

EXHIBIT 3-C



Resource Management Services

610 Olympia Avenue
Seaside, CA 93955

Telephone (831) 899-6825
FAX (831) 899-6311

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

June 25, 2014

RE: Santa Margarita Aquifer Storage and Recovery (ASR) Site Easement Request

Dear Mr. Stoldt,

Thank you for your letter dated June 16, 2014 regarding acquisition of the Santa Margarita Aquifer Storage and Recovery (ASR) Site within the City of Seaside. This proposal has been evaluated and was discussed with the City Council in a Closed Session Meeting on June 19, 2014.

The City Council considered your June 16, 2014 letter responding to the City's April 29, 2014 counter-proposal. A summary of the City Council direction from the June 16th meeting is identified below.

The City is agreeable to the following:

1. 40 year lease term.
2. The first lease payment is due upon transfer of title from FORA to City
3. Option payment of \$ 22,000 due at execution of lease agreement.

The City is proposing that the annual lease be calculated per the Appraisal Report. (\$295,000-\$22,000)*6% = \$16,380 and the lease shall be adjusted annually by the Consumer Price index (CPI).

If the above terms are acceptable, please provide a formal written acceptance, the city will proceed to draft documents for execution of this ground lease. Please contact me if you have any questions or concerns.

Sincerely,

Diana Ingersoll
Deputy City Manager/Resource Management Services

John Dunn, City Manager
Tim O'Halloran, City Engineer/Public Works Services Manager

RECEIVED

JUL - 1 2014

MPWMD