attention:

Each such notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication hereunder shall be deemed delivered to the party to whom it is addressed (a) if given by courier or delivery service or if personally served or delivered, upon delivery, (b) if given by electronic communication, whether by telex, telegram or telecopier, upon the sender's receipt of an appropriate answerback or other written acknowledgment, (c) if given by registered or certified mail, return receipt requested, deposited with the United States mail postage prepaid, 72 hours after such notice is deposited with the United States mail, or (d) if given by any other means, upon delivery at the address specified in this Section.

10. Parties in Interest; Survival of Representations and Warranties. This Purchase Contract when accepted by the Successor Agency in writing as heretofore specified shall constitute the entire agreement between the Successor Agency and the Purchaser. This Purchase Contract is made solely for the benefit of the Successor Agency and the Purchaser (including the successors or assigns of the Purchaser). No person shall acquire or have any rights hereunder or by virtue hereof. All representations, warranties and agreements of the Successor Agency in this Purchase Contract shall survive regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Purchaser, (b) delivery of and payment by the Purchaser for the Bonds hereunder, and (c) any termination of this Purchase Contract.

11. **Execution in Counterparts**. This Purchase Contract may be executed in several counterparts each of which shall be regarded as an original and all of which shall constitute but one and the same document.

13. Applicable Law. This Purchase Contract shall be interpreted, governed and enforced in accordance with the laws of the State of California applicable to contracts made and performed in such State.

Very truly yours,

JPMORGAN CHASE BANK, N.A.

By: ______________________________
Authorized Representative

The foregoing is hereby agreed to and accepted as of the date set hereforth:

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF CLAYTON

By: ______________________________
Executive Director

APPENDIX A

$__________
Successor Agency to the Redevelopment Agency of the City of Clayton,
City of Clayton Redevelopment Project Area
Refunding Tax Allocation Bonds, Series 2014
[(Bank Qualified)]

$__________ – _____% Current Interest Term Bond due August 1, 2024 – Yield ____%

Redemption Provisions

Optional Redemption. The Bonds are not subject to optional redemption.

Mandatory Sinking Fund Redemption. The Bonds shall be subject to mandatory redemption in part by lot prior to their maturity date, upon notice as provided in subparagraph (d) below, on each August 1, commencing August 1, 2015, solely from money which has been deposited into the Series 2014 Principal Account in amounts and upon the dates hereby established for the Bonds, as follows:

Date (August 1)	Amount	Date (August 1)	Amount
2015		2020	
2016		2021	
2017		2022	
2018		2023	
2019		2024 (maturity)	

The portion of the Bonds so redeemed shall be redeemed at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium.

APPENDIX B
FORM OF INVESTOR LETTER

Successor Agency to the Redevelopment Agency
of the City of Clayton
6000 Heritage Trail
Clayton, California 94517

Re: *Successor Agency to the Redevelopment Agency of the City of Clayton City of Clayton Redevelopment Project Area Refunding Tax Allocation Bonds, Series 2014*

Ladies and Gentlemen:

The undersigned (the "Purchaser") understands that the Successor Agency to the City of Clayton (the "Successor Agency") has issued its City of Clayton Redevelopment Project Area Refunding Tax Allocation Bonds, Series 2014 (the "Bonds"), in the aggregate principal amount of $_________. The Purchaser intends to purchase certain of said Bonds (for purposes of this Investor Letter, the "Bonds"). In connection with such purchase of the Bonds, the Purchaser makes the certifications, representations, warranties, acknowledgements and covenants contained in this Investor Letter to each of the addressees hereof, with the express understanding that such certifications, representations, warranties, acknowledgements and covenants will be relied upon by such addressees.

The Purchaser hereby certifies, represents, warrants, acknowledges and covenants as follows:

(a) The Purchaser is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it was incorporated or formed and is authorized to invest in the Bonds being purchased hereby. The person executing this letter on behalf of the Purchaser is duly authorized to do so on the Purchaser's behalf.

(b) The Purchaser (MARK APPROPRIATELY):

____ is a "qualified institutional buyer" (a "Qualified Institutional Buyer") within the meaning of Rule 144A promulgated under the Securities Act of 1933, as amended (the "Securities Act"), or

____ is an "accredited investor" (an "Institutional Accredited Investor") as defined in Section 501(a)(1), (2), (3) or (7) of Regulation D promulgated under the Securities Act.

(c) The Purchaser is not purchasing the Bonds for more than one account, is purchasing the Bonds for its own account and is not purchasing the Bonds with a view to distributing the Bonds.

(d) The Purchaser has sufficient knowledge and experience in financial and business matters, including the purchase and ownership of municipal bonds and other tax-exempt obligations similar to the Bonds, to be capable of evaluating the merits and risks of an investment in the Bonds, and the Purchaser is able to bear the economic risks of such an investment.

(e) The Purchaser recognizes that an investment in the Bonds involves significant risks, that there is no established market for the Bonds and that none is likely to develop and, accordingly, that the Purchaser must bear the economic risk of an investment in the Bonds for an indefinite period of time.

(f) The Purchaser understands and agrees that ownership of a Bond may be transferred (i) only to a Person that the Purchaser reasonably believes is either (A) a Qualified Institutional Buyer that is purchasing such Bond for not more than one account, for their own account and not with a view to distributing such Bond, or (B) an Institutional Accredited Investor that is purchasing such Bond for not more than one account for investment purposes and not with a view to distributing such Bond, and (ii) only if such Qualified Institutional Buyer or Institutional Accredited Investor delivers to the Successor Agency a completed and duly executed Investor Letter substantially in the form hereof.

(g) The Purchaser is not relying upon the Successor Agency, or any of its affiliates, agents or employees, for advice as to the merits and risks of investment in the Bonds. The Purchaser has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision.

(h) The Purchaser has conducted its own independent examination of, and has had an opportunity to ask questions and receive answers concerning, the Successor Agency, the Bonds and the security therefor and the transactions and documents related to or contemplated by the foregoing.

(i) The Purchaser has been furnished with all documents and information regarding the Successor Agency, the Bonds and the security therefor and the transactions and documents related to or contemplated by the foregoing, and all matters related thereto, that it has requested.

(j) The Purchaser understands and agrees that the offering and sale of the Bonds are exempt from Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, pursuant to Section (d) of said Rule.

(k) The person executing this letter on behalf of the Purchaser is duly authorized to do so on the Purchaser's behalf.

IN WITNESS WHEREOF, the Purchaser has executed this Investor Letter as of the date set forth below.

Dated: __________ __, 20__

Very truly yours,

____

By: ___________________________
Name: _________________________
Title: _________________________

APPENDIX C

[to come]

APPENDIX D

[Opinion of Bond Counsel]

[to come]

IRREVOCABLE REFUNDING INSTRUCTIONS - [1999 Bond]

These IRREVOCABLE REFUNDING INSTRUCTIONS (these "Instructions"), dated June __, 2014, are given by the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF CLAYTON, a public entity existing under the laws of the State of California (the "Successor Agency"), as successor agency to the REDEVELOPMENT AGENCY OF THE CITY OF CLAYTON (the "Former Agency"), to U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, acting as fiscal agent (the "Fiscal Agent") for the hereinafter defined Series 1999 Bonds;

WITNESSETH:

WHEREAS, the Former Agency has previously issued its City of Clayton Redevelopment Project Area Tax Allocation Bonds, Series 1999 (the "Series 1999 Bonds") for the purpose of financing redevelopment activities with respect to the Redevelopment Project (as defined in the hereinafter mentioned Agreement), pursuant to an Indenture and Fiscal Agent Agreement, dated as of December 1, 1990 between the former Agency and Bankers Trust Company of California, N.A., as succeeded by the Fiscal Agent (as amended through the date hereof, including by the hereinafter defined Fourth Supplemental Agreement, the "Agreement"); and

WHEREAS, by implementation of California Assembly Bill X1 26, which amended provisions of the California Redevelopment Law, (found at Health and Safety Code Section 33000, et.seq.) and the California Supreme Court's decision in California Redevelopment Association v. Matosantos, the Former Agency was dissolved on February 1, 2012 in accordance with California Assembly Bill X1 26 approved by the Governor of the State of California on June 28, 2011 ("AB 26"), and on February 1, 2012, the Successor Agency, in accordance with and pursuant to AB 26, assumed the duties and obligations set forth in AB 26 for the Former Agency, including, without limitation, the obligations of the Former Agency under the Agreement and related documents to which the Former Agency was a party; and

WHEREAS, the Successor Agency has determined that it is in the best financial interests of the Successor Agency to refund, at this time, the Series 1999 Bonds; and

WHEREAS, in order to provide funds for such purpose, the Successor Agency is issuing its City of Clayton Redevelopment Project Area Refunding Tax Allocation Bonds, Series 2014 (the "Series 2014 Bonds") and applying a portion of the proceeds thereof, together with certain other moneys, to defease and redeem all of the outstanding Series 1999 Bonds; and

WHEREAS, the Series 2014 Bonds are being issued pursuant to a Fourth Supplemental Indenture and Fiscal Agent Agreement dated as of June 1, 2014 (the "Fourth Supplemental Agreement"), between the Successor Agency and the Fiscal Agent; and

WHEREAS, the Successor Agency wishes to give these Instructions to the Fiscal Agent for the purpose of providing the terms and conditions relating to the deposit and application of moneys to provide for the payment and redemption of the outstanding Series 1999 Bonds;

NOW, THEREFORE, the Successor Agency hereby irrevocably instructs the Fiscal Agent as follows:

Section 1. Establishment of the Series 1999 Bonds Escrow Fund. The Fiscal Agent shall establish and hold, separate and apart from all other funds and accounts held by it, a special fund known as the "Series 1999 Bonds Escrow Fund" (the "Escrow Fund"). All amounts on deposit in the Escrow Fund are hereby irrevocably pledged as a special trust fund for the redemption of all of the outstanding Series 1999 Bonds on August 1, 2014. Neither the Fiscal Agent nor any other person shall have a lien upon or right of set off against the amounts at any time on deposit in the Escrow Fund, and such amounts shall be applied only as provided herein.

Section 2. Deposit into the Series 1999 Bonds Escrow Fund; Investment of Amounts. Concurrently with delivery of the Series 2014 Bonds, the Successor Agency shall cause to be deposited in the Escrow Fund the amount of $____________ in immediately available funds to be derived from a portion of the proceeds of sale of the Series 2014 Bonds. Additionally, the Fiscal Agent will also transfer for deposit into the Escrow Fund the amount of $__________, representing __________________. The Successor Agency hereby directs the Fiscal Agent to invest all amounts on deposit in the Escrow Fund in ________________.

The Successor Agency signifies that by making the deposit described herein, it is discharging the Series 1999 Bonds pursuant to the Agreement.

Section 3. Proceedings for Redemption of Series 1999 Bonds. The Successor Agency hereby irrevocably elects, and directs the Fiscal Agent, to redeem, on August 1, 2014, from amounts on deposit in the Escrow Fund, the outstanding Series 1999 Bonds. The Fiscal Agent acknowledges, that by accepting these instructions, it will give a notice of such redemption in accordance with the Agreement in order to allow for the redemption of the Series 1999 Bonds on August 1, 2014.

Section 4. Application of Funds to Redeem Series 1999 Bonds. The Fiscal Agent shall apply the amounts on deposit in the Escrow Fund to redeem the outstanding Series 1999 Bonds on August 1, 2014 at a price equal to 100% of the principal amount thereof plus accrued and unpaid interest, all in accordance with the Agreement.

Section 5. Transfer of Remaining Funds. On August 2, 2014, following the payment and redemption described above and payment of any amounts then owed to the Fiscal Agent, the Fiscal Agent shall withdraw any amounts remaining on deposit in the Escrow Fund and transfer such amounts into the Series 2014 Interest Account established under the Fourth Supplemental Agreement to be used solely for the purpose of paying interest on the Series 2014 Bonds.

Section 6. Amendment. These Instructions shall be irrevocable by the Successor Agency. These Instructions may be amended or supplemented by the Successor Agency, but only if the Successor Agency shall file with the Fiscal Agent (a) an opinion of nationally recognized bond counsel engaged by the Successor Agency stating that such amendment or supplement will not, of itself, adversely affect the exclusion from gross income of interest on the Series 1999 Bonds or the Series 2014 Bonds under federal income tax law, and (b) a certification of an independent accountant or independent financial adviser engaged by the Successor Agency stating that such amendment or supplement will not affect the sufficiency of funds invested and held hereunder to make the payments required by Section 4.

Section 7. Application of Certain Terms of the Agreement. All of the terms of the Agreement relating to the payment of principal of and interest and repayment premium, if any, on the Series 1999 Bonds and the redemption thereof, and the protections, immunities and limitations from liability afforded the Fiscal Agent, are incorporated in these Instructions as if set forth in full herein.

Section 8. Counterparts. These Instructions may be signed in several counterparts, each of which will constitute an original, but all of which will constitute one and the same instrument.

Section 9. Governing Law. These Instructions shall be construed in accordance with and governed by the laws of the State of California.

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF CLAYTON

By: ______________________________

ACCEPTED:

U.S. BANK NATIONAL ASSOCIATION,
as Fiscal Agent

By: ______________________________
Authorized Officer

IRREVOCABLE REFUNDING INSTRUCTIONS - [1996A Bond]

These IRREVOCABLE REFUNDING INSTRUCTIONS (these "Instructions"), dated June __, 2014, are given by the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF CLAYTON, a public entity existing under the laws of the State of California (the "Successor Agency"), as successor agency to the REDEVELOPMENT AGENCY OF THE CITY OF CLAYTON (the "Former Agency"), to U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, acting as fiscal agent (the "Fiscal Agent") for the hereinafter defined Series 1996A Bonds;

WITNESSETH:

WHEREAS, the Former Agency has previously issued its City of Clayton Redevelopment Project Area Refunding Tax Allocation Bonds, Series 1996A (the "Series 1996A Bonds") for the purpose of financing and refinancing redevelopment activities with respect to the Redevelopment Project (as defined in the hereinafter mentioned Agreement), pursuant to an Indenture and Fiscal Agent Agreement, dated as of December 1, 1990 between the former Agency and Bankers Trust Company of California, N.A., as succeeded by the Fiscal Agent (as amended through the date hereof, including by the hereinafter defined Fourth Supplemental Agreement, the "Agreement"); and

WHEREAS, by implementation of California Assembly Bill X1 26, which amended provisions of the California Redevelopment Law, (found at Health and Safety Code Section 33000, et.seq.) and the California Supreme Court's decision in California Redevelopment Association v. Matosantos, the Former Agency was dissolved on February 1, 2012 in accordance with California Assembly Bill X1 26 approved by the Governor of the State of California on June 28, 2011 ("AB 26"), and on February 1, 2012, the Successor Agency, in accordance with and pursuant to AB 26, assumed the duties and obligations set forth in AB 26 for the Former Agency, including, without limitation, the obligations of the Former Agency under the Agreement and related documents to which the Former Agency was a party; and

WHEREAS, the Successor Agency has determined that it is in the best financial interests of the Successor Agency to refund, at this time, the Series 1996A Bonds; and

WHEREAS, in order to provide funds for such purpose, the Successor Agency is issuing its City of Clayton Redevelopment Project Area Refunding Tax Allocation Bonds, Series 2014 (the "Series 2014 Bonds") and applying a portion of the proceeds thereof, together with certain other moneys, to defease and redeem all of the outstanding Series 1996A Bonds; and

WHEREAS, the Series 2014 Bonds are being issued pursuant to a Fourth Supplemental Indenture and Fiscal Agent Agreement dated as of June 1, 2014 (the "Fourth Supplemental Agreement"), between the Successor Agency and the Fiscal Agent; and

WHEREAS, the Successor Agency wishes to give these Instructions to the Fiscal Agent for the purpose of providing the terms and conditions relating to the deposit and application of moneys to provide for the payment and redemption of the outstanding Series 1996A Bonds;

NOW, THEREFORE, the Successor Agency hereby irrevocably instructs the Fiscal Agent as follows:

Section 1. Establishment of the Series 1996A Bonds Escrow Fund. The Fiscal Agent shall establish and hold, separate and apart from all other funds and accounts held by it, a special fund known as the "Series 1996A Bonds Escrow Fund" (the "Escrow Fund"). All amounts on deposit in the Escrow Fund are hereby irrevocably pledged as a special trust fund for the redemption of all of the outstanding Series 1996A Bonds on August 1, 2014. Neither the Fiscal Agent nor any other person shall have a lien upon or right of set off against the amounts at any time on deposit in the Escrow Fund, and such amounts shall be applied only as provided herein.

Section 2. Deposit into the Series 1996A Bonds Escrow Fund; Investment of Amounts. Concurrently with delivery of the Series 2014 Bonds, the Successor Agency shall cause to be deposited in the Escrow Fund the amount of $___________ in immediately available funds to be derived from a portion of the proceeds of sale of the Series 2014 Bonds. Additionally, the Fiscal Agent will also transfer for deposit into the Escrow Fund the amount of $__________, representing _________________. The Successor Agency hereby directs the Fiscal Agent to invest all amounts on deposit in the Escrow Fund in _________________.

The Successor Agency signifies that by making the deposit described herein, it is discharging the Series 1996A Bonds pursuant to the Agreement.

Section 3. Proceedings for Redemption of Series 1996A Bonds. The Successor Agency hereby irrevocably elects, and directs the Fiscal Agent, to redeem, on August 1, 2014, from amounts on deposit in the Escrow Fund, the outstanding Series 1996A Bonds. The Fiscal Agent acknowledges, that by accepting these instructions, it will give a notice of such redemption in accordance with the Agreement in order to allow for the redemption of the Series 1996A Bonds on August 1, 2014.

Section 4. Application of Funds to Redeem Series 1996A Bonds. The Fiscal Agent shall apply the amounts on deposit in the Escrow Fund to redeem the outstanding Series 1996A Bonds on August 1, 2014 at a price equal to 100% of the principal amount thereof plus accrued and unpaid interest, all in accordance with the Agreement.

Section 5. Transfer of Remaining Funds. On August 2, 2014, following the payment and redemption described above and payment of any amounts then owed to the Fiscal Agent, the Fiscal Agent shall withdraw any amounts remaining on deposit in the Escrow Fund and transfer such amounts into the Series 2014 Interest Account established under the Fourth Supplemental Agreement to be used solely for the purpose of paying interest on the Series 2014 Bonds.

Section 6. Amendment. These Instructions shall be irrevocable by the Successor Agency. These Instructions may be amended or supplemented by the Successor Agency, but only if the Successor Agency shall file with the Fiscal Agent (a) an opinion of nationally recognized bond counsel engaged by the Successor Agency stating that such amendment or supplement will not, of itself, adversely affect the exclusion from gross income of interest on the Series 1996A Bonds or the Series 2014 Bonds under federal income tax law, and (b) a certification of an independent accountant or independent financial adviser engaged by the

Successor Agency stating that such amendment or supplement will not affect the sufficiency of funds invested and held hereunder to make the payments required by Section 4.

Section 7. Application of Certain Terms of the Agreement. All of the terms of the Agreement relating to the payment of principal of and interest and repayment premium, if any, on the Series 1996A Bonds and the redemption thereof, and the protections, immunities and limitations from liability afforded the Fiscal Agent, are incorporated in these Instructions as if set forth in full herein.

Section 8. Counterparts. These Instructions may be signed in several counterparts, each of which will constitute an original, but all of which will constitute one and the same instrument.

Section 9. Governing Law. These Instructions shall be construed in accordance with and governed by the laws of the State of California.

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF CLAYTON

By: ______________________________

ACCEPTED:

U.S. BANK NATIONAL ASSOCIATION,
as Fiscal Agent

By: ______________________________
Authorized Officer

DRAFT